

As filed with the Securities and Exchange Commission on November 1, 1999

Registration No. 333-89607

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

Radio One, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	52-1166660	4832
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)	(Primary Standard Industry Classification Number)

5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20706
Telephone: (301) 306-1111
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

ALFRED C. LIGGINS, III
Chief Executive Officer and President
Radio One, Inc.
5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20706
Telephone: (301) 306-1111
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

With copies to:

RICHARD L. PERKAL, ESQ. Kirkland & Ellis 655 Fifteenth Street, N.W. Washington, D.C. 20005 Telephone: (202) 879-5000	ANTOINETTE COOK BUSH, ESQ. STEPHEN W. HAMILTON, ESQ. Skadden, Arps, Slate, Meagher & Flom LLP 1440 New York Avenue, N.W. Washington, D.C. 20005 Telephone: (202) 371-7000
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Approximate date of commencement of the proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 (the "Securities Act"), check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act Registration Statement number of the earlier effective Registration Statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act Registration Statement number of the earlier effective Registration Statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [X]

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount to be registered(/1/)	Proposed maximum offering price per share(/2/)	Proposed maximum aggregate offering price(/3/)	Amount of registration fee(/4/)
Class A Common Stock, par value \$0.001 per share.....	5,100,000 Shares	\$50.13	\$230,013,000	\$63,944

- (1) Includes 400,000 shares that the underwriters have the option to purchase from the Company to cover over-allotments, if any.
- (2) Estimated solely for purposes of calculating Registration Fee pursuant to Rule 457(c) based on the average high and low sale price per share of class A common stock on The Nasdaq Stock Market's National Market on October 29, 1999 (the "Average Price").
- (3) Represents the sum of (i) the Proposed Maximum Aggregate Offering Price of \$225,000,000 of the 5,000,000 shares included in the initial filing of the Registration Statement as calculated therein, and (ii) the product of the 100,000 additional shares registered hereby and the Average Price.
- (4) Registration Fee of \$62,550 with respect to 5,000,000 shares previously paid. Filing fee with respect to additional shares calculated pursuant to Rule 457(a) and (c) based upon the Average Price.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

+++++The information in this prospectus is not complete and may be changed. We may +
 +not sell these securities until the registration statement filed with the +
 +Securities and Exchange Commission is effective. This prospectus is not an +
 +offer to sell these securities and it is not soliciting an offer to buy these +
 +securities in any state where the offer or sale is not permitted. +
 ++++++

SUBJECT TO COMPLETION, DATED NOVEMBER 1, 1999

4,700,000 Shares

[LOGO OF RADIO ONE]

Class A Common Stock

We are selling 4,000,000 shares of class A common stock and the selling stockholders are selling 700,000 shares of class A common stock. We will not receive any proceeds from shares sold by the selling stockholders.

Our class A common stock is traded on The Nasdaq National Market under the symbol "ROIA." The last reported sale price for our class A common stock on The Nasdaq National Market on October 29, 1999 was \$49.88 per share.

The underwriters have an option to purchase a maximum of 400,000 additional shares to cover over-allotments of shares.

Investing in our class A common stock involves risks. See "Risk Factors" on page 7.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Radio One	Proceeds to Selling Stockholders
	-----	-----	-----	-----
Per Share.....	\$	\$	\$	\$
Total.....	\$	\$	\$	\$

Delivery of the shares of class A common stock will be made on or about .

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston

Deutsche Banc Alex. Brown

Banc of America Securities LLC

Bear, Stearns & Co. Inc.

Prudential Securities

Robertson Stephens

The date of this prospectus is .

[Map of United States detailing location of Radio One Stations appears here]

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Radio One's principal executive offices are located at 5900 Princess Garden Parkway, 8th Floor, Lanham, MD 20706, and our telephone number is (301) 306-1111.

PROSPECTUS SUMMARY

This summary contains a general discussion of our business, this offering and summary financial information. We encourage you to read the entire prospectus for a more complete understanding of Radio One and this offering. Except where otherwise noted, all share numbers and per share data in this prospectus give effect to the capitalization transactions described in "Capitalization." Unless otherwise indicated, all information in this prospectus assumes that the underwriters' over-allotment option will not be exercised.

RADIO ONE, INC.

Introduction

We were founded in 1980 and are the largest radio broadcasting company in the United States primarily targeting African-Americans. After we complete our acquisitions of four stations that we operate in Richmond, we will own 26 radio stations. Twenty-five of these stations (eighteen FM and seven AM) are in nine of the top 20 African-American radio markets: Washington, D.C., Baltimore, Atlanta, Philadelphia, Detroit, Cleveland, St. Louis, Richmond and Boston. Our strategy is to expand within our existing markets and into new markets that have a significant African-American presence. We believe radio broadcasting primarily targeting African-Americans has significant growth potential. We also believe that we have a competitive advantage in the African-American market, and the radio industry in general, due to our focus on formats primarily targeting African-American audiences, our skill in programming and marketing these formats, and our turnaround expertise.

The radio stations that we owned or managed as of June 30, 1999, grouped by market, were ranked in the top three in their markets in combined audience and revenue share among radio stations primarily targeting African-Americans. Due to successful implementation of our business strategy, our net broadcast revenue, broadcast cash flow and after-tax cash flow have grown significantly:

- . Same station net broadcast revenue increased 30.6% from year-end 1997 to year-end 1998 and 32.8% for the six months ended June 30, 1999, compared to the same period in 1998.
- . Same station broadcast cash flow increased 50.4% from year-end 1997 to year-end 1998 and 39.6% for the six months ended June 30, 1999, compared to the same period in 1998.

- After-tax cash flow increased 148.3% from year-end 1997 to year-end 1998 and 22.6% for the six months ended June 30, 1999, compared to the same period in 1998.

Radio One is led by our Chairperson and co-founder, Catherine L. Hughes, and her son, Alfred C. Liggins, III, our Chief Executive Officer and President, who together have over 40 years of operating experience in radio broadcasting. Ms. Hughes, Mr. Liggins and our strong management team have successfully implemented a strategy of acquiring and turning around underperforming radio stations. We believe that we are well positioned to apply our proven operating strategy to our recently or soon to be acquired stations in Cleveland, St. Louis, Richmond and Boston, and to other radio stations in existing and new markets as attractive acquisition opportunities arise.

The African-American Market Opportunity

We believe that operating radio stations in large African-American markets, with formats primarily targeting African-American audiences, has significant growth potential for the following reasons:

- African-Americans are experiencing faster population growth than the population as a whole.
- African-Americans are experiencing higher income growth than the population as a whole.
- There is significant growth in advertising targeting the African-American market.

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- We believe there is a growing influence of African-American culture on American society.
- We believe that radio formats primarily targeting African-Americans are becoming more popular with mainstream audiences.
- We can reach our target audience with fewer radio stations due to the concentration of African-Americans in the top 40 African-American markets.
- African-Americans exhibit stronger radio audience listenership and loyalty than the population as a whole.

Station Portfolio

We operate in some of the largest African-American markets. We have also acquired or agreed to acquire 13 radio stations since January 1, 1999. These acquisitions diversify our net broadcast revenue, broadcast cash flow and asset bases and increase the number of top 20 African-American markets in which we operate from five to nine. The table below outlines our station operations and information about our markets from BIA 1999 Third Edition.

Radio One and Our Markets

Market	Radio One Including Pending Acquisitions						Market Data			
	Number of African-American Stations		Market		1999 Entire Market		1997 MSA Population			
	FM	AM	Audience Share Rank	Revenue Rank	Spring 1999 Audience Share	January-June 1999 Revenue Share	Estimated 1998 Annual Radio Revenue (\$millions)	Ranking by Size of African-American Population	Total (in millions)	African-American %
Washington, D.C.....	2	2	1	1	10.1	10.1%	\$263.4	3	4.3	26.5%
Detroit.....	2	2	2	2	5.5	3.4	230.0	5	4.6	22.3
Philadelphia.....	1	--	2	2	3.0	2.1	255.6	6	4.9	20.2
Atlanta.....	2	--	2	3	6.8	4.9	257.5	7	3.7	26.0
Baltimore.....	2	2	1	1	18.7	22.1	110.1	10	2.5	27.6
St. Louis.....	1	--	n/a	n/a	n/a	n/a	115.6	14	2.6	17.7
Cleveland.....	1	1	3	2	3.6	2.9	98.7	17	2.1	19.2
Boston.....	1	--	n/a	n/a	n/a	n/a	253.9	18	4.3	7.1
Richmond.....	6	1	1	1	26.0	23.6	46.4	19	0.9	30.1

Total..... 18 8

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Business Strategy

We focus primarily on making strategic acquisitions of underperforming radio stations, improving the performance of these stations and operating them to maximize profitability.

Acquisitions - Our primary acquisition strategy is to acquire and to turn around underperforming radio stations principally in the top 40 African-American markets. We consider acquisitions in existing markets where expanded coverage is desirable and in new markets where we believe it is advantageous to establish a presence. For strategic reasons, or as a result of an acquisition of multiple stations in a market, we may also acquire and operate stations with formats that primarily target non-African-American segments of the population.

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Turnarounds - Historically, we have entered a market by acquiring a station or stations that have little or negative broadcast cash flow. Additional stations we have acquired in existing markets have often been, in our opinion, substantially underperforming. By implementing our operating strategy, we have succeeded in increasing ratings, net broadcast revenue and broadcast cash flow of all the FM stations we have owned and operated or managed for at least one year. We have achieved these improvements while operating against much larger competitors.

Operations - In order to maximize net broadcast revenue and broadcast cash flow at our radio stations, we strive to achieve the largest audience share of African-American listeners in each market, to convert these audience share ratings to advertising revenue, and to control operating expenses.

Preliminary Unaudited Third Quarter Results

The following table summarizes certain selected data for the three and nine month periods ended September 30, 1998 and 1999. Dollar figures are in millions.

	Three Months Ended September 30, 1998			Nine Months Ended September 30, 1999		
			Percentage Increase			Percentage Increase
Net broadcast revenue.....	\$13.8	\$24.1	74.6%	\$33.3	\$57.0	71.2%
Broadcast cash flow.....	\$ 6.7	\$12.0	79.1%	\$15.8	\$25.8	63.3%
EBITDA (excluding stock-based compensation expense).....	\$ 6.0	\$10.8	80.0%	\$13.7	\$22.7	65.7%
After-tax cash flow.....	\$ 2.9	\$ 6.7	131.0%	\$ 6.0	\$10.5	75.0%

The increases in our net broadcast revenue resulted primarily from continuing broadcast revenue growth in our Washington, Baltimore and Philadelphia markets as we benefitted from historical ratings increases at certain of our radio stations, improved power ratios at these stations as well as industry growth in each of these markets. Additional revenue gains were derived from our recently acquired stations in Detroit and Cleveland, from stations in Richmond being operated under a time brokerage agreement and from stations in Atlanta acquired in March 1999.

The increases in our broadcast cash flow were attributable to the increases in broadcast revenue partially offset by higher operating expenses related to our rapid expansion in all of our markets.

The increases in our EBITDA, excluding stock-based compensation expense, were attributable to the increase in broadcast revenue partially offset by higher operating expenses and higher corporate expenses partially associated with the costs of operating as a public company.

The increases in our after-tax cash flow were attributable to an increase in operating income partially offset by higher interest charges associated with the financing of various acquisitions as well as a tax provision for the first nine months of 1999 associated with an estimate of our effective tax rate for all of 1999.

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The Offering

Class A common stock offered(/1/)	4,000,000 shares by Radio One 700,000 shares by the selling stockholders ----- 4,700,000 shares of class A common stock =====
Common stock to be outstanding after this offering(/1/)(/2/)	16,034,397 shares of class A common stock 2,873,083 shares of class B common stock 3,195,063 shares of class C common stock ----- 22,102,543 shares of common stock =====
Voting Rights	Holders of class A common stock are entitled to one vote per share and are entitled to elect two independent directors. Holders of class B common stock are entitled to ten votes per share. Holders of class C common stock do not have voting rights, except as required by law.
Other Rights	Except as to voting and conversion rights, each class of common stock has the same rights.
Use of Proceeds	We plan to use the net proceeds from this offering: . to fund pending and future acquisitions; . to repay amounts under our bank credit facility, which will increase debt capacity for pending and future acquisitions; . for continued business development activities; and . for general corporate purposes.
NASDAQ Symbol	ROIA

- (1) Excludes 400,000 shares of class A common stock that may be issued to cover over-allotments of shares.
- (2) Excludes 207,204 shares of class A common stock issuable upon exercise of stock options outstanding at an average exercise price of \$24.00.

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Summary Historical and Pro Forma Consolidated Financial Data

The following table contains summary historical financial information derived from the audited consolidated financial statements for the years ended

December 31, 1996, 1997 and 1998, and the unaudited financial statements for the six months ended June 30, 1998 and 1999, of Radio One. The table also contains summary unaudited pro forma financial information derived from the unaudited pro forma financial information set forth under "Unaudited Pro Forma Consolidated Financial Information." The summary unaudited pro forma consolidated financial information does not purport to represent what our results of operations or financial condition would actually have been had the transactions described below occurred on the dates indicated or to project our results of operations or financial condition for any future period or date. The summary financial data set forth in the following table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Consolidated Financial Information," and the unaudited financial statements and the audited consolidated financial statements of Radio One included elsewhere in this prospectus.

- . The pro forma amounts for the year ended December 31, 1998, and the six months ended June 30, 1999, are adjusted to give effect to the following transactions as if they had occurred as of January 1, 1998:

-- the acquisitions of:

- . Bell Broadcasting Company;
- . Allur-Detroit, Inc.;
- . Radio One of Atlanta, Inc.;
- . Dogwood Communications, Inc. (by Radio One of Atlanta, Inc.);
- . WENZ-FM and WERE-AM in Cleveland;
- . the assets of WFUN-FM in St. Louis (pro forma balance sheet only);
- . WKJS-FM and WARV-FM in Richmond;
- . WDYL-FM in Richmond; and
- . the assets of WBOT-FM in Boston (pro forma balance sheet only);

-- the pending acquisitions of WJRV-FM, WCDX-FM, WPLZ-FM, and WGCV-AM in Richmond;

-- the repayment of debt;

-- our initial public offering of class A common stock on May 5, 1999; and

-- this offering.

- . The pro forma balance sheet data are adjusted to give effect to the transactions described above as if they had occurred as of June 30, 1999 unless the transactions had actually occurred prior to that date.

	Fiscal Year Ended December 31,				Six Months Ended June 30,		
	Historical				Historical		
	1996	1997	1998	1998 Pro Forma	1998	1999	1999 Pro Forma
				(unaudited)	(unaudited)		(unaudited)
	(in thousands, except per share data)						
Statement of Operations							
Net broadcast revenue...	\$23,702	\$32,367	\$46,109	\$73,043	\$19,528	\$ 32,854	\$ 40,385
Station operating							
expenses.....	13,927	18,848	24,501	42,135	10,510	19,083	22,420
Corporate expenses.....	1,793	2,155	2,800	2,800	1,319	2,153	2,174
Depreciation and							

amortization.....	4,262	5,828	8,445	20,910	3,632	7,475	10,209
Operating income.....	3,720	5,536	10,363	7,198	4,067	4,143	5,582
Interest expense.....	7,252	8,910	11,455	9,628	4,925	7,489	4,971
Other income (expense), net.....	(77)	415	358	451	286	141	149
Income tax benefit (expense).....	--	--	1,575	500	--	(476)	(1,200)
Income (loss) before extraordinary item...	\$(3,609)	\$(2,959)	\$ 841	\$(1,479)	\$(572)	\$(3,681)	\$(440)
Loss applicable to common stockholders before extraordinary item.....	\$(3,609)	\$(4,996)	\$(2,875)	\$(1,479)	\$(2,344)	\$(5,157)	\$(440)
Earnings per common share:							
Basic and diluted.....	\$(0.38)	\$(0.53)	\$(0.31)	\$(0.07)	\$(0.25)	\$(0.40)	\$(0.02)
Weighted average common shares outstanding:							
Basic and diluted.....	9,392	9,392	9,392	22,102	9,392	12,739	22,102
Other Data:							
Broadcast cash flow.....	\$ 9,775	\$13,519	\$21,608	\$30,908	\$ 9,018	\$ 13,771	\$ 17,965
Broadcast cash flow margin.....	41.2%	41.8%	46.9%	42.3%	46.2%	41.9%	44.5%
EBITDA (before non-cash compensation expense)..	\$ 7,982	\$11,364	\$18,808	\$28,402	\$ 7,699	\$ 11,843	\$ 16,016
After-tax cash flow.....	806	2,869	7,248	18,262	3,060	3,794	9,994
Cash interest expense...	4,815	4,413	7,192	5,986	3,104	5,207	2,993
Accreted preferred stock dividends.....	--	2,037	3,716	--	1,772	1,476	--
Capital expenditures....	252	2,035	2,236	4,534	1,103	2,119	3,414
Ratio of total debt to EBITDA (before non-cash compensation expense).....				2.8x			
Ratio of EBITDA (before non-cash compensation expense) to interest expense.....				2.9x			3.2x
Ratio of EBITDA (before non-cash compensation expense) to cash interest expense.....				4.7x			5.4x
Balance Sheet Data (at period end):							
Cash and cash equivalents.....					\$ 5,018	\$ 85,968	
Intangible assets, net.....					200,181	271,261	
Total assets.....					243,776	398,926	
Total debt (including current portion and deferred interest).....					96,498	80,498	
Total stockholders' equity					122,930	294,080	

RISK FACTORS

You should carefully consider the following factors and other information in this prospectus before deciding to invest in shares of class A common stock of Radio One.

Restrictions Imposed by Our Debt - The terms of our debt restrict us from engaging in many activities and require us to satisfy various financial tests.

Our bank credit facility and the agreements governing our other outstanding debt contain covenants that restrict, among other things, our ability to incur additional debt, pay cash dividends, purchase our 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 our assets, or merge, consolidate or sell all or substantially all of our assets.

Our bank credit facility also requires us to get our banks' consent before we make acquisitions. This restriction may make it more difficult to pursue our acquisition strategy. Our bank credit facility also requires us to maintain specific financial ratios. Events beyond our control could affect our ability to meet those financial ratios, and we cannot assure you that we will meet them.

All of the loans under our bank credit facility are due on December 31,

2003. A breach of any of the covenants contained in our bank credit facility could allow our lenders to declare all amounts outstanding under the bank credit facility to be immediately due and payable. In addition, our banks could proceed against the collateral granted to them to secure that indebtedness. If the amounts outstanding under the bank credit facility are accelerated, we cannot assure you that our assets will be sufficient to repay in full the money owed to the banks or to our other debt holders.

Substantial Debt - Our substantial level of debt could limit our ability to grow and compete.

As of June 30, 1999, we had outstanding total debt of \$96.5 million (including \$16.0 million bearing interest at variable rates) and stockholders' equity of \$122.9 million.

Our substantial level of indebtedness could adversely affect us for various reasons, including limiting our ability to:

- . obtain additional financing for working capital, capital expenditures, acquisitions, debt payments or other corporate purposes;
- . have sufficient funds available for operations, future business opportunities or other purposes;
- . compete with competitors that have less debt than we do; and
- . react to changing market conditions, changes in our industry and economic downturns.

Additional Borrowings Available--In addition to our current level of indebtedness, we have the ability to incur substantially more debt. This additional debt could further exacerbate the risks described above.

Although the agreements governing our indebtedness place certain limitations on the incurrence of additional indebtedness by us, under certain circumstances we can incur substantial amounts of additional indebtedness. For example, we may be able to borrow up to \$100.0 million under our bank credit facility. Additionally, the agreements governing our indebtedness would have permitted us to incur up to approximately \$160.0 million of additional debt as of June 30, 1999, after giving effect to the transactions described under "Unaudited Pro Forma Consolidated Information," as if they had occurred on June 30, 1999, unless the transactions had actually occurred prior to that date. If we incur additional debt, the related risks discussed above could intensify. See "Description of Indebtedness" for a more detailed discussion of the terms of certain of our indebtedness.

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History of Net Losses - If we have losses in the future, the market price of our common stock and our ability to raise capital could be adversely affected.

We cannot be certain that we will sustain profitability. Failure to sustain profitability may adversely affect the market price of our common stock, which in turn may adversely affect our ability to raise additional equity capital and to incur additional debt.

Since 1994, we have experienced net losses in three out of five years. The primary reasons for these losses are significant charges for depreciation and amortization relating to the acquisition of radio stations and interest charges on our outstanding debt. If we acquire additional stations, these charges will probably increase.

Dependence on Key Personnel - The loss of key personnel could disrupt the management of our business.

Our business depends upon the continued efforts, abilities and expertise of our executive officers and other key employees. We intend to enter into employment agreements with several of our key employees, including Catherine L. Hughes, Alfred C. Liggins, III, and other executive officers. We believe that the unique combination of skills and experience possessed by these individuals would be difficult to replace, and that the loss of any one of them could have a material adverse effect on us. These adverse effects could include the impairment of our ability to execute our acquisition and operating strategies and a decline in our standing in the radio broadcast industry.

Competition - We compete for advertising revenue against radio stations and other media, many of which have greater resources than we do.

Our stations compete for audiences and advertising revenue with other radio stations and with other media such as television, newspapers, direct mail and outdoor advertising. Audience ratings and advertising revenue are subject to change and any adverse change in a market could adversely affect our net broadcast revenue in that market. If a competing station converts to a format similar to that of one of our stations, or if one of our competitors strengthens its operations, our stations could suffer a reduction in ratings and advertising revenue. Other radio companies which are larger and have more resources may also enter markets in which we operate. Although we believe our stations are well positioned to compete, we cannot assure you that our stations will maintain or increase their current ratings or advertising revenue.

Risks of Acquisition Strategy - Our growth depends on successfully executing our acquisition strategy.

We intend to grow by acquiring radio stations primarily in top 40 African-American markets. We cannot assure you that our acquisition strategy will be successful. Our acquisition strategy is subject to a number of risks, including:

- . Our pending acquisitions may not be consummated, and we may not successfully identify and consummate future acquisitions;
- . Acquired stations may not increase our broadcast cash flow or yield other anticipated benefits;
- . Required regulatory approvals may result in unanticipated delays in completing acquisitions;
- . We may have difficulty managing our rapid growth; and
- . We may be required to raise additional financing and our ability to do so is limited by the terms of our debt instruments.

Controlling Stockholders - Two common stockholders have a majority interest in Radio One and have the power to control matters on which Radio One's common stockholders may vote.

Upon completion of this offering, Catherine L. Hughes and her son, Alfred C. Liggins, III, will collectively hold approximately 64% (63% if the underwriters exercise their over-allotment option) of the

outstanding voting power of Radio One's common stock. As a result, Ms. Hughes and Mr. Liggins will control most decisions involving Radio One, including transactions involving a change of control of Radio One, such as a sale or merger. In addition, certain covenants in Radio One's debt instruments require that Ms. Hughes and Mr. Liggins maintain specified ownership and voting interests in Radio One, and prohibit other parties' voting interests from exceeding specified amounts. Ms. Hughes and Mr. Liggins have agreed to vote their shares together in elections to the board of directors.

Technology Changes, New Services and Evolving Standards - We must respond to the rapid changes in technology, services and standards which characterize our industry in order to remain competitive.

The radio broadcasting industry is subject to rapid technological change, evolving industry standards and the emergence of new media technologies. We cannot assure you that we will have the resources to acquire new technologies or to introduce new services that could compete with these new technologies. Several new media technologies are being developed, including the following:

- . Audio programming by cable television systems, direct broadcast satellite systems, Internet content providers and other digital audio broadcast formats;
- . Satellite digital audio radio service, which could result in the introduction of several new satellite radio services with sound quality equivalent to that of compact discs; and

- . In-band on-channel digital radio, which could provide multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services.

We recently entered into a programming agreement with a satellite digital audio radio service and have also invested in a developer of digital audio broadcast technology. However, we cannot assure you that these arrangements will be successful or enable us to adapt effectively to these new media technologies.

Importance of the Washington, D.C. and Baltimore Markets - A large portion of our net broadcast revenue and broadcast cash flow comes from these markets.

Based upon the stations we owned or managed as of June 30, 1999, our radio stations in Washington, D.C. and Baltimore collectively accounted for 63.5% and 77.1% of our net broadcast revenue and broadcast cash flow, respectively, for the six-month period ended June 30, 1999, adjusted to include results of stations acquired between January 1, 1999 and June 30, 1999. A significant decline in net broadcast revenue or broadcast cash flow from our stations in either of these markets could have a material adverse effect on our financial position and results of operations.

Government Regulation - Our business depends on maintaining our licenses with the FCC. We cannot assure you that we will be able to maintain these licenses.

Radio broadcasters depend upon maintaining radio broadcasting licenses issued by the FCC. These licenses are ordinarily issued for a maximum term of eight years and may be renewed. Our radio broadcasting licenses expire at various times from October 1, 2003 to August 1, 2006. Although we may apply to renew our FCC licenses, interested third parties may challenge our renewal applications. In addition, if Radio One or any of our stockholders, officers, or directors violates the FCC's rules and regulations or the Communications Act of 1934, as amended, or is convicted of a felony, the FCC may commence a proceeding to impose sanctions upon us. Examples of possible sanctions include the imposition of fines; the revocation of our broadcast licenses; or the renewal of one or more of our broadcasting licenses for a term of fewer than eight years. If the FCC were to issue an order denying a license renewal application or revoking a license, we would be required to cease operating the radio station covered by the license only after we had exhausted administrative and judicial review without success.

The radio broadcasting industry is subject to extensive and changing federal regulation. Among other things, the Communications Act and FCC rules and policies limit the number of broadcasting properties that any person or entity may own (directly or by attribution) in any market and require FCC approval for transfers of control and assignments of licenses. The filing of petitions or complaints against Radio One or any FCC licensee from which

we are acquiring a station could result in the FCC delaying the grant of, or refusing to grant or imposing conditions on its consent to the assignment or transfer of control of licenses. The Communications Act and FCC rules also impose limitations on non-U.S. ownership and voting of the capital stock of Radio One.

Antitrust Matters - We may have difficulty obtaining regulatory approval for acquisitions in our existing markets and, potentially, new markets.

An important part of our growth strategy is the acquisition of additional radio stations. After the passage of the Telecommunications Act of 1996, the U.S. Department of Justice has become more aggressive in reviewing proposed acquisitions of radio stations and radio station networks. The Justice Department is particularly aggressive when the proposed buyer already owns one or more radio stations in the market of the station it is seeking to buy. Recently, the Justice Department has challenged a number of radio broadcasting transactions. Some of those challenges ultimately resulted in consent decrees requiring, among other things, divestitures of certain stations. In general, the Justice Department has more closely scrutinized radio broadcasting acquisitions that result in local market shares in excess of 40% of radio advertising revenue. Similarly, the FCC has adopted procedures to review proposed radio broadcasting transactions even if the proposed acquisition otherwise complies with the FCC's ownership limitations. In particular, the FCC

may invite public comment on proposed radio transactions that the FCC believes, based on its initial analysis, may present ownership concentration concerns in a particular local radio market.

Shares of Common Stock Eligible for Future Sale - Future sales by holders of restricted stock could depress the market price of the class A common stock.

Upon completion of this offering, we will have 16,034,397 shares of class A common stock, 2,873,083 shares of class B common stock and 3,195,063 shares of class C common stock issues and outstanding, assuming no exercise of the underwriters' over-allotment option. Of these shares, the 4,700,000 shares of class A common stock being sold in this offering (plus any shares issued upon exercise of the underwriters' over-allotment option), the 7,150,000 shares of class A common stock sold in our initial public offering in May 1999 and approximately 2,293,000 shares of unrestricted class A common stock will be freely transferable without restriction in the public market, except to the extent these shares have been acquired by our affiliates, whose sale of such shares is restricted by Rule 144 under the Securities Act. The remaining shares of our common stock are "restricted" securities under Rule 144 which, among other things, limits the number of such shares available for sale in the public market. However, many of the restrictions of Rule 144 do not apply to persons who are not our affiliates.

The market price of our class A common stock could decline as a result of future sales of substantial amounts of class A common stock, or the perception that such sales could occur. Furthermore, certain of our existing stockholders have the right to require us to register their shares, which may facilitate their sale of shares in the public market.

Year 2000 - Computer programs and microprocessors that have date sensitive software may recognize a date using "00" as year 1900 rather than 2000, or not recognize the date at all, which could result in major system failures or miscalculations.

We rely, directly and indirectly, on information technology systems to operate our radio stations, provide our radio stations with up-to-date news and perform a variety of administrative services, including accounting, financial reporting, advertiser spot scheduling, payroll and invoicing. We also use non-information technology systems, such as microchips, for dating and other automated functions. We are in the process of assessing and remediating potential risks to our business related to the Year 2000 problem. Although we believe that, as a result of these efforts, our critical systems are or will be substantially Year 2000 ready, we cannot assure you that this will be the case. One of our greatest potential Year 2000 risks may be that third parties with whom we deal will fail to be Year 2000 ready. For example, if our programming suppliers or key advertisers experience significant disruptions in their businesses because of the Year 2000 problem, we may lose access to programming and significant advertising revenue.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are not historical facts, but rather are based on our current expectations, estimates and projections about Radio One's industry, our beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties are described in "Risk Factors" and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this prospectus. We are not obligated to update these statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

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USE OF PROCEEDS

The net proceeds from this offering to Radio One, after deducting underwriting discounts and commissions and estimated offering expenses, based on the public offering price of \$ per share, are estimated to be approximately \$ million (\$ million if the underwriters' over-allotment option is exercised in full).

We expect to use approximately \$69.0 million of the net proceeds from this offering to fund the currently pending acquisition of radio stations in Richmond and to repay amounts borrowed under our bank credit facility.

We expect to use a substantial portion of the remaining net proceeds of this offering to acquire radio broadcasting assets and businesses. Depending on the nature of any such acquisitions, we could apply all, or substantially all, of the net proceeds of this offering to such acquisitions. As part of our ongoing business development activities, we expect that we will continue to consider acquisition opportunities. In this regard, we are currently evaluating certain acquisition opportunities. We cannot assure, however, that we will identify suitable acquisition candidates or that we will consummate any acquisition. We may also use remaining net proceeds for continued business development activities and general corporate purposes.

The actual amount of net proceeds we spend on a particular use will depend on many factors, including our future revenue growth, additional financing sources, if any, and the amount of cash generated by our operations. Many of these factors are beyond our control. We reserve the right to allocate proceeds to different uses if, in management's view, the needs of the business so require. Until we use the net proceeds of this offering as described above, we intend to invest the net proceeds in short-term investment-grade marketable securities.

Radio One will not receive any proceeds from class A common stock sold by the selling stockholders.

DIVIDEND POLICY

Since becoming a public company in May 1999, we have not declared any dividends on our common stock. We intend to retain future earnings for use in our business and do not anticipate declaring or paying any cash or stock dividends on shares of our common stock in the foreseeable future. In addition, any determination to declare and pay dividends will be made by our board of directors in light of our earnings, financial position, capital requirements, the bank credit facility, and the 12% notes indenture, and such other factors as the board of directors deems relevant. See "Description of Indebtedness."

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PRICE RANGE OF OUR CLASS A COMMON STOCK

Our class A common stock is traded on The Nasdaq Stock Market's National Market under the symbol "ROIA." The table below shows, for the quarters indicated, the reported high and low bid quotes for our class A common stock on the Nasdaq Stock Market's National Market.

	High	Low
	-----	-----
Fiscal Year 1999		
Second Quarter (beginning May 6).....	\$47.00	\$28.00
Third Quarter.....	46.50	39.63
Fourth Quarter (through October 29).....	51.50	41.50

The initial public offering of our class A common stock was priced on May 5, 1999 at a price of \$24.00 per share. The last reported sale price for our class A common stock on The Nasdaq Stock Market's National Market on October 29, 1999, was \$49.88.

CAPITALIZATION

The table below sets forth our capitalization as of June 30, 1999, on an actual basis and on a pro forma basis giving effect to the transactions identified below.

. The acquisitions of:

- Radio One of Atlanta, Inc. ("ROA");
- Dogwood Communications, Inc. ("Dogwood") by ROA;
- WENZ-FM and WERE-AM in Cleveland;
- the assets of WFUN-FM in St. Louis;
- WDYL-FM in Richmond ("Richmond I");
- WKJS-FM and WARV-FM in Richmond ("Richmond II");
- the assets of WBOT-FM in Boston; and
- WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM in Richmond ("Richmond III").

. the repayment of debt; and

. this offering.

The information in this table should be read in conjunction with "Use of Proceeds," "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements included elsewhere in this prospectus.

	As of June 30, 1999	
	Actual	Pro Forma
	(unaudited) (in thousands except share data)	
Cash and cash equivalents.....	\$ 5,018	\$ 85,968
	=====	=====
Long-term debt (including current portion):		
Bank credit facility.....	\$ 16,000	\$ --
12% senior subordinated notes due May 15, 2004.....	80,436	80,436
Other long-term debt.....	62	62
	-----	-----
Total debt.....	96,498	80,498
	-----	-----
Stockholders' equity (deficit):		
Class A common stock, \$0.001 par value, 30,000,000 shares authorized, 12,034,397 shares and 16,034,397 shares issued and outstanding, respectively.....	12	16
Class B common stock, \$0.001 par value, 30,000,000 shares authorized, 2,873,083 shares issued and outstanding.....	3	3
Class C common stock, \$0.001 par value, 30,000,000 shares authorized, 3,195,063 shares issued and outstanding.....	3	3
Additional paid-in capital.....	152,933	324,079
Accumulated deficit.....	(30,021)	(30,021)
	-----	-----
Total stockholders' equity	122,930	294,080
	-----	-----
Total capitalization.....	\$219,428	\$374,578
	=====	=====

RECENT AND PENDING TRANSACTIONS

We have acquired or agreed to acquire 13 radio stations since January 1, 1999. These acquisitions diversify our net broadcast revenue, broadcast cash flow and asset bases and increase the number of top 20 African-American markets in which we operate from five to nine.

The table below sets forth information regarding each of the recently completed or pending acquisitions as of November 1, 1999.

	No. of Stations	Call Letters	Approximate Purchase Price (in millions)	Date Completed
Completed Transactions				
Atlanta (ROA and Dogwood).....	2	WHTA-FM WAMJ-FM	(/1/)	3/99
Cleveland.....	2	WENZ-FM WERE-AM	\$20.0	4/99
St. Louis.....	1	WFUN-FM	13.6	6/99
Richmond I.....	1	WDYL-FM	4.6	7/99
Richmond II.....	2	WKJS-FM WARV-FM	12.0	7/99
Boston.....	1	WBOT-FM	10.0	10/99
	---		----	
Subtotal.....	9		60.2 (/2/)	
Pending Transaction				
Richmond III.....	4	WJRV-FM WCDX-FM WPLZ-FM WGCV-AM	34.0	--
	---		----	
Total.....	13		\$94.2 (/2/)	
	===		=====	

(/1/) Radio One issued approximately 3.3 million shares of our common stock and assumed approximately \$16.3 million of debt in this transaction.
(/2/) Excludes ROA and Dogwood.

Completed Transactions

Atlanta--Radio One of Atlanta and Dogwood Communications Acquisitions

On March 30, 1999, Radio One acquired ROA, an affiliate of Radio One, for approximately 3.3 million shares of Radio One common stock. Radio One also assumed and retired approximately \$16.3 million of indebtedness of ROA and Dogwood. At the time, ROA owned approximately 33% of Dogwood. On March 30, 1999, ROA acquired the remaining approximate 67% of Dogwood for \$3.6 million. Founded in 1995, ROA owns and operates WHTA-FM. Dogwood owns WAMJ-FM which, prior to ROA's acquisition of 100% of Dogwood, ROA operated under a local marketing agreement ("LMA"). Upon the completion of these acquisitions, ROA became a wholly owned subsidiary of Radio One, and Dogwood became a wholly owned subsidiary of ROA. See "Certain Relationships and Related Transactions."

Cleveland--WENZ-FM and WERE-AM Acquisition

On April 30, 1999, Radio One acquired WENZ-FM and WERE-AM, both of which are licensed to Cleveland, Ohio, for approximately \$20.0 million in cash.

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St. Louis--WFUN-FM Acquisition

On June 4, 1999, Radio One acquired the assets of WFUN-FM, licensed to Bethalto, Illinois, for approximately \$13.6 million in cash. We are in the process of moving WFUN-FM to a broadcast tower site closer to downtown St. Louis and upgrading its signal from 6 kW to 25 kW, and we expect to reformat

the station.

Richmond I and II--WDYL-FM Acquisition and WKJS-FM and WARV-FM Acquisition

On July 1, 1999, Radio One acquired WKJS-FM, licensed to Crewe, Virginia, and WARV-FM, licensed to Petersburg, Virginia, for approximately \$12.0 million in cash, subject to purchase price adjustments.

On July 15, 1999, Radio One acquired WDYL-FM, licensed to Chester, Virginia, for approximately \$4.6 million in cash.

Boston--WBOT-FM Acquisition

On October 1, 1999, Radio One acquired the assets of WBOT-FM, licensed to Brockton, Massachusetts, for approximately \$10.0 million in cash. WBOT-FM is temporarily off the air while we change its format from Country to Urban.

Pending Transaction

Richmond III--WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM Acquisitions

Pursuant to an asset purchase agreement dated May 6, 1999, Radio One has agreed to acquire WCDX-FM, licensed to Mechanicsville, Virginia; WPLZ-FM, licensed to Petersburg, Virginia; WJRV-FM, licensed to Richmond, Virginia; and WGCV-AM, licensed to Petersburg, Virginia, for approximately \$34.0 million in cash. We have been operating WCDX-FM, WPLZ-FM and WJRV-FM under a time brokerage agreement since June 1, 1999, and we expect to complete the acquisition no later than the second half of 2000.

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated financial statements for the year ended December 31, 1998, and the six months ended June 30, 1999 (the "Pro Forma Consolidated Financial Statements"), are based on the historical Consolidated Financial Statements of Radio One included elsewhere in this prospectus.

The pro forma amounts for the year ended December 31, 1998 and the six months ended June 30, 1999, are adjusted to give effect to the following transactions as if they had occurred as of January 1, 1998:

-- the acquisitions of:

- . Bell Broadcasting;
- . Allur-Detroit;
- . ROA;
- . Dogwood by ROA;
- . WENZ-FM and WERE-AM in Cleveland
- . the assets of WFUN-FM in St. Louis (pro forma balance sheet only);
- . WDYL-FM in Richmond;
- . WKJS-FM and WARV-FM in Richmond; and
- . the assets of WBOT-FM in Boston (pro forma balance sheet only);

-- the pending acquisition of WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM in Richmond;

-- the repayment of debt;

-- our initial public offering of class A common stock on May 5, 1999; and

-- this offering.

The pro forma balance sheet data are adjusted to give effect to the transactions described above as if they had occurred as of June 30, 1999 unless

the transaction had actually occurred prior to that date.

These transactions are described in the accompanying notes to the Pro Forma Consolidated Financial Statements. The pro forma data are based upon available information and certain assumptions that management believes are reasonable. The Pro Forma Consolidated Financial Statements do not purport to represent what Radio One's results of operations or financial condition would actually have been had these transactions occurred on the dates indicated or to project Radio One's results of operations or financial condition for any future period or date. The Pro Forma Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements of Radio One and the historical consolidated financial statements of ROA, Bell Broadcasting, Allur-Detroit, Richmond II and Richmond III included elsewhere in this prospectus, and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The pending acquisition of the operations of the four stations in Richmond will be accounted for using the purchase method of accounting. After an acquisition, the total consideration of such acquisition will be allocated to the tangible and intangible assets acquired and liabilities assumed, if any, based upon their respective estimated fair values. The allocation of the aggregate total consideration included in the Pro Forma Consolidated Financial Statements is preliminary as we believe further refinement is impractical at this time. However, we do not expect that the final allocation of the total consideration will materially differ from the preliminary allocations.

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Unaudited Pro Forma Consolidated Statement of Operations and Other Data

	Year Ended December 31, 1998						
	(in thousands)						
	Completed Transactions Historical (a)	Pro Forma for Completed Transactions Adjustments (b)	Pending Transaction Adjustments (c)	Pro Forma for Completed and Pending Transactions	Offering Adjustments	Pro Forma as Adjusted	
Statement of Operations:							
Net broadcast revenue...	\$46,109	\$19,476	\$65,585	\$7,458	\$73,043	\$ --	\$73,043
Station operating expenses.....	24,501	12,966	37,467	4,668	42,135	--	42,135
Corporate expenses.....	2,800	--	2,800	--	2,800	--	2,800
Depreciation and amortization.....	8,445	9,753	18,198	2,712	20,910	--	20,910
Operating income.....	10,363	(3,243)	7,120	78	7,198		7,198
Interest expense.....	11,455	--	11,455	--	11,455	(1,827) (d)	9,628
Other income (expense), net.....	358	93	451	--	451		451
Income tax benefit (expense).....	1,575	(370)	1,205	(31)	1,174	(674) (e)	500
Net income (loss).....	\$ 841	\$ (3,520)	\$ (2,679)	\$ 47	\$ (2,632)	\$1,653	\$ (1,479)
Net loss applicable to common stockholders....	\$ (2,875)		\$ (2,679)		\$ (2,632)		\$ (1,479)
Earnings per common share:							
Basic and diluted.....	\$ (.31)						\$ (.07)
Weighted average common shares outstanding:							
Basic and diluted.....	9,392						22,102
Other Data:							
Broadcast cash flow(f) ..	\$21,608						\$30,908
Broadcast cash flow margin(g)	46.9%						42.3%
EBITDA (before non-cash compensation expense) (f)	\$18,808						\$28,402
After-tax cash flow(f) ..	7,248						18,262
Cash interest expense (h)	7,192						5,986
Capital expenditures....	2,236						4,534
Ratio of total debt to EBITDA (before non-cash compensation expense)							2.8x
Ratio of EBITDA (before non-cash compensation expense) to interest expense							2.9x
Ratio of EBITDA (before non-cash compensation expense) to cash interest expense							4.7x

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Footnotes for the Unaudited Pro Forma Consolidated Statement of Operations and Other Data for the Year Ended December 31, 1998

- (a) See the consolidated financial statements included elsewhere in this prospectus.
- (b) The table below gives effect to the acquisitions completed during the period from January 1, 1998 through November 1, 1999 as if they had occurred on January 1, 1998:

	Bell Broadcasting Historical (/1/)	Allur-Detroit Historical (/2/)	ROA Historical (/3/)	Cleveland Historical (/4/)	Richmond I Historical (/4/)	Richmond II Historical (/5/)
	(in thousands)					
Statement of Operations:						
Net broadcast revenue.....	\$2,025	\$ 2,854	\$10,140	\$3,295	\$400	\$1,062
Station operating expenses.....	1,423	3,239	5,529	1,979	368	1,002
Corporate expenses.....	663	336	667	--	14	15
Depreciation and amortization.....	63	194	896	811	4	416
Operating income (loss).....	(124)	(915)	3,048	505	14	(371)
Interest expense..	52	383	2,007	600	--	500
Other income (expense), net...	(28)	(50)	7	101	--	21
Income tax benefit (expense).....	(14)	--	(499)	(2)	(6)	--
Net income (loss).....	\$ (218)	\$ (1,348)	\$ 549	\$ 4	\$ 8	\$ (850)

	Pro Forma Adjustments (/6/)	Total
Statement of Operations:		
Net broadcast revenue.....	\$ (300) (/7/)	\$19,476
Station operating expenses.....	(574) (/8/)	12,966
Corporate expenses.....	(1,695) (/9/)	--
Depreciation and amortization.....	7,369 (/10/)	9,753
Operating income (loss).....	(5,400)	(3,243)
Interest expense..	(3,542) (/11/)	--
Other income (expense), net...	42 (/12/)	93
Income tax benefit (expense).....	151 (/13/)	(370)
Net income (loss).....	\$ (1,665)	\$ (3,520)

- (/1/) See the unaudited financial statements of Bell Broadcasting for the six months ended June 30, 1998, included elsewhere in this prospectus, which is the period during 1998 that Bell Broadcasting was not owned by Radio One.
- (/2/) Derived from the unaudited financial statements of Allur-Detroit for the period from January 1, 1998 to December 28, 1998, which is the period during 1998 that the entity was not owned by Radio One.
- (/3/) See the consolidated financial statements of ROA included elsewhere in the prospectus.
- (/4/) The column represents the historical results of operations of the stations to be acquired for the year ended December 31, 1998. As these stations to be acquired did not prepare stand-alone financial statements, these financial statements were carved out from a larger entity and include the direct revenue and expenses charged to the stations and an allocation of those expenses which benefited the stations but were not directly charged to the stations. As these results of operations include allocated expenses, these financial statements do not represent what the results from operations would have been if the stations operated on a stand-alone basis or what they would have been if they were owned by Radio One.
- (/5/) The column represents the historical results of operations for the year

ended December 31, 1998 that were obtained from carveout audited financial statements. See the financial statements included elsewhere in this prospectus.

- (/6/) Historical financial statements and pro forma adjustments related to the St. Louis and Boston acquisitions have not been included in this pro forma income statement, because Radio One has determined that these acquisitions are a purchase of assets. Income statement activity would not be relevant, because Radio One has taken the current stations off the air and will reformat them.
- (/7/) To reflect the elimination of the management fee paid by ROA to Radio One for administrative services provided by Radio One.
- (/8/) To record compensation expense of \$105 for a manager and a general manager Radio One will need to hire to manage the Detroit market, eliminate bonuses of \$115 paid by Allur-Detroit to employees because of the sale, and eliminate the salary, bonus and benefits of \$564 paid to the previous Allur-Detroit general manager who was not retained by Radio One.
- (/9/) To eliminate corporate expenses which Radio One does not expect to incur going forward which consist primarily of compensation of \$617 to officers and former owners of Bell Broadcasting who were not retained by Radio One, the management fee of \$300 paid by ROA to Radio One, charitable contributions and management fees of \$336 paid by the former owners of Allur-Detroit that would not have been distributed if the station had been owned by Radio One and other corporate management fees.
- (/10/) To record the additional depreciation and amortization expense that would have been recognized if the Bell Broadcasting, Allur-Detroit, 20% of Dogwood, ROA Cleveland, Richmond I and Richmond II acquisitions had occurred as of January 1, 1998.
- (/11/) To eliminate interest expense of the acquisitions assuming Radio One would use proceeds from this offering and the May 5, 1999 offering to fund the acquisitions and retire certain outstanding debt.
- (/12/) To eliminate tax penalties incurred by Bell Broadcasting that are not expected to be incurred by Radio One on a going-forward basis.
- (/13/) To record additional tax benefit related to additional loss as a result of the acquisitions.

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(c) The table below gives effect to the acquisition pending as of November 1, 1999:

	Richmond III Historical (/1/)	Pro Forma Adjustments	Total
	-----	-----	-----
	(in thousands)		
Statement of Operations:			
Net broadcast revenue.....	\$7,458	\$ --	\$7,458
Station operating expenses.....	4,668	--	4,668
Corporate expenses.....	413	(413) (/2/)	--
Depreciation and amortization.....	648	2,064 (/3/)	2,712
	-----	-----	-----
Operating income	1,729	(1,651)	78
Income tax expense.....	--	31 (/4/)	31
	-----	-----	-----
Net income	\$1,729	\$ (1,682)	\$ 47
	=====	=====	=====

- (/1/) The column represents the historical results of operations for the year ended December 31, 1998, that were carved out audited financial statements. See the financial statements included elsewhere in this prospectus.
- (/2/) To eliminate corporate management fees which would not be incurred by Radio One.
- (/3/) To record additional amortization of \$2,064 for intangibles related to the excess purchase price of \$32,767 over 15 years, less the amortization previously recorded by the acquired company.
- (/4/) To record additional tax provision related to additional income as a result of the acquisition.

- (d) To record the decrease in interest expense assuming Radio One uses the proceeds of this offering and the May 5, 1999 offering to retire certain outstanding debt.
- (e) To reflect the tax effect for pro forma income.
- (f) Broadcast cash flow consists of operating income before depreciation, amortization, local marketing agreement fees and corporate expenses. EBITDA (before non-cash compensation expense) consists of operating income before depreciation, amortization, non-cash compensation expense and local marketing agreement fees. After-tax cash flow consists of income before income tax benefit (expense) and extraordinary items, minus net gain on sale of assets (net of tax) and the current income tax provision, plus depreciation and amortization expense and non-cash compensation expense. Although broadcast cash flow, EBITDA (before non-cash compensation expense), and after-tax cash flow are not measures of performance or liquidity calculated in accordance with GAAP, we believe that these measures are useful to an investor in evaluating Radio One because these measures are widely used in the broadcast industry as a measure of a radio broadcasting company's performance. Nevertheless, broadcast cash flow, EBITDA (before non-cash compensation expense) and after-tax cash flow should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. Moreover, because broadcast cash flow, EBITDA (before non-cash compensation expense) and after-tax cash flow are not measures calculated in accordance with GAAP, these performance measures are not necessarily comparable to similarly titled measures employed by other companies.
- (g) Broadcast cash flow margin is defined as broadcast cash flow divided by net broadcast revenue.
- (h) Cash interest expense is calculated as interest expense less non-cash interest, including the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs, for the indicated period.

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Unaudited Pro Forma Consolidated Statement of Operations and Other Data

Six Months Ended June 30, 1999							
	Completed Transactions Adjustments (a)	Pro Forma for Completed Transactions Adjustments (b)	Pending Transaction Adjustments (c)	Pro Forma for Completed and Pending Transactions Adjustments	Offerings Adjustments	Pro Forma as Adjusted	
(in thousands)							
Statement of Operations:							
Net broadcast revenue...	\$32,854	\$4,967	\$37,821	\$2,564	\$40,385	--	\$40,385
Station operating expenses.....	19,083	2,742	21,825	595	22,420	--	22,420
Corporate expenses.....	2,153	21	2,174	--	2,174	--	2,174
Depreciation and amortization.....	7,475	1,561	9,036	1,173	10,209	--	10,209
Operating income.....	4,143	643	4,786	796	5,582		5,582
Interest expense.....	7,489	--	7,489	(233)	7,256	(2,285) (d)	4,971
Other income, net.....	141	8	149	--	149		149
Income tax expense.....	476	500	976	224	1,200	--	1,200
Net income (loss).....	\$(3,681)	\$ 151	\$(3,530)	\$ 805	\$(2,725)	\$2,285	\$ (440)
Net loss applicable to common stockholders....	\$(5,157)		\$(5,006)		\$(2,725)		\$ (440)
Earnings per common share:							
Basic and diluted.....	\$ (0.40)						\$ (0.02)
Weighted average common shares outstanding:							
Basic and diluted.....	12,739						22,102
Other Data:							
Broadcast cash flow (e).....	\$13,771						\$17,965
Broadcast cash flow margin (f).....	41.9%						44.5%
EBITDA (before non-cash compensation							

expense) (e).....	\$11,843	\$16,016
After-tax cash		
flow(e).....	3,794	9,994
Cash interest		
expense(g).....	5,207	2,993
Capital expenditures...	2,119	3,414
Ratio of EBITDA (before non-cash compensation expense) to interest expense.....		3.2x
Ratio of EBITDA (before non-cash compensation expense) to cash interest expense.....		5.4x

Footnotes for the Unaudited Pro Forma Consolidated Statement of Operations and Other Data for the Six Months Ended June 30, 1999

- (a) See the consolidated financial statements included elsewhere in this prospectus.
- (b) The table below gives effect to the acquisitions completed during the period from January 1, 1999 through November 1, 1999 as if they had occurred on January 1, 1998:

	ROA Historical (/1/)	Cleveland Historical (/2/)	Richmond I Historical (/2/)	Richmond II Historical (/3/)	Pro Forma Adjustments (/4/)	Total
(in thousands)						
Statement of Operations:						
Net broadcast revenue...	\$2,447	\$977	\$198	\$1,420	\$ (75) (/5/)	\$4,967
Station operating						
expenses.....	1,388	513	182	659	--	2,742
Corporate expenses.....	96	--	6	8	(89) (/6/)	21
Depreciation and						
amortization.....	202	137	8	182	1,032 (/7/)	1,561
Operating income						
(loss).....	761	327	2	571	(1,018)	643
Interest expense,						
including extraordinary						
item.....	491	--	--	231	(722) (/8/)	--
Other income, net.....	--	--	--	8	--	8
Income tax expense.....	100	--	6	--	394 (/9/)	500
Net income (loss).....	\$ 170	\$327	\$ (4)	\$ 348	\$ (690)	\$ 151

- (/1/) See the consolidated financial statements of ROA included elsewhere in the prospectus.
- (/2/) The column represents the historical results of operations of the stations to be acquired for the six months ended June 30, 1999. As these stations to be acquired did not prepare stand-alone financial statements, these financial statements were carved out from a larger entity and include the direct revenue and expenses charged to the stations and an allocation of those expenses which benefited the stations but were not directly charged to the stations. As these results of operations include allocated expenses, these financial statements do not represent what the results from operations would have been if the stations operated on a stand-alone basis or what they would have been if they were owned by Radio One.
- (/3/) The column represents the historical results of operations for the six months ended June 30, 1999 that were obtained from carveout unaudited financial statements. See the financial statements included elsewhere in this prospectus.
- (/4/) Historical financial statements and pro forma adjustments related to the St. Louis and Boston acquisitions have not been included in this pro forma income statement, because Radio One has determined that these acquisitions are purchases of assets. Income statement activity would not be relevant, because Radio One has taken the current stations off the air, and will reformat the stations.
- (/5/) To reflect the elimination of the management fee paid by ROA to Radio One for administrative services provided by Radio One.
- (/6/) To eliminate corporate expenses which Radio One does not expect to incur going forward which consist primarily of corporate management fees.
- (/7/) To record the additional depreciation and amortization expense that would have been recognized if the ROA, Cleveland and Richmond I and II acquisitions had occurred.
- (/8/) To eliminate interest expense of the acquisitions assuming Radio One uses the proceeds from this offering and the May 5, 1999 offering to fund the acquisitions and retire certain outstanding debt.

(/9/) To record additional tax expense related to additional income as a result of the acquisitions.

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(c) The table below gives effect to the acquisition pending as of November 1, 1999:

	Richmond III Historical (/1/)	Pro Forma Adjustments	Total
	-----	-----	-----
	(in thousands)		
Statement of Operations:			
Net broadcast revenue.....	\$2,564	\$ --	\$2,564
Station operating expenses.....	595	--	595
Corporate expenses.....	206	(206) (/2/)	--
Depreciation and amortization.....	161	1,012 (/3/)	1,173
	-----	-----	-----
Operating income	1,602	(806)	796
Interest expense.....	82	(315) (/4/)	(233)
Income tax expense.....	--	224 (/5/)	224
	-----	-----	-----
Net income.....	\$1,520	\$ (715)	\$ 805
	=====	=====	=====

(/1/) The column represents the historical results of operations for the period ended May 31, 1999 that were obtained from carveout unaudited financial statements, as Radio entered into an LMA with Richmond III on June 1, 1999.

(/2/) To eliminate corporate management fees which would not be incurred by Radio One.

(/3/) To record additional amortization of \$1,012 for intangibles related to the excess purchase price of \$32,790 over 15 years, less the amortization previously recorded by the acquired company.

(/4/) To eliminate the LMA fee paid by Radio One to Richmond III and to eliminate interest expense of the Richmond III acquisition assuming Radio One uses the proceeds from this offering and the May 5, 1999 offering to fund the acquisition and retire the outstanding debt.

(/5/) To record additional tax expense related to additional income as a result of the acquisition.

(d) To record the decrease in interest expense assuming Radio One uses the proceeds of this offering and the May 5, 1999 offering to retire outstanding debt.

(e) Broadcast cash flow consists of operating income before depreciation, amortization, local marketing agreement fees and corporate expenses. EBITDA (before non-cash compensation expense) consists of operating income before depreciation, amortization, non-cash compensation expense and local marketing agreement fees. After-tax cash flow consists of income before income tax benefit (expense) and extraordinary items, minus net gain on sale of assets (net of tax) and the current income tax provision, plus depreciation and amortization expense and non-cash compensation expense. Although broadcast cash flow, EBITDA (before non-cash compensation expense), and after-tax cash flow are not measures of performance or liquidity calculated in accordance with GAAP, we believe that these measures are useful to an investor in evaluating Radio One because these measures are widely used in the broadcast industry as a measure of a radio broadcasting company's performance. Nevertheless, broadcast cash flow, EBITDA (before non-cash compensation expense) and after-tax cash flow should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. Moreover, because broadcast cash flow, EBITDA (before non-cash compensation expense) and after-tax

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cash flow are not measures calculated in accordance with GAAP, these performance measures are not necessarily comparable to similarly titled measures employed by other companies.

- (f) Broadcast cash flow margin is defined as broadcast cash flow divided by net broadcast revenue.
- (g) Cash interest expense is calculated as interest expense less non-cash interest, including the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs, for the indicated period.

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Unaudited Pro Forma Consolidated Balance Sheet

As of June 30, 1999

	Historical (a)	Completed Transactions Adjustments (b)	Pro Forma for Completed Transactions	Pending Transaction Adjustments (c)	Pro Forma for Completed and Pending Transactions	Offering Adjustments	Pro Forma as Adjusted
(in thousands)							
ASSETS							
Current assets:							
Cash and cash equivalents.....	\$ 5,018	\$ (40,200)	\$ (35,182)	\$ (34,000)	\$ (69,182)	\$155,150 (d)	\$ 85,968
Trade accounts receivable, net....	16,879	835	17,714	--	17,714	--	17,714
Prepaid expenses and other.....	766	10	776	18	794	--	794
Deferred taxes.....	826	--	826	--	826	--	826
Total current assets.....	23,489	(39,355)	(15,866)	(33,982)	(49,848)	155,150	105,302
Property and equipment, net.....	15,349	1,065	16,414	1,192	17,606	--	17,606
Intangible assets, net.....	200,181	38,290	238,471	32,790	271,261	--	271,261
Other assets.....	4,757	--	4,757	--	4,757	--	4,757
Total assets.....	\$243,776	\$ --	\$243,776	\$ --	\$243,776	\$155,150	\$398,926
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts payable and accrued expenses.....	\$ 9,405	\$ --	\$ 9,405	\$ --	\$ 9,405	\$ --	\$ 9,405
Total current liabilities.....	9,405	--	9,405	--	9,405	--	9,405
Bank credit facility.....	16,000	--	16,000	--	16,000	(16,000) (e)	--
12% notes due 2004...	80,436	--	80,436	--	80,436	--	80,436
Other long-term debt.....	62	--	62	--	62	--	62
Deferred tax liability.....	14,943	--	14,943	--	14,943	--	14,943
Total liabilities.....	120,846	--	120,846	--	120,846	(16,000)	104,846
Stockholders' equity (deficit):							
Class A common stock.....	12	--	12	--	12	4 (f)	16
Class B common stock.....	3	--	3	--	3	--	3
Class C common stock.....	3	--	3	--	3	--	3
Additional paid in capital.....	152,933	--	152,933	--	152,933	171,146 (f)	324,079
Accumulated deficit.....	(30,021)	--	(30,021)	--	(30,021)	--	(30,021)
Total stockholders' equity.....	122,930	--	122,930	--	122,930	171,150	294,080
Total liabilities and stockholders' equity.....	\$243,776	\$ --	\$243,776	\$ --	\$243,776	\$155,150	\$398,926

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Footnotes for the Unaudited Pro Forma Consolidated Balance Sheet as of June 30, 1999

- (a) See the Consolidated Financial Statements included elsewhere in this prospectus.
- (b) The table below gives effect to the acquisitions completed between July 1, 1999 and November 1, 1999 as if they were completed on June 30, 1999.

As of June 30, 1999						
	Richmond I Historical/(1/)	Richmond II Historical/(2/)	St. Louis Historical/(3/)	Boston Historical/(3/)	Acquisitional Adjustments	Total
ASSETS						
Current Assets:						
Cash and cash equivalents.....	\$--	\$ 87	\$--	\$--	\$ (40,287) (/4/)	\$ (40,200)
Trade accounts receivable, net.....	62	773	--	--	--	835
Prepaid expenses and other.....	--	10	--	--	--	10
Total current assets.....	62	870	--	--	(40,287)	(39,355)
Property and equipment, net.....	24	1,041	--	--	--	1,065
Intangible assets, net..	--	3,282	--	--	35,008 (/5/)	38,290
Total assets.....	\$ 86	\$5,193	\$--	\$--	\$ (5,279)	\$ --
LIABILITIES AND STATION EQUITY						
Current Liabilities:						
Accounts payable and accrued expenses.....	\$--	\$ 102	\$--	\$--	\$ (102) (/6/)	\$ --
Current portion of long-term debt.....	--	16	--	--	(16) (/6/)	--
Total current liabilities.....	--	118	--	--	(118) (/6/)	--
Long-term debt and deferred interest.....	--	5,054	--	--	(5,054) (/6/)	--
Total liabilities...	--	5,172	--	--	(5,172)	--
Station equity	86	21	--	--	(107) (/7/)	--
Total liabilities and station equity.....	\$ 86	\$5,193	\$--	\$--	\$ (5,279)	\$ --

- (/1/) The column represents the historical balance sheet of the stations acquired. As the stations acquired did not prepare stand-alone financial statements, these financial statements were carved out from a larger entity and include the assets and liabilities of the stations to be acquired.
- (/2/) See Financial Statements included elsewhere in this prospectus.
- (/3/) Historical financial statements related to the St. Louis and Boston acquisitions have not been included in this pro forma balance sheet because Radio One has determined that these acquisitions are a purchase of the license only.
- (/4/) To reflect the cash paid by Radio One of \$40,200 for the Richmond I and II, St. Louis and Boston acquisitions and to reflect cash not assumed from the acquired companies.
- (/5/) To record intangible assets booked as a result of the acquisitions, calculated as follows:

	Net Tangible		
	Purchase Price	Assets Acquired	Intangibles Acquired
Total.....	\$40,200	\$1,910	\$38,290
Less: Intangibles recorded on historical books...			3,282
Pro forma adjustment.....			\$35,008

- (/6/) To eliminate accounts payable, accrued expenses and debt that will not be

assumed by Radio One.
 (/7/) To eliminate the station equity from the entities acquired.

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(c) The table below gives effect to the pending acquisition as of November 1, 1999 as if it had occurred on June 30, 1999.

	Richmond III Historical (/1/)	Acquisition Adjustments	Total
	-----	-----	-----
	(in thousands)		
ASSETS			
Current Assets:			
Cash and cash equivalents.....	\$ 36	\$ (34,036) (/2/)	\$ (34,000)
Trade accounts receivable, net.....	1,247	(1,247) (/3/)	--
Prepaid expenses and other.....	18	--	18
	-----	-----	-----
Total current assets.....	1,301	(35,283)	(33,982)
Property and equipment, net.....	1,192	--	1,192
Intangible assets, net.....	4,257	28,533 (/4/)	32,790
	-----	-----	-----
Total assets.....	\$6,750	\$ (6,750)	\$ --
	=====	=====	=====
LIABILITIES AND STATION EQUITY			
Current Liabilities:			
Accounts payable and accrued expenses.....	\$ 300	\$ (300) (/5/)	\$ --
Current portion of long-term debt...	--	--	--
	-----	-----	-----
Total current liabilities.....	300	(300)	--
Station equity	6,450	(6,450) (/6/)	--
	-----	-----	-----
Total liabilities and station equity (deficit).....	\$6,750	\$ (6,750)	\$ --
	=====	=====	=====

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- (/1/) This column represents the historical balance sheet of Richmond III as of June 1, 1999, the date Radio One entered into an LMA with Richmond III. Richmond III had no broadcast operations during the month of June 1999. All broadcast revenues, expenses, and assets, except for the station's FCC licenses, are recorded in the financial statements of Radio One subsequent to June 1, 1999.
- (/2/) To reflect the cash paid by Radio One of \$34,000 for the Richmond III acquisition and to reflect cash not assumed from the acquired company.
- (/3/) To eliminate the trade accounts receivable not purchased in the Richmond III acquisition.
- (/4/) To record intangible assets booked as a result of the acquisition, calculated as follows:

	Purchase Price	Net Tangible Assets Acquired	Intangibles Acquired
	-----	-----	-----
Total.....	\$34,000	\$1,210	\$32,790
Less: Intangibles recorded on historical books.....			4,257

Pro forma adjustment.....			\$28,533
			=====

- (/5/) To eliminate accounts payable and accrued expenses that will not be assumed by Radio One.
- (/6/) To eliminate the station equity from the entity acquired.

- (d) To reflect the net proceeds of this offering assuming the sale of 4,000,000 shares of class A common stock at a public offering price of \$45.00 per share less underwriting discounts, commissions and offering expenses of \$8,850, and retirement of borrowings under the bank credit facility.
- (e) To reflect the retirement of debt with the proceeds from this offering.
- (f) To reflect the net proceeds of this offering assuming the sale of 4,000,000 shares of class A common stock at a public offering price of \$45.00 per share, less underwriting discounts, commissions and offering costs of \$8,850 for this offering.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table contains selected historical consolidated financial data with respect to Radio One. The selected historical consolidated financial data have been derived from the Consolidated Financial Statements of Radio One for each of the fiscal years for the five year period ended December 31, 1998, which have been audited by Arthur Andersen LLP, independent public accountants. The selected historical consolidated financial data for the six months ended June 30, 1998, and 1999 have been derived from the unaudited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements of Radio One included elsewhere in this prospectus.

The following table includes information regarding broadcast cash flow, EBITDA, and after-tax cash flow. Broadcast cash flow consists of operating income before depreciation, amortization, local marketing agreement fees and corporate expenses. EBITDA consists of operating income before depreciation, amortization, and local marketing agreement fees. After-tax cash flow consists of income before income tax benefit (expense) and extraordinary items, minus net gain on sale of assets (net of tax) and the current income tax provision, plus depreciation and amortization expense. Although broadcast cash flow, EBITDA, and after-tax cash flow are not measures of performance or liquidity calculated in accordance with GAAP, we believe that these measures are useful to an investor in evaluating Radio One because these measures are widely used in the broadcast industry as a measure of a radio broadcasting company's performance. Nevertheless, broadcast cash flow, EBITDA and after-tax cash flow should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. Moreover, because broadcast cash flow, EBITDA and after-tax cash flow are not measures calculated in accordance with GAAP, these performance measures are not necessarily comparable to similarly titled measures employed by other companies.

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		Fiscal Year Ended December 31, (/1/)				Six Months Ended June 30, (/1/)	
	Dec. 25, 1994	1995	1996	1997	1998	1998	1999
	-----	-----	-----	-----	-----	-----	-----
		(in thousands, except per share data)					
Statement of Operations:							
Net broadcast revenue.....	\$15,541	\$ 21,455	\$ 23,702	\$ 32,367	\$ 46,109	\$ 19,528	\$ 32,854
Station operating expenses..	8,506	11,736	13,927	18,848	24,501	10,510	19,083
Corporate expenses.....	1,128	1,995	1,793	2,155	2,800	1,319	2,153
Depreciation and amortization.....	2,027	3,912	4,262	5,828	8,445	3,632	7,475
	-----	-----	-----	-----	-----	-----	-----
Operating income.....	3,880	3,812	3,720	5,536	10,363	4,067	4,143
Interest expense (/2/).....	2,665	5,289	7,252	8,910	11,455	4,925	7,489
Other income (expense),							

net.....	38	89	(77)	415	358	286	141
Income tax benefit (expense) (/3/)	(30)	--	--	--	1,575	--	(476)
Income (loss) before extraordinary item.....	1,223	(1,388)	(3,609)	(2,959)	841	(572)	(3,681)
Extraordinary loss.....	--	468	--	1,985	--	--	--
Net income (loss).....	\$ 1,223	\$ (1,856)	\$ (3,609)	\$ (4,944)	\$ 841	\$ (572)	\$ (3,681)
Net income (loss) applicable to common stockholders.....	\$ 1,223	\$ (1,856)	\$ (3,609)	\$ (6,981)	\$ (2,875)	\$ (2,344)	\$ (5,157)
Earnings per common share:							
Basic and diluted.....	\$ 0.16	\$ (0.22)	\$ (0.38)	\$ (0.74)	\$ (0.31)	\$ (0.25)	\$ (0.40)
Weighted average common shares outstanding:							
Basic and diluted.....	\$ 7,435	\$ 8,413	\$ 9,392	\$ 9,392	\$ 9,392	\$ 9,392	\$ 12,739
Other Data:							
Broadcast cash flow.....	\$ 7,035	\$ 9,719	\$ 9,775	\$ 13,519	\$ 21,608	\$ 9,018	\$ 13,771
Broadcast cash flow margin(/4/)	45.3%	45.3%	41.2%	41.8%	46.9%	46.2%	41.9%
EBITDA (before non-cash compensation).....	5,907	7,724	7,982	11,364	18,808	7,699	11,843
After-tax cash flow.....	2,763	2,524	806	2,869	7,248	3,060	3,794
Cash interest expense(/5/)	2,356	5,103	4,815	4,413	7,192	3,104	5,207
Accreted preferred stock dividends.....	--	--	--	2,037	3,716	1,772	1,476
Capital expenditures.....	639	224	252	2,035	2,236	1,103	2,119
Balance Sheet Data (at period end):							
Cash and cash equivalents...	\$ 1,417	\$ 2,703	\$ 1,708	\$ 8,500	\$ 4,455	\$ 3,431	\$ 5,018
Intangible assets, net.....	11,705	43,455	39,358	54,942	127,639	89,236	200,181
Total assets.....	20,566	55,894	51,777	79,225	153,856	110,876	243,776
Total debt (including current portion and deferred interest).....	23,049	64,585	64,939	74,954	131,739	105,821	96,498
Preferred stock.....	--	--	--	22,968	26,684	24,741	--
Total stockholders' (deficit) equity.....	(4,367)	(11,394)	(15,003)	(21,984)	(24,859)	(24,328)	\$122,930

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- (/1/) Year-to-year comparisons are significantly affected by Radio One's acquisition of various radio stations during the periods covered. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Prior to the fiscal year ended December 31, 1996, Radio One's accounting reporting period was based on a fifty-two/fifty-three week period ending on the last Sunday of the calendar year. During 1996, we changed our fiscal year end to December 31.
- (/2/) Interest expense includes non-cash interest, such as the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs.
- (/3/) From January 1, 1996 to May 19, 1997, Radio One elected to be treated as an S corporation for U.S. federal and state income tax purposes and, therefore, generally was not subject to income tax at the corporate level during that period.
- (/4/) Broadcast cash flow margin is defined as broadcast cash flow divided by net broadcast revenue.
- (/5/) Cash interest expense is calculated as interest expense less non-cash interest, including the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs, for the indicated period.

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

The following information should be read in conjunction with "Selected Historical Consolidated Financial Data" and the Financial Statements and the notes thereto included elsewhere in this prospectus.

Introduction

The net broadcast revenue of Radio One is derived from local and national advertisers and, to a much lesser extent, ticket and other revenue related to

special events sponsored by Radio One throughout the year. Our significant broadcast expenses are employee salaries and commissions, programming expenses, advertising and promotion expenses, rental of premises for studios and rental of transmission tower space and music license royalty fees. We strive to control these expenses by centralizing certain functions such as finance, accounting, legal, human resources and management information systems and the overall programming management function, as well as using our multiple stations, market presence and purchasing power to negotiate favorable rates with certain vendors and national representative selling agencies. Depreciation and amortization of costs associated with the acquisition of the stations and interest carrying charges are significant factors in determining Radio One's overall profitability.

Radio One's net broadcast 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. Advertising rates are based primarily on (1) a radio station's audience share in the demographic groups targeted by advertisers, as measured principally by quarterly reports developed by Arbitron, (2) the number of radio stations in the market competing for the same demographic groups, and (3) the supply of and demand for radio advertising time. Advertising rates are generally highest during morning and afternoon commuting hours. In 1998, approximately 67.4% of Radio One's revenue was generated from local advertising and 30.3% was generated from national spot advertising. The balance of 1998 revenue was generated primarily from network advertising, tower rental income and ticket and other revenue related to Radio One sponsored events.

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 and broadcast cash flow, although broadcast cash flow is not a measure utilized under GAAP. Broadcast cash flow should not be considered in isolation from, nor as a substitute for, operating income, net income, cash flow, or other consolidated income or cash flow statement data computed in accordance with GAAP, nor as a measure of Radio One's profitability or liquidity. Despite its limitations, broadcast cash flow is widely used in the broadcasting industry as a measure of a company's operating performance because it provides a meaningful measure of comparative radio station performance, without regard to items such as depreciation and amortization, which can vary depending upon accounting methods and the book value of assets, particularly in the case of acquisitions, and corporate expenses.

Radio One's operating results in any period may be affected by advertising and promotion expenses that do not produce commensurate net broadcast revenue in the period in which such expenses are incurred. We generally incur advertising and promotion expenses in order to increase listenership and Arbitron ratings. Increased advertising revenue may wholly or partially lag behind the incurrence of such advertising and promotion expenses because Arbitron only reports complete ratings information on a quarterly basis.

In the broadcasting industry, radio stations often utilize trade or barter agreements to reduce expenses by exchanging advertising time for goods or services. In order to maximize cash revenue from our spot inventory, we minimize the use of trade agreements and have reduced trade revenue to approximately 1.2% of our gross revenue in 1998, down from approximately 4.2% in 1996.

Radio One calculates same station growth over a particular period by comparing performance of stations owned or operated under an LMA during the current period with the performance of the same stations for the

corresponding period in the prior year. However, no station will be included in such a comparison unless it has been owned or operated under an LMA for at least one month of every quarter included in each of the current and corresponding prior-year periods.

From January 1, 1996, through June 30, 1999, Radio One acquired 11 radio stations. On May 19, 1997, Radio One acquired WPHI-FM, in Philadelphia, for approximately \$20.0 million, after having operated the station under an LMA since February 8, 1997. On March 16, 1998, Radio One, through an Unrestricted Subsidiary, acquired BHI, owner and operator of WYCB-AM, in Washington, D.C., for approximately \$3.8 million. On June 30, 1998, Radio One acquired Bell Broadcasting, owner and operator of WDTJ-FM and WCHB-AM in Detroit, and WJZZ-AM

The consolidated financial statements of Radio One for fiscal years 1996, 1997 and 1998 included elsewhere in this prospectus set forth the results of operations of: WPHI-FM for approximately 11 months of fiscal year 1997, including the LMA period, and for fiscal year 1998; WYCB-AM from March 16, 1998, through the end of fiscal year 1998; Bell Broadcasting from July 1, 1998, through the end of fiscal year 1998; and Allur-Detroit from December 29, 1998, through the end of fiscal year 1998. The consolidated financial statements of Radio One for the six months ended June 30, 1999, included elsewhere in this prospectus set forth the results of operations of: ROA and Dogwood from March 30, 1999, through June 30, 1999; WENZ-FM and WERE-AM from April 30, 1999 through June 30, 1999; and WFUN-FM from June 4, 1999, through June 30, 1999. The discussion below concerning results of operations reflects the operations of radio stations Radio One owned and/or managed during the periods presented. As a result of the acquisition of WPHI-FM in May 1997, WYCB-AM in March 1998, Bell Broadcasting in June 1998, Allur-Detroit in December 1998, ROA and Dogwood in March 1999, WENZ-FM and WERE-AM in April 1999, and WFUN-FM in June 1999, Radio One's historical financial data prior to such times are not directly comparable to Radio One's historical financial data for subsequent periods. Additionally, due to recent acquisition activity, our pro forma results for fiscal year 1998 and the six months ended June 30, 1999, differ materially from our actual results for the same periods. For the year ended December 31, 1998, pro forma for completed transactions, net broadcast revenue and broadcast cash flow were approximately \$65.6 million and \$28.1 million, respectively, compared to actual net broadcast revenue and broadcast cash flow of \$46.1 million and \$21.6 million, respectively. For the six months ended June 30, 1999, pro forma for completed transactions, net broadcast revenue and broadcast cash flow were approximately \$37.8 million and \$16.0 million, respectively, compared to actual net broadcast revenue and broadcast cash flow of \$32.8 million and \$13.7 million, respectively.

Results of Operations

	Year Ended December 31,			Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1997	1998	1998	1999	1998	1999
			(in thousands)				
Statement of Operations:							
Net broadcast revenue...	\$23,702	\$32,367	\$46,109	\$11,505	\$21,037	\$19,528	\$32,854
Station operating expenses.....	13,927	18,848	24,501	5,446	11,467	10,510	19,083
Corporate expenses.....	1,793	2,155	2,800	678	1,070	1,319	1,928
Stock-based compensation.....	--	--	--	--	--	--	225
Depreciation and amortization.....	4,262	5,828	8,445	1,859	4,347	3,632	7,475
Operating income.....	3,720	5,536	10,363	3,522	4,153	4,067	4,143
Interest expense.....	7,252	8,910	11,455	2,547	3,752	4,925	7,489
Other income (expense), net.....	(77)	415	358	156	78	286	141
Income (loss) before benefit for income taxes and extraordinary item.....	(3,609)	(2,959)	(734)	1,131	479	(572)	(3,205)

Income tax benefit (expense).....	--	--	1,575	--	(225)	--	(476)
Income (loss) before extraordinary item....	(3,609)	(2,959)	841	1,131	254	(572)	(3,681)
Extraordinary loss.....	--	1,985	--	--	--	--	--
Net income (loss)....	\$ (3,609)	\$ (4,944)	\$ 841	\$ 1,131	\$ 254	\$ (572)	\$ (3,681)
Broadcast cash flow.....	\$ 9,775	\$ 13,519	\$ 21,608	\$ 6,059	\$ 9,570	\$ 9,018	\$ 13,771
Broadcast cash flow margin.....	41.2%	41.8%	46.9%	52.7%	45.5%	46.2%	41.9%
EBITDA.....	\$ 7,982	\$ 11,364	\$ 18,808	\$ 5,381	\$ 8,500	\$ 7,699	\$ 11,843
After-tax cash flow.....	806	2,869	7,248	2,990	4,601	3,060	3,794

Three Months and Six Months Ended June 30, 1999, Compared to Three Months and Six Months Ended June 30, 1998

Net Broadcast Revenue. Net broadcast revenue increased to approximately \$21.0 million for the quarter ended June 30, 1999 from approximately \$11.5 million for the quarter ended June 30, 1998 or 82.6%. Net broadcast revenue increased to approximately \$32.9 million for the six months ended June 30, 1999 from approximately \$19.5 million for the six months ended June 30, 1998 or 68.7%. This increase in net broadcast revenue was the result of continuing broadcast revenue growth in our Washington, Baltimore and Philadelphia markets as we benefitted from historical ratings increases at certain of our radio stations, improved power ratios at these stations as well as industry growth in each of these markets. Additional revenue gains were derived from our recent acquisitions in Detroit and Cleveland and from the radio stations being operated under a time brokerage agreement in Richmond, as well as the March, 1999 acquisition of our former affiliate, Radio One of Atlanta, Inc.

Station Operating Expenses. Station operating expenses excluding depreciation and amortization increased to approximately \$11.5 million for the quarter ended June 30, 1999 from approximately \$5.4 million for the quarter ended June 30, 1998 or 113.0%. Approximately \$2.9 million of the increase was attributable to stations acquired or operated under a time brokerage agreement since June 30, 1998. Station operating expenses excluding depreciation and amortization increased to approximately \$19.1 million for the six months ended June 30, 1999 from approximately \$10.5 million for the six months ended June 30, 1998 or 81.9%. Approximately \$4.3 million of the increase was attributable to stations acquired or operated under a time brokerage agreement since June 30, 1998. On a same station basis, station operating expenses increased 62.8% to approximately \$8.6 million and 70.9% to approximately \$14.8 million for the quarter and six months ended June 30, 1999, respectively. These increases were the result of significant increases in revenue, higher spending on marketing and promotions, additional costs associated with higher ratings and the overall growth of our business.

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Corporate Expenses. Corporate expenses excluding stock-based compensation increased to approximately \$1.1 million from approximately \$0.7 million for the quarter ended June 30, 1999 or 57.1%. Corporate expenses excluding stock-based compensation increased to approximately \$1.9 million from approximately \$1.3 million for the six months ended June 30, 1999 or 46.2%. These increases were due primarily to growth in our corporate staff consistent with our overall expansion as well as increases in the compensation of certain executives and other costs associated with operating as a public company.

Depreciation and Amortization. Depreciation and amortization increased to approximately \$4.3 million from approximately \$1.9 million for the quarter ended June 30, 1999 or 126.3%. Depreciation and amortization increased to approximately \$7.5 million from approximately \$3.6 million for the six months ended June 30, 1999 or 108.3%. These increases were due to our asset growth as well as our acquisitions during 1998 and 1999.

Operating Income. Operating income increased to approximately \$4.2 million for the quarter ended June 30, 1999 from approximately \$3.5 million for the quarter ended June 30, 1998. Operating income was flat at approximately \$4.1 million for each of the six month periods ended June 30, 1999 and June 30, 1998. This increase for the quarter and flatness for the six month period were attributable to higher depreciation and amortization expenses associated with our several acquisitions made within the last year offset by higher revenue as

described above.

Interest Expense. Interest expense increased to approximately \$3.8 million for the quarter ended June 30, 1999 from approximately \$2.5 million for the quarter ended June 30, 1998 or 52.0%. Interest expense increased to approximately \$7.5 million for the six months ended June 30, 1999 from approximately \$4.9 million for the six months ended June 30, 1998 or 53.1%. These increases relate primarily to interest incurred on borrowings under our bank credit facility to help fund the several acquisitions made by us within the past year.

Other Income. Other income decreased to \$78,000 for the quarter ended June 30, 1999 from \$156,000 for the quarter ended June 30, 1998 or 50.0%. Other income decreased to \$141,000 for the six months ended June 30, 1999 from \$286,000 for the six months ended June 30, 1998 or 50.1%. These decreases were primarily attributable to lower interest income due to lower average cash balances as we partially used our free cash balances to help fund acquisitions made during the quarter as well as to help reduce our outstanding balance on our senior bank credit facility, which stood at \$16.0 million at June 30, 1999 as compared to approximately \$49.4 million at June 30, 1998.

Income (loss) before Benefit from Income Taxes. Income before benefit for income taxes decreased to approximately \$0.5 million for the quarter ended June 30, 1999 from approximately \$1.1 million for the quarter ended June 30, 1998 or 54.5%. Loss before benefit for income taxes increased to approximately \$3.2 million for the six months ended June 30, 1999 from approximately \$0.6 million for the six months ended June 30, 1998 or 433.3%. This decrease in income for the quarter and increase in the loss for the six month period were primarily due to higher interest and depreciation and amortization expenses as described above, partially offset by higher revenue.

Net Income (Loss). Net income decreased to approximately \$0.3 million for the quarter ended June 30, 1999 from approximately \$1.1 million for the quarter ended June 30, 1998 or 72.7%. Net loss increased to approximately \$3.7 million for the six months ended June 30, 1999 from approximately \$0.6 million for the six months ended June 30, 1998 or 516.7%. This decrease in income for the quarter and increase in the loss for the six month period was due to the factors described above as well as a tax provision for each of the second quarter and first six month periods of 1999 associated with an estimate of our effective tax rate for all of 1999. In 1998, we used our remaining net operating losses and did not incur a tax liability during the first six months of 1998.

Broadcast Cash Flow. Broadcast cash flow increased to approximately \$9.6 million for the quarter ended June 30, 1999 from approximately \$6.1 million for the quarter ended June 30, 1998 or 57.4%. Broadcast cash

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flow increased to approximately \$13.8 million for the six months ended June 30, 1999 from approximately \$9.0 million for the six months ended June 30, 1998 or 53.3%. These increases were attributable to the increases in broadcast revenue partially offset by higher operating expenses as described above.

EBITDA. EBITDA, excluding stock-based compensation expense, increased to approximately \$8.5 million for the quarter ended June 30, 1999 from approximately \$5.4 million for the quarter ended June 30, 1998 or 57.4%. EBITDA, excluding stock-based compensation expense, increased to approximately \$11.8 million for the six months ended June 30, 1999 from approximately \$7.7 million for the six months ended June 30, 1998 or 53.2%. These increases were attributable to the increase in broadcast revenue partially offset by higher operating expenses and higher corporate expenses partially associated with the costs of operating as a public company.

After-Tax Cash Flow. After-tax cash flow increased to approximately \$4.6 million for the quarter ended June 30, 1999 from approximately \$3.0 million for the quarter ended June 30, 1998, or 53.3%. After-tax cash flow increased to approximately \$3.8 million for the six months ended June 30, 1999 from approximately \$3.1 million for the six months ended June 30, 1998, or 22.6%. These increases were attributable to the increase in operating income partially offset by higher interest charges associated with the financings of various acquisitions as well as the provision for income taxes for 1999, as described above.

Fiscal Year Ended December 31, 1998 Compared to Fiscal Year Ended December 31, 1997

Net Broadcast Revenue. Net broadcast revenue increased to approximately \$46.1 million for the fiscal year ended December 31, 1998, from approximately \$32.4 million for the fiscal year ended December 31, 1997, or 42.3%. Approximately \$3.8 million of the increase was attributable to stations acquired during 1998. On a same station basis, net revenue for the period increased approximately 30.6% to approximately \$42.3 million in 1998 from approximately \$32.4 million in 1997. This increase was the result of continuing broadcast revenue growth in Radio One's Washington, D.C., Baltimore, and Philadelphia markets as we benefitted from ratings increases at certain of our radio stations, improved power ratios at these stations and radio market growth.

Station Operating Expenses. Station operating expenses excluding depreciation and amortization increased to approximately \$24.5 million for the fiscal year ended December 31, 1998, from approximately \$18.8 million for the fiscal year ended December 31, 1997, or 30.3%. Approximately \$2.5 million of the increase was attributable to stations acquired during 1998. On a same station basis, station operating expenses for the period increased approximately 17.0% to approximately \$22.0 million in 1998 from approximately \$18.8 million in 1997. This increase was primarily related to increases in sales commissions and license fees due to significant revenue growth, as well as additional programming costs related to ratings gains at some of our larger radio stations.

Corporate Expenses. Corporate expenses increased to approximately \$2.8 million for the fiscal year ended December 31, 1998, from approximately \$2.2 million for the fiscal year ended December 31, 1997, or 27.3%. This increase was due primarily to growth in the corporate staff consistent with our overall expansion, annual costs associated with the 12% notes due 2004 and costs associated with our public reporting requirements.

Depreciation and Amortization. Depreciation and amortization increased to approximately \$8.4 million for the fiscal year ended December 31, 1998, from approximately \$5.8 million for the fiscal year ended December 31, 1997, or 44.8%. This increase was due primarily to our asset growth as well as our acquisitions in 1998.

Operating Income. Operating income increased to approximately \$10.4 million for the fiscal year ended December 31, 1998, from approximately \$5.5 million for the fiscal year ended December 31, 1997, or 89.1%. This increase was attributable to the increases in broadcast revenues partially offset by higher operating expenses and higher depreciation and amortization expenses as described above.

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Interest Expense. Interest expense increased to approximately \$11.5 million for the fiscal year ended December 31, 1998, from approximately \$8.9 million for the fiscal year ended December 31, 1997, or 29.2%. This increase was primarily due to the 12% notes offering, the retirement of our approximately \$45.6 million bank credit facility and borrowings under our bank credit facility associated with the Bell Broadcasting acquisition.

Other Income. Other income decreased to \$358,000 for the fiscal year ended December 31, 1998, from \$415,000 for the fiscal year ended December 31, 1997, or 13.7%. This decrease was primarily attributable to lower interest income due to lower cash balances as we used a portion of our cash balances to help fund the Bell Broadcasting acquisition.

Loss before Benefit from Income Taxes. Loss before benefit from income taxes decreased to \$734,000 for the fiscal year ended December 31, 1998, from approximately \$3.0 million for the fiscal year ended December 31, 1997, or 75.5%. This decrease was due to higher operating income partially offset by higher interest expense and lower other income. The income tax benefit of approximately \$1.6 million for the year ended December 31, 1998, was the result of reversing our valuation allowance recorded in prior years related to our net operating loss carryforward and other deferred tax assets, offset by an income tax provision of \$483,000 as we had net income for tax reporting purposes as a result of non-deductible amortization expense for income tax purposes. Certain intangible assets acquired as a result of the Bell Broadcasting acquisition maintained their old income tax basis because the Bell Broadcasting acquisition

was a stock purchase.

Net Income (Loss). Net income increased to \$841,000 for the fiscal year ended December 31, 1998, from a net loss of approximately \$4.9 million for the fiscal year ended December 31, 1997. The increase was due to higher operating income and an income tax benefit, partially offset by higher interest expense as described above and an approximate \$2.0 million extraordinary loss related to the refinancing of debt.

Broadcast Cash Flow. Broadcast cash flow increased to approximately \$21.6 million for the fiscal year ended December 31, 1998, from approximately \$13.5 million for the fiscal year ended December 31, 1997, or 60.0%. Approximately \$1.3 million of the increase was attributable to stations acquired during 1998. On a same station basis, broadcast cash flow for the period increased approximately 50.4% to approximately \$20.3 million in 1998 from approximately \$13.5 million in 1997. This increase was attributable to the increase in net broadcast revenue partially offset by higher station operating expenses as described above.

Our broadcast cash flow margin increased to approximately 46.9% for the fiscal year ended December 31, 1998, from 41.8% for the fiscal year ended December 31, 1997. On a same station basis, broadcast cash flow margin for the period increased to approximately 48.0% in 1998 from approximately 41.8% in 1997. This increase was the result of strong revenue gains in our more mature markets partially offset by slower expense growth in those markets. The lower actual broadcast cash flow margin versus that reported on a same station basis for 1998 was the result of our recent entrance into the Detroit market where we acquired underperforming stations with profit margins lower than those of many of the radio stations we own in markets in which we have operated for a longer period of time.

EBITDA. EBITDA increased to approximately \$18.8 million for the fiscal year ended December 31, 1998, from approximately \$11.4 million for the fiscal year ended December 31, 1997, or 64.9%. This increase was attributable to the increase in net broadcast revenue partially offset by higher station operating and corporate expenses as described above.

After-Tax Cash Flow. After-tax cash flow increased to approximately \$7.2 million for the fiscal year ended December 31, 1998, from approximately \$2.9 million for the fiscal year ended December 31, 1997, or 148.3%. This increase was attributable to higher net income and depreciation and amortization as described above.

Fiscal Year Ended December 31, 1997 Compared to Fiscal Year Ended December 31, 1996

Net Broadcast Revenue. Net broadcast revenue increased to approximately \$32.4 million for the fiscal year ended December 31, 1997, from approximately \$23.7 million for the fiscal year ended December 31, 1996, or 36.7%. Approximately \$2.6 million of the increase was attributable to the station acquired during 1997. On a same station basis, net revenue for the period increased approximately 25.7% to approximately \$29.8 million in 1997 from approximately \$23.7 million in 1996. This increase was primarily the result of significant net broadcast revenue growth in our Washington, D.C. and Baltimore markets as we benefitted from ratings increases at our larger radio stations as well as radio market growth.

Station Operating Expenses. Station operating expenses excluding depreciation and amortization increased to approximately \$18.8 million for the fiscal year ended December 31, 1997, from approximately \$13.9 million for the fiscal year ended December 31, 1996, or 35.3%. Approximately \$2.4 million of the increase was attributable to stations acquired during 1997. On a same station basis, station operating expenses for the period increased approximately 18.0% to approximately \$16.4 million in 1997 from approximately \$13.9 million in 1996. This increase was due to higher sales, programming and administrative costs associated with the significant net broadcast revenue growth and ratings gains at our radio stations.

Corporate Expenses. Corporate expenses increased to approximately \$2.2 million for the fiscal year ended December 31, 1997, from approximately \$1.8 million for the fiscal year ended December 31, 1996, or 22.2%. This increase was due primarily to growth in the corporate staff consistent with our overall

expansion, annual costs associated with the 12% notes due 2004 and the costs associated with our public reporting requirements.

Depreciation and Amortization. Depreciation and amortization increased to approximately \$5.8 million for the fiscal year ended December 31, 1997, from approximately \$4.3 million for the fiscal year ended December 31, 1996, or 34.9%. This increase was due primarily to our acquisition of WPHI-FM (formerly WDRE-FM) in 1997.

Operating Income. Operating income increased to approximately \$5.5 million for the fiscal year ended December 31, 1997, from approximately \$3.7 million for the fiscal year ended December 31, 1996, or 48.6%. This increase was attributable to the increases in net broadcast revenue partially offset by higher operating expenses, higher depreciation and amortization expenses and start-up losses incurred earlier in 1997 related to the acquisition of WPHI-FM.

Interest Expense. Interest expense increased to approximately \$8.9 million for the fiscal year ended December 31, 1997, from approximately \$7.3 million for the fiscal year ended December 31, 1996, or 21.9%. This increase related primarily to the 12% notes offering and the associated retirement of our \$45.6 million bank credit facility at that time.

Other Income (Loss). Other income increased to approximately \$415,000 for the fiscal year ended December 31, 1997, from a loss of approximately \$77,000 for the fiscal year ended December 31, 1996. This increase was primarily attributable to higher interest income due to higher cash balances associated with our cash flow growth and capital raised in the 12% notes offering.

Loss before Benefit for Income Taxes. Loss before provision for income taxes and extraordinary item decreased to approximately \$3.0 million for the fiscal year ended December 31, 1997, from approximately \$3.6 million for the fiscal year ended December 31, 1996, or 16.7%. The decrease was due to higher operating and other income partially offset by higher interest expense associated with the 12% notes offering.

Net Loss. Net loss increased to approximately \$4.9 million for the fiscal year ended December 31, 1997, from approximately \$3.6 million for the fiscal year ended December 31, 1996, or 36.1%. This increase was due to a loss of approximately \$2.0 million on the early retirement of the indebtedness under a former bank credit facility with the proceeds from the 12% notes offering, as well as the exchange of our 15% subordinated promissory notes due 2004 for preferred stock.

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Broadcast Cash Flow. Broadcast cash flow increased to approximately \$13.5 million for the fiscal year ended December 31, 1997, from approximately \$9.8 million for the fiscal year ended December 31, 1996, or 37.8%. Approximately \$0.2 million of the increase was attributable to stations acquired during 1997. On a same station basis, broadcast cash flow for the period increased approximately 35.7% to approximately \$13.3 million in 1997 from approximately \$9.8 million in 1996. This increase was attributable to the increases in net broadcast revenue partially offset by higher station operating expenses.

Our broadcast cash flow margin increased to approximately 41.8% for the fiscal year ended December 31, 1997 from 41.2% for the fiscal year ended December 31, 1996. On a same station basis, broadcast cash flow margin for the period increased to approximately 44.6% in 1997 from approximately 41.2% in 1996. This increase was the result of strong revenue gains in our more mature markets partially offset by slower expense growth in those markets. The lower actual broadcast cash flow margin versus that reported on a same station basis for 1997 is the result of our entry into the Philadelphia market where we acquired an underperforming station with profit margins lower than those of many of the radio stations we own in markets in which we have operated for a longer period of time.

EBITDA. EBITDA increased to approximately \$11.4 million for the fiscal year ended December 31, 1997, from approximately \$8.0 million for the fiscal year ended December 31, 1996, or 42.5%. This increase was attributable to the increase in net broadcast revenue partially offset by higher operating and corporate expenses.

After-Tax Cash Flow. After-tax cash flow increased to approximately \$2.9 million for the fiscal year ended December 31, 1997, from approximately

\$806,000 for the fiscal year ended December 31, 1996, or 259.8%. This increase was attributable to higher net income and depreciation and amortization as described above.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by operations and, to the extent necessary, undrawn commitments available under the bank credit facility. Our ability to borrow in excess of the commitments set forth in the credit agreement is limited by the terms of the indenture. Additionally, such terms place restrictions on Radio One 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.

We have used a significant portion of our capital resources to consummate acquisitions. These acquisitions were or will be funded from (1) the bank credit facility, (2) the proceeds of this offering, and (3) internally generated cash flow. A portion of the net proceeds from this offering will be used to repay our outstanding indebtedness under the bank credit facility. See "Use of Proceeds."

Our capital structure consists of our outstanding long-term debt and stockholders' equity. The stockholders' equity consists of common stock, additional paid-in capital and accumulated deficit. Our balance of cash and cash equivalents was approximately \$4.5 million as of December 31, 1998. Our balance of cash and cash equivalents was approximately \$5.0 million as of June 30, 1999. This increase resulted primarily from stronger cash flows from operating activities as well as our initial public offering on May 6, 1999 from which we raised approximately \$119.0 million, partially offset by the repayment of debt and preferred stock with the proceeds from the initial public offering. At June 30, 1999 approximately \$84.0 million remained available (based on various covenant restrictions) to be drawn down from our bank credit facility which was increased to a \$100.0 million facility in February 1999. In general, our primary source of liquidity is cash provided by operations and, to the extent necessary, on undrawn commitments available under our bank credit facility.

Net cash flow from operating activities increased to approximately \$6.0 million for the six months ended June 30, 1999 from approximately \$4.3 million for the six months ended June 30, 1998 or 39.5%. This increase

was primarily due to a higher net loss due to higher interest charges associated with higher average levels of debt outstanding, higher depreciation and amortization charges associated with the various acquisitions made by us in the past year and a higher provision for income taxes as compared to the first half of 1998. Non-cash expenses of depreciation and amortization increased to approximately \$9.7 million for the six months ended June 30, 1999 from approximately \$5.4 million for the six months ended June 30, 1998 or 79.6% due to various acquisitions made by us within the past year.

Net cash flow used in investing activities increased to approximately \$42.0 million for the six months ended June 30, 1999 compared to approximately \$33.6 million for the six months ended June 30, 1998 or 25.0%. During the six months ended June 30, 1999 we, through our Radio One of Atlanta, Inc. subsidiary (which we acquired on March 30, 1999) acquired the remaining stock in Dogwood Communications, Inc. which we did not already own, for approximately \$3.6 million, acquired radio stations WENZ-FM and WERE-AM in Cleveland, Ohio for approximately \$20 million, acquired radio station WFUN-FM in St. Louis, Missouri for approximately \$13.6 million, entered into a time brokerage agreement to operate radio stations located in Richmond, Virginia and made a \$1.0 million investment in PNE Media, LLC. We also made escrow deposits on anticipated acquisitions of additional radio stations in Richmond, Virginia and Boston, Massachusetts. Also during the six months ended June 30, 1999 we made purchases of capital equipment totaling approximately \$2.1 million.

Net cash flow from financing activities was approximately \$36.6 million for the six months ended June 30, 1999. During the six months ended June 30, 1999, we completed our initial public offering of common stock and raised net proceeds of approximately \$119.0 million which was used to partially repay outstanding balances on our bank credit facility and to repay all of our outstanding Senior Cumulative Redeemable Preferred Stock. Additionally, we

increased the size of our bank credit facility to \$100.0 million. During the six months ended June 30, 1999, we partially used this bank credit facility to acquire our former affiliate, Radio One of Atlanta, Inc. which, in turn, acquired the remaining stock of Dogwood Communications, Inc. that we did not already own. We also acquired radio stations located in Cleveland, Ohio and St. Louis, Missouri. Net cash flow from financing activities was approximately \$24.3 million for the six months ended June 30, 1998. During the six months ended June 30, 1998, we acquired, through an unrestricted subsidiary, the capital stock of Broadcast Holdings, Inc., the owner and operator of radio station WYCB-AM, for approximately \$3.8 million in a note, and we used our bank credit facility to acquire Bell Broadcasting Company, an owner and operator of radio stations in Detroit and Kingsley, Michigan, for approximately \$34 million.

As a result of the aforementioned, cash and cash equivalents increased by approximately \$0.6 million during the six months ended June 30, 1999 compared to an approximate \$5.1 million decrease during the six months ended June 30, 1998.

We continuously review, and are currently reviewing, opportunities to acquire additional radio stations, primarily in the top 40 African-American markets. We anticipate that any future radio station acquisitions would be financed through funds generated from operations, 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.

Management believes that, based on current levels of operations and anticipated internal growth, cash flow from operations together with other available sources of funds will be adequate for the foreseeable future to make required payments of interest on Radio One's indebtedness, to fund anticipated capital expenditures and working capital requirements and to enable us to comply with the terms of our debt agreements. Our ability to meet our debt service obligations and reduce our total debt, and our ability to refinance the 12% notes due 2004, at or prior to their scheduled maturity date in 2004, 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. For 1999, we anticipate maintenance capital expenditures to be between \$1.0 million and \$2.0 million and total capital expenditures to be between \$4.0 million and \$6.0 million. During 1997, Radio One converted from a S corporation to a C corporation.

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Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for each of our fiscal years in the three-year period ended December 31, 1998 or for the six months ended June 30, 1999. However, there can be no assurance that future inflation would not have an adverse impact on our operating results and financial condition.

Seasonality

Seasonal net broadcast revenue fluctuations are common in the radio broadcasting industry and are due primarily to fluctuations in advertising expenditures by local and national advertisers. Radio One's first fiscal quarter generally produces the lowest net broadcast revenue for the year.

Year 2000 Compliance

Radio One has commenced a process to ensure Year 2000 compliance of all hardware, software, and ancillary equipment that are date dependent. This process involves four phases:

Phase I-- Inventory and Data Collection. This phase involves an identification of all systems that are date dependent. This phase was completed during the first quarter of 1998.

Phase II-- Compliance Identification. This phase involves Radio One identifying and beginning to replace critical systems that cannot be updated or certified as compliant. We commenced this phase in the first quarter of 1999 and completed the substantial majority of this phase before the end of the second quarter of

1999. To date, we have verified that our accounting, payroll, and local wide area network hardware and software systems are substantially compliant. In addition, we have determined that most of our personal computers and PC applications are compliant. We are currently reviewing our security systems and other miscellaneous systems.

Phase III--Test, Fix, and Verify. This phase involves testing all systems that are date dependent and upgrading all non-compliant systems. We expect to complete this phase during the fourth quarter of 1999.

Phase IV-- Final Testing, New Item Compliance. This phase involves a review of failed systems for compliance and re-testing as necessary. We expect to complete this phase by the end of the fourth quarter of 1999.

To date, we have no knowledge that any of our major systems are not Year 2000 ready or will not be Year 2000 ready by the end of 1999. We have not incurred significant expenditures and believe we will achieve substantial Year 2000 readiness without the need to acquire significant new hardware, software or systems. As part of our expansion over the past two years, we have undertaken significant build-outs, upgrades and expansions to our radio station studios, business offices and technology infrastructure. These enhancement efforts are continuing in all of the markets in which we have recently acquired radio stations and will expand into the new markets in which we will be acquiring radio stations. We believe that most, if not all, of the new equipment installed in conjunction with these recent build-outs is Year 2000 compliant. Based upon our experience to date, we estimate the remaining costs to achieve Year 2000 readiness will be approximately \$100,000, independent of the costs associated with the previously-mentioned expansions which are being undertaken in the normal course of our business development. All costs directly related to preparing for Year 2000 readiness will be expensed as incurred. We are not aware of any Year 2000 problems that would have a material effect on our operations. We are also not aware of any non-compliance by our suppliers that is likely to have material impact on our business. Nevertheless, we cannot assure you that our critical systems, or the critical systems of our suppliers, will be Year 2000 ready.

We do not intend to develop any contingency plans to address possible failures by us or our vendors related to Year 2000 compliance. We do not believe that such contingency plans are required because we believe that we and our significant vendors will be Year 2000 compliant before January 2000.

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BUSINESS

Radio One was founded in 1980 and is the largest radio broadcasting company in the United States primarily targeting African-Americans. After we complete our acquisitions of four stations that we operate in Richmond, we will own 26 radio stations. Twenty-five of these stations (eighteen FM and seven AM) are in nine of the top 20 African-American radio markets: Washington, D.C., Baltimore, Atlanta, Philadelphia, Detroit, Cleveland, St. Louis, Richmond and Boston. Our strategy is to expand within our existing markets and into new markets that have a significant African-American presence. We believe radio broadcasting primarily targeting African-Americans has significant growth potential. We also believe that we have a competitive advantage in the African-American market and the radio industry in general, due to our primary focus on urban formats, our skill in programming and marketing these formats, and our turnaround expertise.

The radio station clusters that we owned or managed as of June 30, 1999, were ranked in the top three in their markets in combined audience and revenue share among radio stations primarily targeting African-Americans. Our net broadcast revenue, broadcast cash flow and after-tax cash flow have grown significantly:

- . Same station net broadcast revenue increased 30.6% from year-end 1997 to year-end 1998 and 32.8% for the six months ended June 30, 1999, compared to the same period in 1998.
- . Same station broadcast cash flow increased 50.4% from year-end 1997 to year-end 1998 and 39.6% for the six months ended June 30, 1999, compared to the same period in 1998.

- . After-tax cash flow increased 148.3% from year-end 1997 to year-end 1998 and 22.6% for the six months ended June 30, 1999, compared to the same period in 1988.

Radio One is led by our Chairperson and co-founder, Catherine L. Hughes, and her son, Alfred C. Liggins, III, our Chief Executive Officer and President, who together have over 40 years of operating experience in radio broadcasting. Ms. Hughes, Mr. Liggins and our strong management team have successfully implemented a strategy of acquiring and turning around underperforming radio stations. We believe that we are well positioned to apply our proven operating strategy to our recently or soon to be acquired stations in Cleveland, St. Louis, Richmond and Boston, and to other radio stations in existing and new markets as attractive acquisition opportunities arise.

The African-American Market Opportunity

We believe that operating urban formatted radio stations primarily targeting African-Americans has significant growth potential for the following reasons:

- . Rapid African-American Population Growth. From 1980 to 1995, the African-American population increased from approximately 26.7 million to 33.1 million, a 24.0% increase, compared to a 16.0% increase in the population as a whole. Furthermore, the African-American population is expected to exceed 40 million by 2010, a 21.2% increase from 1995, compared to an expected increase of 13.3% for the population as a whole. (Source: 1998 U.S. Census Bureau Current Population Report)
- . Higher African-American Income Growth. According to the U.S. Census Bureau, from 1980 to 1995, the rate of increase in median family household income in 1995 adjusted dollars for African-Americans was approximately 10.7% compared to 4.3% for the population as a whole. African-American buying power is estimated to reach \$533 billion in 1999, up 73.0% from 1990 compared to a 57.0% increase for all Americans, and to account for 8.2% of total buying power in 1999, compared to 7.4% in 1990. (Source: "African-American Buying Power by Place of Residence: 1990-1999," Dr. Jeffrey M. Humphreys). In addition, the African-American consumer tends to have a different consumption profile than non-African-Americans. For example, 31% of African-Americans purchased a TV, VCR or stereo in the past year compared to 25% of average U.S. households. African-Americans' higher than average rate of consumption is a powerful reason for U.S. retailers to increase targeted advertising spending toward this consumer group. (Source: Pricewaterhouse Coopers, LLP 1998 Study)

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- . Growth in Advertising Targeting the African-American Market. We believe that large corporate advertisers are becoming more focused on reaching minority consumers in the United States. The African-American and Hispanic communities are viewed as an emerging growth market within the mature domestic market. A 1997 study estimated that major national advertisers spent \$881 million on advertising targeting African-American consumers, up from \$463 million in 1985. (Source: Target Market News (Chicago, IL-1997)). For example, Ford Motor Company reportedly plans to increase its spending targeting African-Americans and Hispanics by 20% in the 1998-99 model year. (Source: Ad Week Midwest September 28, 1998). We believe Ford is one example of many large corporations currently expanding their commitment to ethnic advertising.
- . Growing Influence of African-American Culture. We believe that there is an ongoing "urbanization" of many facets of American society as evidenced by the influence of African-American culture in the areas of music (for example, hip-hop and rap music), film, fashion, sports and urban-oriented television shows and networks. We believe that companies as disparate as the News Corporation's Fox(R) television network, the sporting goods manufacturer Nike(R), the fast food chain McDonald's(R), and prominent fashion designers have embraced this urbanization trend in their products as well as their advertising messages.
- . Growing Popularity of Radio Formats Primarily Targeting African-Americans. We believe that urban programming has been expanded to target a more diverse urban listener base and has become more popular with listeners and advertisers over the past ten years. The number of urban

radio stations has increased from 294 in 1990 to an estimated 371 in 1998, or 26%, and is expected to increase an additional 10% to 409 by 2002. In Fall 1997, urban formats were one of the top three formats in nine of the top ten radio markets nationwide and the top format in five of these markets. (Source: INTEREP, Research Division, 1998 Regional Differences in Media Usage Study).

- . Concentrated Presence of African-Americans in Urban Markets. In 1997, approximately 61.8% of the African-American population was located in the top 40 African-American markets. Relative to radio broadcasters targeting a broader audience, we believe we can cover the various segments of our target market with fewer programming formats and therefore fewer radio stations than the maximum of eight allowed by the FCC. (Source: BIA 1999, Third Edition).
- . Strong African-American Listenership and Loyalty. In 1996, African-Americans in the ten largest markets listened to radio broadcasts an average of 27.0 hours per week. (Source: INTEREP Research Division, 1998 Urban Radio Study). This compares to 22.0 hours per week for all Americans. (Source: Forbes, June 1, 1998). In addition, we believe that African-American radio listeners exhibit greater loyalty to radio stations that target the African-American community because those radio stations become a valuable source of entertainment and information responsive to the community's interests and lifestyles.

Acquisition Strategy

Our primary acquisition strategy is to acquire and turn around underperforming radio stations principally in the top 40 African-American markets. We consider acquisitions in existing markets where expanded coverage is desirable and in new markets where we believe it is advantageous to establish a presence. In analyzing potential acquisition candidates, we generally consider:

- . the price and terms of the purchase;
- . whether the radio station has a signal adequate to reach a large percentage of the African-American community in a market;
- . whether we can increase ratings and net broadcast revenue of the radio station;
- . whether we can reformat or improve the radio station's programming in order to serve profitably the African-American community;
- . whether the radio station affords us the opportunity to introduce complementary formats in a market where we already maintain a presence; and

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- . the number of competitive radio stations in the market.

For strategic reasons, or as a result of a station cluster purchase, we may also acquire and operate stations with formats that target non-African-American segments of the population.

Turnaround Expertise

Historically, we have entered a market by acquiring a station or stations that have little or negative broadcast cash flow. Additional stations we have acquired in existing markets have often been, in our opinion, substantially underperforming. By implementing our operating strategies, we have succeeded in increasing ratings, net broadcast revenue and broadcast cash flow of all the FM stations we have owned or managed for at least one year. We have achieved these improvements while operating against much larger competitors. Some of these successful turnarounds are described below by market:

- . Washington, D.C. In 1995, we acquired WKYS-FM for approximately \$34.0 million. At the time, WKYS-FM was ranked number 12 by Arbitron in the 12-plus age demographic. Over a two-year period, we repositioned WKYS-FM, improved its programming and enhanced the station's community involvement and image. For the Arbitron Survey four book averages ending with the Spring 1999 Arbitron Survey, the station was ranked number one

in the 18-34 age demographic (with a 10.3 share) and number three in the 12-plus age demographic (with a 5.4 share).

In 1987, we acquired WMMJ-FM for approximately \$7.5 million. At the time, WMMJ-FM was being programmed in a general market Adult Contemporary format, and had a 1.2 share of the 12-plus age demographic. After extensive research we changed the station's format, making WMMJ-FM the first FM radio station on the East Coast to introduce an Urban Adult Contemporary programming format. For the Arbitron Survey four book averages ending with the Spring 1999 Arbitron Survey, the station was tied for the fifth rank in the 25-54 age demographic (with a 4.9 share) and was ranked number eight in the 12-plus age demographic (with a 4.2 share).

- . Baltimore. In 1993, we acquired WERQ-FM and WOLB-AM for approximately \$9.0 million. At the time, these stations had mediocre ratings. We converted WERQ-FM's programming to a more focused Young Urban Contemporary format and began aggressively marketing the station. WERQ-FM is now Baltimore's dominant station, ranked number one in the 12-plus, 18-34 and 25-54 age demographics for the Arbitron Survey four book averages ending with the Spring 1999 Arbitron Survey, a position it first achieved in the Spring 1997 Arbitron Survey.

In 1992, we acquired WWIN-FM and its sister station, WWIN-AM, for approximately \$4.7 million. At the time, WWIN-FM was a distant second in ratings to its in-format direct competitor, WXYV-FM. We repositioned WWIN-FM towards the 25-54 age demographic, and for the Arbitron Survey four book averages ending with the Spring 1999 Arbitron Survey, the station was ranked number two in that age demographic (with a 7.5 share) behind only Radio One's WERQ-FM.

- . Atlanta. In 1995, ROA, then an affiliate of Radio One, acquired WHTA-FM, a Class A radio station located approximately 40 miles from Atlanta, for approximately \$4.5 million. Prior to that acquisition, the previous owners, together with our management, upgraded and moved the station approximately 20 miles closer to Atlanta. The result was the introduction of a new, Young Urban Contemporary radio station in the Atlanta market. The station's ratings increased quickly, to an approximate 5.0 share in the 12-plus age demographic. For the Arbitron Survey four book averages ending with the Spring 1999 Arbitron Survey, the station was ranked number four in the 18-34 age demographic (with an 8.2 share).
- . Philadelphia. In May 1997, we acquired WPHI-FM for approximately \$20.0 million. At the time the station was being programmed in a Modern Rock format and had a 2.7 share in the 12 plus age demographic. We changed the station's format to Young Urban Contemporary and, for the Arbitron Survey four book averages ending with the Spring 1999 Arbitron Survey, the station was ranked number 14 in the 12-plus age demographic (with a 3.1 share) and number five in the 18-34 age demographic (with a 5.8 share).

Top 40 African-American Radio Markets in the United States

In the table below, boxes and bold text indicate markets where we currently own radio stations. Population estimates are for 1997 and are based upon BIA Investing in Radio Market Report ("BIA 1999 Third Edition").

Rank	Market	African American Population in the Market (in thousands)	African-Americans as a Percentage of the Overall Population in the Market
1.	New York, NY	3,589	21.3%
2.	Chicago, IL	1,670	19.6

3. Washington, DC	1,131	26.5	
4. Los Angeles, CA	1,120	9.1	
5. Detroit, MI	1,032	22.3	
6. Philadelphia, PA	987	20.2	
7. Atlanta, GA	957	26.0	
8. Houston/Galveston, TX	795	18.3	
9. Miami/Ft. Lauderdale/Hollywood, FL	713	19.7	
10. Baltimore, MD	686	27.6	
11. Dallas/Ft. Worth, TX	659	14.2	
12. San Francisco, CA	594	8.9	
13. Memphis, TN	491	42.0	
14. St. Louis, MO	455	17.7	
15. Norfolk/Virginia Beach/Newport News, VA	455	30.2	
16. New Orleans, LA	443	35.0	
17. Cleveland, OH	408	19.2	
18. Boston, MA	309	7.1	
19. Richmond, VA	284	30.1	
20. Charlotte/Gastonia/Rock Hill, NC	280	20.5	
21. Birmingham, AL	267	27.4	
22. Milwaukee/Racine, WI	261	15.5	
23. Raleigh/Durham, NC	256	24.1	
24. Jacksonville, FL	241	22.6	
25. Tampa/St. Petersburg/Clearwater, FL	239	10.5	
26. Kansas City, MO	229	13.5	
27. Greensboro/Winston Salem/High Point, NC	228	19.6	
28. Cincinnati, OH	224	11.6	
29. Nassau/Suffolk Counties (NY)	224	8.4	
30. Pittsburgh, PA	198	8.4	
31. Indianapolis, IN	196	14.2	
32. Orlando, FL	191	14.6	
33. Columbus, OH	190	13.0	
34. Jackson, MS	186	43.3	
35. Nashville, TN	181	15.8	
36. Baton Rouge, LA	181	31.5	
37. San Diego, CA	174	6.3	
38. Seattle/Tacoma, WA	174	5.1	
39. Greenville/Spartanburg, SC	155	17.8	
40. Augusta, GA	153	33.1	

Operating Strategy

In order to maximize net broadcast revenue and broadcast cash flow at our radio stations, we strive to achieve the largest audience share of African-American listeners in each market, convert these audience share ratings to advertising revenue, and control operating expenses. The success of our strategy relies on the following:

- . market research, targeted programming and marketing;
- . strong management and performance-based incentives;
- . strategic sales efforts;
- . radio station clustering, programming segmentation and sales bundling;
- . advertising partnerships and special events; and
- . significant community involvement.

Market Research, Targeted Programming and Marketing

Radio One uses market research to tailor the programming, marketing and promotions of our radio stations to maximize audience share. To achieve these goals, we use market research to identify unserved or underserved markets or segments of the African-American community in current and new markets and to determine whether to acquire a new radio station or reprogram one of our existing radio stations to target those markets or segments.

We also seek to reinforce our targeted programming by creating a distinct and marketable identity for each of our radio stations. To achieve this objective, in addition to our significant community involvement discussed below, we employ and promote distinct, high-profile on-air personalities at many of our radio stations, many of whom have strong ties to the African-American community.

Strong Management and Performance-based Incentives

Radio One focuses on hiring highly motivated and talented individuals in each functional area of the organization who can effectively help us implement our growth and operating strategies. Radio One's management team is comprised of a diverse group of individuals who bring expertise to their respective functional areas. We seek to hire and promote individuals with significant potential, the ability to operate with high levels of autonomy and the appropriate team-orientation that will enable them to pursue their careers within the organization.

To enhance the quality of our management in the areas of sales and programming, general managers, sales managers and program directors have significant portions of their compensation tied to the achievement of certain performance goals. General managers' compensation is based partially on achieving broadcast cash flow benchmarks which create an incentive for management to focus on both sales growth and expense control. Additionally, sales managers and sales personnel have incentive packages based on sales goals, and program directors and on-air talent have incentive packages focused on maximizing overall ratings as well as ratings in specific target segments.

Strategic Sales Efforts

Radio One has assembled an effective, highly trained sales staff responsible for converting audience share into revenue. We operate with a focused, sales-oriented culture which rewards aggressive selling efforts through a generous commission and bonus compensation structure. We hire and deploy large teams of sales professionals for each of our stations or station clusters, and we provide these teams with the resources necessary to compete effectively in the markets in which we operate. We utilize various sales strategies to sell and market our stations as stand-alones, in combination with other stations within a given market and across markets, where appropriate.

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Radio Station Clustering, Programming Segmentation and Sales Bundling

Radio One strives to build clusters of radio stations in our markets, with each radio station targeting different demographic segments of the African-American population. This clustering and programming segmentation strategy allows us to achieve greater penetration into each segment of our target market. We are then able to offer advertisers multiple audiences and to bundle the radio stations for advertising sales purposes when advantageous.

We believe there are several potential benefits that result from operating multiple radio stations in the same market. First, each additional radio station in a market provides us with a larger percentage of the prime advertising time available for sale within that market. Second, the more stations we program, the greater the market share we can achieve in our target demographic groups through the use of segmented programming. Third, we are often able to consolidate sales, promotional, technical support and corporate functions to produce substantial cost savings. Finally, the purchase of additional radio stations in an existing market allows us to take advantage of our market expertise and existing relationships with advertisers.

Advertising Partnerships and Special Events

We believe that in order to create advertising loyalty, Radio One must

strive to be the recognized expert in marketing to the African-American consumer in the markets in which we operate. We believe that Radio One has achieved this recognition by focusing on serving the African-American consumer and by creating innovative advertising campaigns and promotional tie-ins with our advertising clients and sponsoring numerous entertainment events each year. We sponsor the Stone Soul Picnic, an all-day free outdoor concert which showcases advertisers, local merchants and other organizations to over 100,000 people in each of Washington, D.C. and Baltimore. We also sponsor The People's Expo every March in Washington, D.C. and Baltimore, which provides entertainment, shopping and educational seminars to Radio One's listeners and others from the communities we serve. In these events, advertisers buy signage, booth space and broadcast promotions to sell a variety of goods and services to African-American consumers. As we expand our presence in our existing markets and into new markets, we plan to increase the number of events and the number of markets in which we host these major events.

Significant Community Involvement

We believe our active involvement and significant relationships in the African-American community provides a competitive advantage in targeting African-American audiences. In this way, we believe our proactive involvement in the African-American community in each of our markets significantly improves the marketability of our radio broadcast time to advertisers who are targeting such communities.

We believe that a radio station's image should reflect the lifestyle and viewpoints of the target demographic group it serves. Due to our fundamental understanding of the African-American community, we believe we are able to identify music and musical styles, as well as political and social trends and issues, early in their evolution. This understanding is then integrated into all aspects of our operations and enables us to create enhanced awareness and name recognition in the marketplace. In addition, we believe our multi-level approach to community involvement leads to increased effectiveness in developing and updating our programming formats. We believe our enhanced awareness and more effective programming formats lead to greater listenership and higher ratings over the long-term.

We have a history of sponsoring events that demonstrate our commitment to the African-American community, including:

- . heightening the awareness of diseases which disproportionately impact African-Americans, such as sickle-cell anemia and leukemia, and holding fundraisers to benefit the search for their cure;
- . developing contests specifically designed to assist African-American single mothers with day care expenses;

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- . fundraising for the many African-American churches throughout the country that have been the target of arsonists; and
- . organizing seminars designed to educate African-Americans on personal issues such as buying a home, starting a business, developing a credit history, financial planning and health care.

Management Stock Option Plan

On March 10, 1999, we adopted the 1999 Stock Option and Restricted Stock Grant Plan designed to provide incentives relating to equity ownership to present and future executive, managerial, and other key employees of Radio One and our subsidiaries. The option plan affords us latitude in tailoring incentive compensation for the retention of key personnel, to support corporate and business objectives, and to anticipate and respond to a changing business environment and competitive compensation practices. For more information see "Management--Stock Option Plan."

Our Station Portfolio

After giving effect to our pending acquisitions, we will have acquired 17 radio stations since June 30, 1998. We believe that most of these stations are underdeveloped and offer the opportunity for substantial growth in revenue and broadcast cash flow. The eleven stations which we owned or managed prior to June 30, 1998, operated at a broadcast cash flow margin of 47.4% for the six

months ended June 30, 1999, compared to a broadcast cash flow margin for the same period of 2.4% for the 10 stations that we did not previously manage and which we have acquired or commenced operating during the 12 months beginning June 30, 1998.

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The following table sets forth selected information about our portfolio of radio stations, giving effect to our pending acquisitions. Market population data and revenue rank data are from BIA 1999 Third Edition. Audience share and audience rank data are based on Arbitron Survey four book averages ending with the Spring 1999 Arbitron Survey. Except as noted, revenue share and revenue rank data for the Washington, D.C., Baltimore and Detroit markets are based on the Radio Revenue Reports of Hungerford for the six-month period ending June 30, 1999. For the Philadelphia, Atlanta, Cleveland and Richmond markets, the revenue share and revenue rank data are from revenue reports for the six-month period ending June 30, 1999, as prepared by Miller, Kaplan, Arase & Co., Certified Public Accountants. As used in this table, "n/a" means not applicable or not available and "t" means tied with one or more radio stations.

Market (/1/)					Target Age Demo- graphic	Four Book Average		Four Book Average		January- June 1999 Radio One Market Revenue	
	June 1999 Market Rank		Year Acquired	Format		Audience	Audience	Audience	Audience	Share	Rank
	Metro Population	Radio Revenue				12+	12+	12+	12+		
						Demo- graphic	Demo- graphic	Demo- graphic	Demo- graphic		

Washington, DC	9	6									
WKYS-FM			1995	Urban	18-34	5.4	3	10.3	1	5.0%	10
WMMJ-FM			1987	Urban AC	25-54	4.2	8	4.9	5 (t)	4.1%	14
WYCB-AM			1998	Gospel	35-64	0.9	22 (t)	1.0	21 (t)	0.5%	n/a (/2/)
WOL-AM			1980	Urban Talk	35-64	0.8	25 (t)	1.0	21 (t)	0.5%	21
Baltimore	20	20									
WERQ-FM			1993	Urban	18-34	9.6	1	17.1	1	12.8%	n/a (/3/)
WWIN-FM			1992	Urban AC	25-54	5.8	4	7.5	2	8.0%	n/a (/3/)
WWIN-AM			1993	Gospel	35-64	1.0	16 (t)	1.1	15	0.3%	n/a (/3/)
WOLB-AM			1992	Urban Talk	35-64	0.7	18 (t)	0.8	17 (t)	0.2%	n/a (/3/)
Philadelphia	5	9									
WPHI-FM			1997	Urban	18-34	3.1	14	5.8	5	2.1%	16
Detroit	6	11									
WDTJ-FM			1998	Urban	18-34	3.6	11 (t)	6.0	4	2.6%	15
WDMK-FM			1998	Urban AC	25-54	1.3	22 (t)	1.6	19 (t)	0.7%	19
WCHB-AM			1998	Urban Talk	35-64	0.2	31	0.3	30 (t)	0.1%	n/a (/2/)
Atlanta	12	7									
WHTA-FM			1999	Urban	18-34	4.6	9 (t)	8.2	4	3.4%	12
WAMJ-FM			1999	Urban AC	25-54	2.3	15 (t)	3.0	13 (t)	1.5%	13
Cleveland	24	23									
WENZ-FM			1999	Urban	18-34	2.6	14	5.1	8	2.0%	14
WERE-AM			1999	News/Talk	35-64	0.5	19	0.5	19	0.9%	17
Richmond	57	47									
WCDX-FM			(pending)	Urban	18-34	9.0	2	14.8	1	11.6%	3
WKJS-FM			1999	Urban AC	25-54	5.9	6	7.8	4	7.3%	8
WPLZ-FM			(pending)	R&B	35-64	4.3	11	4.4	9	2.9%	11
WARV-FM			1999	Country	25-54	3.2	12	2.3	12	n/a (/2/)	n/a (/2/)
WJRV-FM			(pending)	Country	25-54	1.5	15 (t)	1.5	14	1.8%	13
WGCY-AM			(pending)	Gospel	35-64	1.2	17 (t)	1.5	15 (t)	n/a (/2/)	n/a (/2/)
				Oldies							
WDYL-FM			1999	Modern Rock	25-54	0.7	20 (t)	0.7	19 (t)	n/a (/2/)	n/a (/2/)

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- (1) WJZZ-AM in Kingsley, MI, WFUN-FM in St. Louis, MO, and WBOT-FM in Boston, MA are not currently broadcasting and are not included in the table.
 - (2) WYCB-AM, WCHB-AM, WARV-FM, WGCY-AM and WDYL-FM do not report revenues to Hungerford or Miller Kaplan. Revenue shares for WYCB-AM and WCHB-AM represent those stations' net broadcast revenue as a percentage of the market radio revenue reported by Hungerford in their respective markets for the six-month period ending June 30, 1999, as adjusted for WYCB-AM and WCHB-AM revenue, as appropriate.
 - (3) The revenues of WERQ-FM and WOLB-AM are reported jointly to Hungerford, as are the revenues of WWIN-FM and WWIN-AM. The revenue share percentages for these stations reflect the proportional contribution by each station to the joint share reported by Hungerford.

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Advertising Revenue

Substantially all of our net broadcast revenue is generated from the sale of local and national advertising for broadcast on our radio stations. Additional

net broadcast revenue is generated from network compensation payments and other miscellaneous transactions. Local sales are made by the sales staffs located in our markets. National sales are made by firms specializing in radio advertising sales on the national level, in exchange for a commission from Radio One that is based on a percentage of our net broadcast revenue from the advertising obtained. Approximately 68.9% of our net broadcast revenue for the six-month period ended June 30, 1999, was generated from the sale of local advertising and 27.0% from sales to national advertisers. The balance of net broadcast revenue is derived from network advertising, tower rental income and ticket and other revenue related to special events hosted by Radio One.

We believe that advertisers can reach the African-American community more cost effectively through radio broadcasting than through newspapers or television. Advertising rates charged by radio stations are based primarily on:

- . a radio station's audience share within the demographic groups targeted by the advertisers,
- . the number of radio stations in the market competing for the same demographic groups, and
- . the supply and demand for radio advertising time.

Advertising rates are generally highest during the morning and afternoon commuting hours.

A radio station's listenership is reflected in ratings surveys that estimate the number of listeners tuned to a radio station and the time they spend listening to that radio station. Each radio station's ratings are used by its advertisers to consider advertising with the radio station, and are used by us to chart audience growth, set advertising rates and adjust programming.

Strategic Diversification

We will continue to evaluate potential radio acquisitions in African-American markets. We are also exploring opportunities in other forms of media to apply our expertise in marketing to African-Americans. Such opportunities could include outdoor advertising in urban environments, an urban-oriented Internet strategy, an urban-oriented radio network, music production, publishing and other related businesses.

We recently entered into an exclusive programming agreement with XM Satellite Radio, Inc. to provide African-American talk and music programming to be broadcast on XM Satellite's digital audio radio service, which is expected to be available in 2001.

We have also invested, together with most publicly-traded radio companies, in a recent private placement for USA Digital Radio, Inc., a leading developer of in-band on-channel digital audio broadcast technology. This technology could enable radio broadcasters to convert from analog to digital broadcasting within the existing frequency allocation of their AM and FM stations. In conjunction with this investment, Alfred C. Liggins, III, the Chief Executive Officer and President of Radio One, became a board member of USA Digital Radio, Inc.

Additionally, we have recently invested in PNE Media Holdings, LLC, a privately-held outdoor advertising company with a presence in several of the markets in which we own radio stations.

We also recently made an investment of cash and advertising time in aka.com, LLC, an aggregator of web sites devoted to hip hop culture. In conjunction with this investment, our Chief Financial Officer, Scott R. Royster, became a director of aka.com, LLC.

Properties and Facilities

The types of properties required to support each of our radio stations include offices, studios and transmitter/antenna sites. We typically lease our studio and office space with lease terms that are five to ten years. A station's studios are generally housed with its offices in downtown or business districts. We generally

consider our facilities to be suitable and of adequate size for our current and

intended purposes. We lease a majority of our main transmitter/antenna sites and when negotiating a lease for such sites we try to obtain a lengthy lease term with options to renew. In general, we do not anticipate difficulties in renewing facility or transmitter/antenna site leases or in leasing additional space or sites if required.

We own substantially all of our other equipment, consisting principally of transmitting antennae, transmitters, studio equipment and general office equipment. The towers, antennae and other transmission equipment used by our stations are generally in good condition, although opportunities to upgrade facilities are continuously reviewed. Substantially all of the property that we own secures our borrowings under our credit facility.

Competition

The radio broadcasting industry is highly competitive. Radio One's stations compete for audiences and advertising revenue with other radio stations and with other media such as television, newspapers, direct mail and outdoor advertising. Audience ratings and advertising revenue are subject to change and any adverse change in a market could adversely affect our net broadcast revenue in that market. If a competing station converts to a format similar to that of one of our stations, or if one of our competitors strengthens its operations, our stations could suffer a reduction in ratings and advertising revenue. Other radio companies which are larger and have more resources may also enter markets where we operate. Although we believe our stations are well positioned to compete, we cannot assure you that our stations will maintain or increase their current ratings or advertising revenue.

The radio broadcasting industry is also subject to rapid technological change, evolving industry standards and the emergence of new media technologies. Several new media technologies are being developed, including the following:

- . audio programming by cable television systems, direct broadcast satellite systems, Internet content providers and other digital audio broadcast formats;
- . satellite digital audio radio service, which could result in the introduction of several new satellite radio services with sound quality equivalent to that of compact discs; and
- . in-band on-channel digital radio, which could provide multi-channel, multi-format digital radio services in the same band width currently occupied by traditional AM and FM radio services.

We recently entered into a programming agreement with a satellite digital audio radio service and have also invested in a developer of digital audio broadcast technology. However, we cannot assure you that these arrangements will be successful or enable us to adapt effectively to these new media technologies. We also cannot assure you that we will continue to have the resources to acquire other new technologies or to introduce new services that could compete with other new technologies.

Antitrust

An important part of our growth strategy is the acquisition of additional radio stations. After the passage of the Telecommunications Act of 1996, the Justice Department has become more aggressive in reviewing proposed acquisitions of radio stations and radio station networks. The Justice Department is particularly aggressive when the proposed buyer already owns one or more radio stations in the market of the station it is seeking to buy. Recently, the Justice Department has challenged a number of radio broadcasting transactions. Some of those challenges ultimately resulted in consent decrees requiring, among other things, divestitures of certain stations. In general, the Justice Department has more closely scrutinized radio broadcasting acquisitions that result in local market shares in excess of 40% of radio advertising revenue. Similarly, the FCC staff has adopted procedures to review proposed radio broadcasting transactions even if the proposed acquisition otherwise complies with the FCC's ownership limitations. In particular, the FCC may invite public comment on

proposed radio transactions that the FCC believes, based on its initial

analysis, may present ownership concentration concerns in a particular local radio market.

Federal Regulation of Radio Broadcasting

The radio broadcasting industry is subject to extensive and changing regulation by the FCC of programming, technical operations, employment and other business practices. The FCC regulates radio broadcast stations pursuant to the Communications Act. The Communications Act permits the operation of radio broadcast stations only in accordance with a license issued by the FCC upon a finding that the grant of a license would serve the public interest, convenience and necessity. The Communications Act provides for the FCC to exercise its licensing authority to provide a fair, efficient and equitable distribution of broadcast service throughout the United States. Among other things, the FCC:

- . assigns frequency bands for radio broadcasting;
- . determines the particular frequencies, locations and operating power of radio broadcast stations;
- . issues, renews, revokes and modifies radio broadcast station licenses;
- . establishes technical requirements for certain transmitting equipment used by radio broadcast stations;
- . adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, program content and employment and business practices of radio broadcast stations; and
- . has the power to impose penalties, including monetary forfeitures, for violations of its rules and the Communications Act.

The Communications Act prohibits the assignment of an FCC license, or other transfer of control of an FCC licensee, without the prior approval of the FCC. In determining whether to grant requests for consents to assignments or transfers, and in determining whether to grant or renew a radio broadcast license, the FCC considers a number of factors pertaining to the licensee (and any proposed licensee), including restrictions on foreign ownership, compliance with FCC media ownership limits and other FCC rules, licensee "character" and compliance with the Anti-Drug Abuse Act of 1988.

The following is a brief summary of certain provisions of the Communications Act and specific FCC rules and policies. This summary does not purport to be complete and is qualified in its entirety by the text of the Communications Act, the FCC's rules and regulations, and the rulings of the FCC. You should refer to the Communications Act and these FCC rules and rulings for further information concerning the nature and extent of federal regulation of radio broadcast stations.

A licensee's failure to observe the requirements of the Communications Act or FCC rules and policies may result in the imposition of various sanctions, including admonishment, fines, the grant of renewal terms of less than eight years, the grant of a license with conditions or, for particularly egregious violations, the denial of a license renewal application, the revocation of an FCC license or the denial of FCC consent to acquire additional broadcast properties.

Congress and the FCC have had under consideration or reconsideration, and may in the future consider and adopt, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect the operation, ownership and profitability of Radio One's radio stations, result in the loss of audience share and advertising revenue for our radio broadcast stations or affect our ability to acquire additional radio broadcast stations or finance such acquisitions. Such matters may include:

- . changes to the license authorization and renewal process;
- . proposals to impose spectrum use or other fees on FCC licensees;
- . auction of new broadcast licenses;

- . changes to the FCC's equal employment opportunity regulations and other matters relating to involvement of minorities and women in the broadcasting industry;
- . proposals to change rules relating to political broadcasting including proposals to grant free air time to candidates, and other changes regarding program content;
- . proposals to restrict or prohibit the advertising of beer, wine and other alcoholic beverages;
- . technical and frequency allocation matters, including creation of a new low power radio broadcast service;
- . the implementation of digital audio broadcasting on both a satellite and terrestrial basis;
- . changes in broadcast cross-interest, multiple ownership, foreign ownership, cross-ownership and ownership attribution policies;
- . proposals to allow telephone companies to deliver audio and video programming to homes in their service areas; and
- . proposals to alter provisions of the tax laws affecting broadcast operations and acquisitions.

We cannot predict what changes, if any, might be adopted, nor can we predict what other matters might be considered in the future, nor can we judge in advance what impact, if any, the implementation of any particular proposals or changes might have on our business.

FCC Licenses

The Communications Act provides that a broadcast station license may be granted to any applicant if the public interest, convenience and necessity will be served thereby, subject to certain limitations. In making licensing determinations, the FCC considers an applicant's legal, technical, financial and other qualifications. The FCC grants radio broadcast station licenses for specific periods of time and, upon application, may renew them for additional terms. Under the Communications Act, radio broadcast station licenses may be granted for a maximum term of eight years.

Generally, the FCC renews radio broadcast licenses without a hearing upon a finding that:

- . the radio station has served the public interest, convenience and necessity;
- . there have been no serious violations by the licensee of the Communications Act or FCC rules and regulations; and
- . there have been no other violations by the licensee of the Communications Act or FCC rules and regulations which, taken together, indicate a pattern of abuse.

After considering these factors, the FCC may grant the license renewal application with or without conditions, including renewal for a term less than the maximum otherwise permitted, or hold an evidentiary hearing.

In addition, the Communications Act authorizes the filing of petitions to deny a license renewal application during specific periods of time after a renewal application has been filed. Interested parties, including members of the public, may use such petitions to raise issues concerning a renewal applicant's qualifications. If a substantial and material question of fact concerning a renewal application is raised by the FCC or other interested parties, or if for any reason the FCC cannot determine that grant of the renewal application would serve the public interest, convenience and necessity, the FCC will hold an evidentiary hearing on the application. If as a result of an evidentiary hearing the FCC determines that the licensee has failed to meet the requirements specified above and that no mitigating factors justify the imposition of a lesser sanction, then the FCC may deny a license renewal application. Only after a license renewal application is denied will the FCC accept and consider competing applications for the vacated frequency. Also, during certain

periods when a renewal application is pending, the transferability of the applicant's license may be restricted. Historically, our licenses have been renewed without any conditions or sanctions imposed. However, there can be no assurance that the licenses of each of our stations will be renewed or will be renewed without conditions or sanctions.

The FCC classifies each AM and FM radio station. An AM radio station operates on either a clear channel, regional channel or local channel. A clear channel is one on which AM radio stations are assigned to serve wide areas, particularly at night. Clear channel AM radio stations are classified as either: (1) Class A radio stations, which operate unlimited time and are designed to render primary and secondary service over an extended area, or (2) Class B radio stations, which operate unlimited time and are designed to render service only over a primary service area. Class D radio stations, which operate either daytime, or unlimited time with low nighttime power, may operate on the same frequencies as clear channel radio stations. A regional channel is one on which Class B and Class D AM radio stations may operate and serve primarily a principal center of population and the rural areas contiguous to it. A local channel is one on which AM radio stations operate unlimited time and serve primarily a community and the suburban and rural areas immediately contiguous to it. A Class C AM radio station operates on a local channel and is designed to render service only over a primary service area that may be reduced as a consequence of interference.

The minimum and maximum facilities requirements for an FM radio station are determined by its class. Possible FM class designations depend upon the geographic zone in which the transmitter of the FM radio station is located. In general, commercial FM radio stations are classified as follows, in order of increasing power and antenna height: Class A, B1, C3, B, C2, C1 or C radio stations. The FCC has proposed to divide Class C stations into two subclasses based on antenna height. Stations not meeting the minimum height requirement within a three-year transition period would be downgraded automatically to the new Class C0 category.

The following table sets forth information with respect to each of our radio stations, including the additional radio stations we have agreed to purchase in Richmond. A broadcast station's market may be different from its community of license. "ERP" refers to the effective radiated power of an FM radio station. "HAAT" refers to the antenna height above average terrain of an FM radio station. "AI" refers to the above insulator measurement of an AM radio station. The coverage of an AM radio station is chiefly a function of the power of the radio station's transmitter, less dissipative power losses and any directional antenna adjustments. For FM radio stations, signal coverage area is chiefly a function of the ERP of the radio station's antenna and the HAAT of the radio station's antenna. The height of an AM radio station's antenna is measured by reference to AI and the height of an FM radio station's antenna is measured by reference to HAAT.

Market	Station Call Letters	Year of Acquisition	FCC Class	ERP (FM)	HAAT (FM) AI (AM) in Meters	Operating Frequency	Expiration
				Power (AM) in Kilowatts			Date of FCC License
Washington, DC	WOL-AM	1980	C	1.0	52.1	1450 kHz	10/01/2003
	WMMJ-FM	1987	A	2.9	146.0	102.3 MHz	10/01/2003
	WKYS-FM	1995	B	24.0	215.0	93.9 MHz	10/01/2003
	WYCB-AM	1998	C	1.0	50.9	1340 kHz	10/01/2003
Baltimore	WWIN-AM	1992	C	1.0	61.0	1400 kHz	10/01/2003
	WWIN-FM	1992	A	3.0	91.0	95.9 MHz	10/01/2003
	WOLB-AM	1993	D	1.0	85.4	1010 kHz	10/01/2003
	WERQ-FM	1993	B	37.0	174.0	92.3 MHz	10/01/2003
Atlanta	WHTA-FM	1999	C3	7.9	175.0	97.5 MHz	04/01/2004
	WAMJ-FM	1999	C3	25.0	98.0	107.5 MHz	04/01/2004
Philadelphia	WPHI-FM	1997	A	0.3 (/1/)	305.0	103.9 MHz	08/01/2006
Detroit	WDTJ-FM	1998	B	20.0	221.0	105.9 MHz	10/01/2004
	WCHB-AM	1998	B	25.0	49.4	1200 kHz	10/01/2004
	WJZZ-AM	1998	D	50.0 (/2/)	59.7	1210 kHz	10/01/2004

	WDMK-FM	1998	B	50.0	152.0	102.7 MHz	10/01/2004
St. Louis	WFUN-FM	1999	A	6.0 (/3/)	100.0	95.5 MHz	12/01/2003
Cleveland	WERE-AM	1999	B	5.0	128.0	1300 kHz	10/01/2004
	WENZ-FM	1999	B	16.0	272.0	107.9 MHz	10/01/2004
Richmond	WDYL-FM	1999	A	6.0	100.0	101.1 MHz	10/01/2003
	WKJS-FM	1999	C1	100.0	299.0	104.7 MHz	10/01/2003
	WARV-FM	1999	A	4.7	113.0	100.3 MHz	10/01/2003
	WCDX-FM (pending)		B1	4.5	235.0	92.1 MHz	10/01/2003
	WPLZ-FM (pending)		A	6.0	100.0	99.3 MHz	10/01/2003
	WJRV-FM (pending)		A	2.3	162.0	105.7 MHz	10/01/2003
	WGCV-AM (pending)		C	1.0	122.0	1240 kHz	10/01/2003
Boston	WBOT-FM	1999	A (/4/)	2.7	150.0	97.7 MHz	04/01/2006

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- (/1/) WPHI-FM operates with facilities equivalent to 3 kW at 100 meters.
 - (/2/) WJZZ-AM ceased broadcast operations on October 12, 1999.
 - (/3/) WFUN-FM is authorized to upgrade to a Class C3 facility. WFUN-FM ceased broadcast operations on June 4, 1999.
 - (/4/) WBOT-FM ceased broadcast operations on October 1, 1999.

Ownership Matters. The Communications Act requires prior approval of the FCC for the assignment of a broadcast license or the transfer of control of a corporation or other entity holding a license. In determining whether to approve an assignment of a radio broadcast license or a transfer of control of a broadcast licensee, the FCC considers, among other things:

- . the financial and legal qualifications of the prospective assignee or transferee, including compliance with FCC restrictions on non-U.S. citizen or entity ownership and control;

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- . compliance with FCC rules limiting the common ownership of certain "attributable" interests in broadcast and newspaper properties;
- . the history of compliance with FCC operating rules; and
- . the "character" qualifications of the transferee or assignee and the individuals or entities holding "attributable" interests in them.

To obtain the FCC's prior consent to assign or transfer a broadcast license, appropriate applications must be filed with the FCC. If the application to assign or transfer the license involves a substantial change in ownership or control of the licensee, for example, the transfer or acquisition of more than 50% of the voting stock, the application must be placed on public notice for a period of 30 days during which petitions to deny the application may be filed by interested parties, including members of the public. Informal objections may be filed any time until the FCC acts upon the application. If an assignment application does not involve new parties, or if a transfer of control application does not involve a "substantial change" in ownership or control, it is a pro forma application, which is not subject to the public notice and 30-day petition to deny procedure. The pro forma application is nevertheless subject to informal objections that may be filed any time until the FCC acts on the application. If the FCC grants an assignment or transfer application, interested parties have 30 days from public notice of the grant to seek reconsideration of that grant. The FCC usually has an additional ten days to set aside such grant on its own motion. When ruling on an assignment or transfer application, the FCC is prohibited from considering whether the public interest might be served by an assignment or transfer to any party other than the assignee or transferee specified in the application.

Under the Communications Act, a broadcast license may not be granted to or held by any corporation that has more than 20% of its capital stock owned or voted by non-U.S. citizens or entities or their representatives, by foreign governments or their representatives, or by non-U.S. corporations. Furthermore, the Communications Act provides that no FCC broadcast license may be granted to or held by any corporation directly or indirectly controlled by any other corporation of which more than 25% of its capital stock is owned of record or voted by non-U.S. citizens or entities or their representatives, or foreign governments or their representatives or by non-U.S. corporations, if the FCC finds the public interest will be served by the refusal or revocation of such license. These restrictions apply in modified form to other forms of business organizations, including partnerships and limited liability companies. Thus, the licenses for Radio One's stations could be revoked if more than 25% of Radio One's outstanding capital stock is issued to or for the benefit of non-

U.S. citizens.

The FCC generally applies its other broadcast ownership limits to "attributable" interests held by an individual, corporation, partnership or other association or entity, including limited liability companies. In the case of a corporation holding broadcast licenses, the interests of officers, directors and those who, directly or indirectly have the right to vote five percent or more of the stock of a licensee corporation are generally deemed attributable interests, as are positions as an officer or director of a corporate parent of a broadcast licensee. The FCC treats all partnership interests as attributable, except for those limited partnership interests that under FCC policies are considered "insulated" from "material involvement" in the management or operation of the media-related activities of the partnership. The FCC currently treats limited liability companies like limited partnerships for purposes of attribution. Stock interests held by insurance companies, mutual funds, bank trust departments and certain other passive investors that hold stock for investment purposes only become attributable with the ownership of 10% or more of the voting stock of the corporation holding broadcast licenses. Effective as of November 16, 1999, however, stock interests of passive investors will be attributable only if the interest exceeds 20% of the voting stock of the corporation holding broadcast licenses.

To assess whether a voting stock interest in a direct or an indirect parent corporation of a broadcast licensee is attributable, the FCC uses a "multiplier" analysis in which non-controlling voting stock interests are deemed proportionally reduced at each non-controlling link in a multi-corporation ownership chain. A time

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brokerage agreement with another radio station in the same market creates an attributable interest in the brokered radio station as well for purposes of the FCC's local radio station ownership rules, if the agreement affects more than 15% of the brokered radio station's weekly broadcast hours.

Debt instruments, non-voting stock, options and warrants for voting stock that have not yet been exercised, insulated limited partnership interests where the limited partner is not "materially involved" in the media-related activities of the partnership, and minority voting stock interests in corporations where there is a single holder of more than 50% of the outstanding voting stock whose vote is sufficient to affirmatively direct the affairs of the corporation, generally do not subject their holders to attribution.

However, the FCC recently adopted a new rule, known as the equity-debt-plus or EDP rule that causes certain creditors or investors to be attributable owners of a station, regardless of whether there is a single majority shareholder or other applicable exception to the FCC's attribution rules. Under this new rule, which becomes effective November 16, 1999, a major programming supplier or a same-market media entity will be an attributable owner of a station if the supplier or same-market media entity holds debt or equity, or both, in the station that is greater than 33% of the value of the station's total debt plus equity. For purposes of the EDP rule, equity includes all stock, whether voting or nonvoting, and equity held by insulated limited partners in limited partnerships. Debt includes all liabilities, whether long-term or short-term. A major programming supplier includes any programming supplier that provides more than 15% of the station's weekly programming hours. A same-market media entity includes any holder of an attributable interest in a media company, including broadcast stations, cable television and newspapers, located in the same market as the station, but only if the holder's interest is attributable under an FCC attribution rule other than the EDP rule. The FCC's rules also specify other exceptions to these general principles for attribution.

Communications Act and FCC rules generally restrict ownership, operation or control of, or the common holding of attributable interests in:

- . radio broadcast stations above certain limits servicing the same local market;
- . radio broadcast stations and television broadcast stations servicing the same local market; and
- . a radio broadcast station and a daily newspaper serving the same local market.

These rules include specific signal contour overlap standards to determine compliance, and the FCC defined market will not necessarily be the same market used by Arbitron, Neilsen or other surveys, or for purposes of the HSR Act. Under these "cross-ownership" rules, we, absent waivers, would not be permitted to own a radio broadcast station and acquire an attributable interest in any daily newspaper in the same market where we then owned any radio broadcast station. Our stockholders, officers or directors, absent a waiver, may not hold an attributable interest in a daily newspaper in those same markets.

The FCC's existing rules provide for the liberal grant of waiver of the rule prohibiting common ownership of radio and television stations in the same geographic market in the top 25 television markets if certain conditions are satisfied. As of November 16, 1999, the FCC's newly revised radio/television cross-ownership rule becomes effective. Under the revised radio/television cross-ownership rule, a single owner may own up to two television stations, consistent with the FCC's rules on common ownership of television stations, together with one radio station in all markets. In addition, an owner will be permitted to own additional radio stations, not to exceed the local ownership limits for the market, as follows:

- . In markets where 20 media voices will remain, an owner may own an additional five radio stations, or, if the owner only has one television station, an additional six radio stations; and
- . In markets where 10 media voices will remain, an owner may own an additional three radio stations.

A "media voice" includes each independently-owned and operating full power television and radio station and each daily newspaper that has a circulation exceeding 5% of the households in the market, plus one voice for all cable television systems operating in the market.

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Although current FCC nationwide radio broadcast ownership rules allow one entity to own, control or hold attributable interests in an unlimited number of FM radio stations and AM radio stations nationwide, the Communications Act and the FCC's rules limit the number of radio broadcast stations in local markets in which a single entity may own an attributable interest as follows:

- . In a radio market with 45 or more commercial radio stations, a party may own, operate or control up to eight commercial radio stations, not more than five of which are in the same service (AM or FM).
- . In a radio market with between 30 and 44 (inclusive) commercial radio stations, a party may own, operate or control up to seven commercial radio stations, not more than four of which are in the same service (AM or FM).
- . In a radio market with between 15 and 29 (inclusive) commercial radio stations, a party may own, operate or control up to six commercial radio stations, not more than four of which are in the same service (AM or FM).
- . In a radio market with 14 or fewer commercial radio stations, a party may own, operate or control up to five commercial radio stations, not more than three of which are in the same service (AM or FM), except that a party may not own, operate, or control more than 50 percent of the radio stations in such market.

The FCC staff has notified the public of its intention to review transactions that comply with these numerical ownership limits but that might involve undue concentration of market share.

Under its "cross-interest" policy, the FCC has considered "meaningful" relationships among competing media outlets that serve "substantially the same area" even if the FCC's ownership rules do not specifically prohibit the relationship. Under this policy the FCC has considered whether to prohibit one party from holding an attributable interest and a substantial non-attributable interest (including non-voting stock, limited partnership and limited liability company interests) in a media outlet in the same market, or from entering into a joint venture or having common key employees with competitors. The FCC, however, has determined that the recently adopted EDP rule addresses many of

the competitive concerns previously encompassed by its "cross-interest" policy. As a result, effective November 16, 1999, the FCC has eliminated its "cross-interest" policy. Nevertheless, the FCC has retained discretion to review individual cases that present unusual cross-interest relationships on a case-by-case basis.

Because of these multiple and cross-ownership rules, if a stockholder, officer or director of Radio One holds an "attributable" interest in Radio One, such stockholder, officer or director may violate the FCC's rules if such person or entity also holds or acquires an attributable interest in other television, radio stations or daily newspapers, depending on their number and location. If an attributable stockholder, officer or director of Radio One violates any of these ownership rules, we may be unable to obtain from the FCC one or more authorizations needed to conduct our radio station business and may be unable to obtain FCC consents for certain future acquisitions. As of September 30, 1999, no single stockholder held more than 50% of the total voting power of our common stock.

Programming and Operations. The Communications Act requires broadcasters to serve the "public interest." Since the late 1980s, the FCC has relaxed or eliminated many of the more formalized procedures it developed to promote the broadcast of certain types of programming responsive to the needs of a radio station's community of license. Nevertheless, a broadcast licensee continues to be required to present programming in response to community problems, needs and interests and to maintain certain records demonstrating its responsiveness. The FCC will consider complaints from listeners about a broadcast station's programming when it evaluates the licensee's renewal application, but listeners' complaints also may be filed and considered at any time. Stations also must pay regulatory and application fees, and follow various FCC rules that regulate, among other things, political advertising, the broadcast of obscene or indecent programming, sponsorship identification, the broadcast of contests and lotteries and technical operation.

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The FCC has always required that licensees not discriminate in hiring practices, develop and implement programs designed to promote equal employment opportunities and submit reports to the FCC on these matters annually and in connection with each license renewal application. The FCC's employment rules, as they related to outreach efforts for recruitment of minorities, however, were struck down as unconstitutional by the U.S. Court of Appeals for the D.C. Circuit. The FCC has proposed revising the rules to adopt outreach efforts that are constitutional.

The FCC rules also prohibit a broadcast licensee from simulcasting more than 25% of its programming on another radio station in the same broadcast service (that is, AM/AM or FM/FM). The simulcasting restriction applies if the licensee owns both radio broadcast stations or owns one and programs the other through a local marketing agreement, provided that the contours of the radio stations overlap in a certain manner.

From time to time, complaints may be filed against Radio One's radio stations alleging violations of these or other rules. In addition, the FCC recently has proposed to establish a system of random audits to ensure and verify licensee compliance with FCC rules and regulations. Failure to observe these or other rules and policies can result in the imposition of various sanctions, including fines or conditions, the grant of "short" (less than the maximum eight year) renewal terms or, for particularly egregious violations, the denial of a license renewal application or the revocation of a license.

Local Marketing Agreements. Often radio stations enter into LMAs or time brokerage agreements. These agreements take various forms. Separately owned and licensed radio stations may agree to function cooperatively in programming, advertising sales and other matters, subject to compliance with the antitrust laws and the FCC's rules and policies, including the requirement that the licensee of each radio station maintain independent control over the programming and other operations of its own radio station. One type of time brokerage agreement is a programming agreement between two separately owned radio stations that serve a common service area whereby the licensee of one radio station programs substantial portions of the broadcast day of the other licensee's radio station, subject to ultimate control by the radio station licensee, and sells advertising time during these program segments. The FCC has held that such agreements do not violate the Communications Act as long as the licensee of the radio broadcast station that is being substantially programmed

by another entity (1) remains ultimately responsible for, and maintains control over, the operation of its radio station, and (2) otherwise ensures the radio station's compliance with applicable FCC rules and policies.

A radio broadcast station that brokers time on another radio broadcast station or enters into a time brokerage agreement with a radio broadcast station in the same market will be considered to have an attributable ownership interest in the brokered radio station for purposes of the FCC's local ownership rules if the time brokerage arrangement covers more than 15% of the brokered station's weekly broadcast hours. As a result, a radio broadcast station may not enter into a time brokerage agreement that allows it to program more than 15% of the broadcast time, on a weekly basis, of another local radio broadcast station that it could not own under the FCC's local multiple ownership rules. Effective November 16, 1999, the FCC has revised this rule so that the attribution for radio time brokerage agreements will apply for all of the FCC's multiple ownership rules applicable to radio stations (daily newspaper/radio cross-ownership and radio/television cross-ownership) and not only the local radio ownership rules. Also, as described above, FCC rules prohibit a radio broadcast station from simulcasting more than 25% of its programming on another radio broadcast station in the same broadcast service (that is, AM/AM or FM/FM) where the two radio stations serve substantially the same geographic area, whether the licensee owns both radio stations or owns one radio station and programs the other through a time brokerage agreement. Thus far, the FCC has not considered what relevance, if any, a time brokerage agreement may have upon its evaluation of a licensee's performance at renewal time.

Joint Sales Agreements. Over the past few years, a number of radio stations have entered into cooperative arrangements commonly known as joint sales agreements or JSAs. While these agreements may take varying forms, under the typical JSA, a station licensee obtains, for a fee, the right to sell substantially all

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of the commercial advertising on a separately-owned and licensed station in the same market. The typical JSA also customarily involves the provision by the selling party of certain sales, accounting and services to the station whose advertising is being sold. The typical JSA is distinct from a local marketing agreement in that a JSA normally does not involve programming.

The FCC has determined that issues of joint advertising sales should be left to enforcement by antitrust authorities, and therefore does not generally regulate joint sales practices between stations. Currently, stations for which another licensee sells time under a JSA are not deemed by the FCC to be an attributable interest of that licensee.

RF Radiation. In 1985, the FCC adopted rules based on a 1982 American National Standards Institute ("ANSI") standard regarding human exposure to levels of radio frequency ("RF") radiation. These rules require applicants for renewal of broadcast licenses or modification of existing licenses to inform the FCC at the time of filing such applications whether an existing broadcast facility would expose people to RF radiation in excess of certain limits. In 1992, ANSI adopted a new standard for RF exposure that, in some respects, was more restrictive in the amount of environmental RF exposure permitted. The FCC has since adopted more restrictive radiation limits which became effective October 15, 1997, and which are based in part on the revised ANSI standard.

Digital Audio Radio Service. The FCC allocated spectrum to a new technology, digital audio radio service ("DARS"), to deliver satellite-based audio programming to a national or regional audience and issued regulations for a DARS service in early 1997. DARS may provide a medium for the delivery by satellite or terrestrial means of multiple new audio programming formats with compact disc quality sound to local and national audiences. The nationwide reach of satellite DARS could allow niche programming aimed at diverse communities that Radio One is targeting. It is not known at this time whether this technology also may be used in the future by existing radio broadcast stations either on existing or alternate broadcasting frequencies. Two companies that hold licenses for authority to offer multiple channels of digital, satellite-delivered S-Band aural services could compete with conventional terrestrial radio broadcasting. The licensees will be permitted to sell advertising and lease channels in these media. The FCC's rules require that these licensees launch and begin operating at least one space station by 2001 and be fully operational by 2003.

The FCC has established a new Wireless Communications Service ("WCS") in the 2305-2320 and 2345-2360 MHz bands (the "WCS Spectrum") and awarded licenses. Licensees are generally permitted to provide any fixed, mobile, radio location services, or digital satellite radio service using the WCS Spectrum. Implementation of DARS would provide an additional audio programming service that could compete with Radio One's radio stations for listeners, but the effect upon Radio One cannot be predicted.

These satellite radio services use technology that may permit higher sound quality than is possible with conventional AM and FM terrestrial radio broadcasting.

Low Power Radio Broadcast Service. The FCC recently adopted a Notice of Proposed Rulemaking seeking public comment on a proposal to establish two classes of a low power radio service both of which would operate in the existing FM radio band: a primary class with a maximum operating power of 1 kW and a secondary class with a maximum power of 100 watts. These proposed low power radio stations would have limited service areas of 8.8 miles and 3.5 miles, respectively. The FCC also has sought public comment on the advisability of establishing a very low power secondary "microbroadcasting" service with a maximum power limit of one to ten watts. These "microradio" stations would have a service radius of only one to two miles. The service would target "niche markets" and be possibly supported by advertising revenue. Existing licensees, like Radio One, could be prohibited from owning or having a relationship with these new stations. Implementation of a low power radio service or microbroadcasting would provide an additional audio programming service that could compete with Radio One's radio stations for listeners, but the effect upon Radio One cannot be predicted.

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Subsidiaries and Related Entities

Radio One has title to most of the assets used in the operations of our radio stations. The FCC licenses for the radio stations in all cases are or will be held by direct or indirect wholly-owned subsidiaries of Radio One. In the case of all of the Baltimore stations, three of the Washington, D.C. stations, the Philadelphia station, the St. Louis station, the Cleveland stations and the Richmond stations, the FCC licenses are or will be held by Radio One Licenses, Inc., a Delaware corporation and a wholly-owned Restricted Subsidiary of Radio One. Radio One Licenses, Inc. holds no other material assets. WYCB Acquisition Corporation, a Delaware corporation and a wholly-owned Unrestricted Subsidiary, holds title to all of the outstanding capital stock of BHI, a District of Columbia corporation and an Unrestricted Subsidiary. The FCC licenses for WYCB-AM are held by BHI which also holds the assets used in the operation of that station. Bell Broadcasting, a Michigan corporation and a wholly-owned Restricted Subsidiary, holds the assets used in the operation of WCHB-AM, WDTJ-FM and WJZZ-AM. Bell Broadcasting holds title to all of the outstanding capital stock of Radio One of Detroit, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WCHB-AM, WDTJ-FM and WJZZ-AM are held by Radio One of Detroit, Inc. Radio One of Detroit, Inc. holds no other material assets.

Allur-Detroit, a Delaware corporation and a wholly-owned Restricted Subsidiary, holds the assets used in the operation of station WDMK-FM. Allur-Detroit holds title to all of the outstanding capital stock of Allur Licenses, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WDMK-FM are held by Allur Licenses, Inc. Allur Licenses, Inc. holds no other material assets.

ROA, a Delaware corporation and a wholly-owned Restricted Subsidiary, holds the assets used in the operation of station WHTA-FM and some assets used in the operation of station WAMJ-FM. ROA holds title to all of the outstanding capital stock of ROA Licenses, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WHTA-FM are held by ROA Licenses, Inc. ROA Licenses, Inc. holds no other material assets. Dogwood, a Delaware corporation and a wholly-owned Restricted Subsidiary, owns some of the assets used in the operation of station WAMJ-FM and all of the outstanding capital stock of Dogwood Licenses, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WAMJ-FM are held by Dogwood Licenses, Inc. Dogwood Licenses, Inc., holds no other material assets.

Employees

As of September 30, 1999, we employed approximately 600 people. Our employees are not unionized. We have not experienced any work stoppages and believe relations with our employees are satisfactory. Each radio station has its own on-air personalities and clerical staff. However, in an effort to control broadcast and corporate expenses, we centralize certain radio station functions by market location. For example, in each of our markets we employ one General Manager who is responsible for all of our radio stations located in such market and our Vice President of Programming oversees programming for all of our urban-oriented FM radio stations.

Legal Proceedings

We are 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. We believe the resolution of such matters will not have a material adverse effect on our business, financial condition or results of operations.

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MANAGEMENT

Directors, Executive Officers and Other Significant Personnel

The names, ages and positions of the directors, executive officers and other significant personnel of Radio One are set forth in the table below. All directors serve for the term for which they are elected or until their successors are duly elected and qualified or until death, retirement, resignation or removal.

Name	Age as of 9/30/99	Position
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Catherine L. Hughes.....	52	Chairperson of the Board of Directors and Secretary
Alfred C. Liggins, III..	34	Chief Executive Officer, President, Treasurer, and Director
Scott R. Royster.....	35	Executive Vice President and Chief Financial Officer
Mary Catherine Sneed....	48	Chief Operating Officer
Linda J. Eckard.....	42	General Counsel and Assistant Secretary
Steve Hegwood.....	38	Vice President of Programming
Leslie J. Hartmann.....	37	Corporate Controller
Terry L. Jones.....	52	Director
Brian W. McNeill.....	43	Director
Larry D. Marcus.....	50	Director

Ms. Hughes has been Chairperson of the board of directors and Secretary of Radio One since 1980, and was Chief Executive Officer of Radio One from 1980 to 1997. She was one of the founders of Radio One's predecessor company in 1980. Since 1980, Ms. Hughes has worked in various capacities for Radio One including President, General Manager, General Sales Manager and talk show host. She began her career in radio as General Sales Manager of WHUR-FM, the Howard University-owned, urban-contemporary radio station. Ms. Hughes is also the mother of Mr. Liggins, Radio One's Chief Executive Officer, President, Treasurer and director.

Mr. Liggins has been Chief Executive Officer since 1997, and President, Treasurer and a director of Radio One since 1989. Mr. Liggins joined Radio One in 1985 as an Account Manager at WOL-AM. In 1987, he was promoted to General Sales Manager and promoted again in 1988 to General Manager overseeing Radio One's Washington, D.C. operations. After becoming President, Mr. Liggins engineered Radio One's expansion into other markets. Mr. Liggins is a graduate of the Wharton School of Business/Executive M.B.A. Program. Mr. Liggins is the son of Ms. Hughes, Radio One's Chairperson and Secretary.

Mr. Royster has been Executive Vice President of Radio One since 1997 and Chief Financial Officer of Radio One since 1996. Prior to joining Radio One, he served as an independent consultant to Radio One. From 1995 to 1996, Mr.

Royster was a principal at TSG Capital Group, LLC, a private equity investment firm located in Stamford, Connecticut, which has been an investor in Radio One since 1987. Mr. Royster has also served as an associate and later a principal at Capital Resource Partners from 1992 to 1995, a private capital investment firm in Boston, Massachusetts. Mr. Royster is a graduate of Duke University and Harvard Business School.

Ms. Sneed has been Radio One's Chief Operating Officer since January 1998 and General Manager of ROA since 1995. Prior to joining Radio One, she held various positions with Summit Broadcasting including Executive Vice President of the Radio Division, and Vice President of Operations from 1992 to 1995. Ms. Sneed is a graduate of Auburn University.

Ms. Eckard has been General Counsel of Radio One since January 1998 and Assistant Secretary of Radio One since April 1999. Prior to joining Radio One as General Counsel, Ms. Eckard represented Radio One as outside counsel from July 1995 until assuming her current position. Ms. Eckard was a partner in the Washington, D.C. office of Davis Wright Tremaine LLP, from August 1997 to December 1997. Her practice focused on transactions and FCC regulatory matters. Prior to joining Davis Wright Tremaine LLP, Ms. Eckard

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was a shareholder of Roberts & Eckard, P.C., a firm that she co-founded in April 1992. Ms. Eckard is a graduate of Gettysburg College, the National Law Center at George Washington University and the University of Glasgow. Ms. Eckard is admitted to the District of Columbia Bar and the Bar of the United States Supreme Court.

Mr. Hegwood has been the Vice President of Programming for Radio One and Program Director of WKYS-FM since 1995. From 1990 to 1995, Mr. Hegwood was Program Director of WJLB-FM in Detroit, Michigan.

Ms. Hartmann has been Controller of Radio One since 1997. Prior to joining Radio One, she served as Vice President and Market Controller for Bonneville International Corporation in Phoenix, Arizona from 1991 to 1997. Ms. Hartmann is a graduate of the University of California and has an M.B.A. degree from the University of Phoenix.

Mr. Jones has been a director of Radio One since 1995. Since 1990, Mr. Jones has been President of Syndicated Communications, Inc. ("Syncom I"), a communications venture capital investment company, and its wholly owned subsidiary, Syncom. He joined Syncom I in 1978 as a Vice President. Mr. Jones serves in various capacities, including director, president, general partner and vice president, for various other entities affiliated with Syncom I. He also serves on the board of directors of the National Association of Investment Companies, Delta Capital Corporation, Sun Delta Capital Access Center and the Southern African Enterprise Development Fund. Mr. Jones earned his B.S. degree from Trinity College, his M.S. from George Washington University and his M.B.A. from Harvard Business School.

Mr. McNeill has been a director of Radio One since 1995. Since 1986, Mr. McNeill has been a General Partner of Burr, Egan, Deleage & Co., a major private equity firm which specializes in investments in the communications and technology industries. He has served as a director in many private radio and television broadcasting companies such as Tichenor Media Systems, OmniAmerica Group, Panache Broadcasting and Shockley Communications. From 1979 to 1986, he worked at the Bank of Boston where he started and managed that institution's broadcast lending group. Mr. McNeill is a graduate of Holy Cross College and earned an M.B.A. from the Amos Tuck School at Dartmouth College.

Mr. Marcus became a director of Radio One in April 1999. Mr. Marcus is currently President of Peak Media L.L.C., which is the sole management member of Peak Media Holdings L.L.C., the owner of a television station in Johnstown, Pennsylvania, and the operator under a time brokerage agreement of a television station in Altoona, Pennsylvania. In 1989, Mr. Marcus became the Chief Financial Officer of River City Broadcasting, licensee of ten television stations and thirty-four radio stations located in medium to large markets. River City Broadcasting was sold to Sinclair Broadcasting in 1996. Mr. Marcus is also a director of Citation Computer Systems, Inc., a publicly traded NASDAQ company. Mr. Marcus is a graduate of City College of New York.

Committees of the Board of Directors

The board of directors has formed an Audit Committee and a Compensation Committee whose members are Mr. Jones and Mr. McNeill, neither of whom is an employee of Radio One.

Compensation of Directors and Executive Officers

Compensation of Directors

Our non-officer directors are reimbursed for all out-of-pocket expenses related to meetings attended. In addition, Mr. Marcus receives an annual stipend of \$24,000. Our other non-officer directors receive no additional compensation for their services as directors. Our officers who serve as directors do not receive compensation for their services as directors other than the compensation they receive as officers of Radio One.

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Compensation of Executive Officers

The following information relates to compensation of our Chief Executive Officer and each of our most highly compensated executive officers (the "Named Executives") for the fiscal years ended December 31, 1998, 1997 and 1996 (as applicable):

Summary Compensation Table

Name and Principal Positions -----	Annual Compensation -----			All Other Compensation -----
	Year	Salary	Bonus	
Catherine L. Hughes..... Chairperson of the Board of Directors and Secretary	1998	\$225,000	\$100,000	\$ 3,232
	1997	193,269	50,000	3,050
	1996	150,000	31,447	18,321
Alfred C. Liggins, III..... Chief Executive Officer, President, Treasurer and Director	1998	225,000	100,000	3,567
	1997	193,269	50,000	3,125
	1996	150,000	--	19,486
Scott R. Royster..... Executive Vice President and Chief Financial Officer	1998	165,000	50,000	n/a
	1997	148,077	25,000	n/a
	1996	55,577 (1)	--	n/a
Mary Catherine Sneed..... Chief Operating Officer	1998	200,000	50,000	n/a
Linda J. Eckard..... General Counsel	1998	150,000	25,000	n/a

(1) Mr. Royster provided consulting services for Radio One in July 1996 and joined Radio One as an employee in August 1996. Disclosed compensation represents consulting fees received by Mr. Royster and the portion of his \$125,000 annual salary paid during 1996.

Employment Agreements

Ms. Catherine L. Hughes Employment Agreement. We anticipate entering into a three-year employment agreement with Ms. Hughes pursuant to which Ms. Hughes will continue to serve as Radio One's Chairperson of the board of directors. Ms. Hughes will receive an annual base salary of \$250,000 effective January 1, 1999, subject to an annual increase of not less than 5%, and an annual cash bonus at the discretion of the board of directors. We could incur severance obligations under the expected terms of the employment agreement in the event that Ms. Hughes's employment is terminated.

Mr. Alfred C. Liggins, III Employment Agreement. We anticipate entering into a three-year employment agreement with Mr. Liggins pursuant to which Mr. Liggins will continue to serve as Radio One's Chief Executive Officer and President. Mr. Liggins will receive an annual base salary of \$300,000 effective January 1, 1999, subject to an annual increase of not less than 5%, and an annual cash bonus at the discretion of the board of directors. Radio One could incur severance obligations under the expected terms of the employment

agreement in the event that Mr. Liggins's employment is terminated.

Mr. Scott R. Royster Employment Agreement. We are party to a three-year employment agreement with Mr. Royster pursuant to which Mr. Royster serves as our Chief Financial Officer and Executive Vice President. Under the terms of the employment agreement Mr. Royster receives an annual base salary of \$200,000 effective January 1, 1999, subject to an annual increase of not less than 5%, and an annual cash bonus at the discretion of the board of directors. Pursuant to the employment agreement, Mr. Royster also received a one-time cash bonus of \$60,000 upon completion of our initial public offering in May 1999. Mr. Royster has also received a one-time restricted stock award of 51,194 shares of our class C common stock and an option to purchase 18,646 shares of our class A common stock at an exercise price of \$24.00 per share (subject to certain adjustments). Twenty-five percent of the stock granted pursuant to the stock award vested on the date of grant;

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the remaining stock will vest in equal increments every month beginning February 28, 1999 and ending December 31, 2001. The options will vest in equal monthly increments during the term of the employment agreement beginning May 31, 1999. We could incur severance obligations under the expected terms of the employment agreement in the event that Mr. Royster's employment is terminated.

Ms. Mary Catherine Sneed Employment Agreement. We are party to an employment agreement with Ms. Sneed pursuant to which she was hired to serve as Radio One's Chief Operating Officer. The employment agreement provides that Ms. Sneed will receive an annual base salary of \$220,000 and an annual cash bonus of up to \$50,000, contingent upon the satisfaction of certain performance criteria. We could incur certain severance obligations under the employment agreement in the event that Ms. Sneed's employment is terminated. If, during the term of the employment agreement, we terminate Ms. Sneed's employment without just cause or following a change of control of Radio One, Ms. Sneed will continue to receive her base salary for a period of twelve months, during the first six months of which she will be subject to certain non-compete restrictions.

Ms. Linda J. Eckard Employment Agreement. We anticipate entering into an employment agreement with Ms. Eckard pursuant to which Ms. Eckard will continue to serve as our General Counsel. Under the expected terms of the employment agreement, Ms. Eckard will receive an annual base salary of \$175,000 effective January 1, 1999, subject to an annual increase of not less than 5%, an annual cash bonus at the discretion of the board of directors. Ms. Eckard received a one-time cash bonus of \$40,000 upon completion of our initial public offering in May 1999. Ms. Eckard also received an option to purchase 31,077 shares of our class A common stock at an exercise price of \$24.00 per share (subject to certain adjustments). We could incur severance obligations under the expected terms of the employment agreement in the event that Ms. Eckard's employment is terminated.

401(k) Plan

We adopted a defined contribution 401(k) savings and retirement plan effective August 1, 1994. Employees are eligible to participate after completing 90 days of service and attaining age 21. Participants may contribute up to 15% of their gross compensation subject to certain limitations.

Stock Option Plan

On March 10, 1999, we adopted an option plan designed to provide incentives relating to equity ownership to present and future executive, managerial and other key employees, directors and consultants of Radio One and our subsidiaries as may be selected in the sole discretion of the board of directors. The option plan provides for the granting to participants of stock options and restricted stock grants as the Compensation Committee of the board of directors, or such other committee of the board of directors as the board of directors may designate (the "Committee") deems to be consistent with the purposes of the option plan. An aggregate of 1,408,100 shares of common stock have been reserved for issuance under the option plan. The option plan affords Radio One latitude in tailoring incentive compensation for the retention of key personnel, to support corporate and business objectives, and to anticipate and respond to a changing business environment and competitive compensation practices. As of September 30, 1999, we have granted options to purchase 207,204 shares of class A common stock having a weighted average exercise price of \$24.00 per share.

The Committee has exclusive discretion to select the participants, to determine the type, size and terms of each award, to modify the terms of awards, to determine when awards will be granted and paid, and to make all other determinations which it deems necessary or desirable in the interpretation and administration of the option plan. The option plan terminates ten years from the date that the option plan was approved and adopted by the stockholders of Radio One. Generally, a participant's rights and interest under the option plan are not transferable except by will or by the laws of descent and distribution.

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Options, which include non-qualified stock options and incentive stock options, are rights to purchase a specified number of shares of common stock at a price fixed by the Committee. The option price may be less than, equal to or greater than the fair market value of the underlying shares of common stock, but in no event will the exercise price of an incentive stock option be less than the fair market value on the date of grant. Options will expire not later than ten years after the date on which they are granted. Options will become exercisable at such times and in such installments as the Committee shall determine. Upon termination of a participant's employment with Radio One, options that are not exercisable will be forfeited immediately and Options that are exercisable will be forfeited on the ninetieth day following such termination unless exercised by the participant. Payment of the option price must be made in full at the time of exercise in such form (including, but not limited to, cash or common stock of Radio One) as the Committee may determine.

Grants are awards of restricted common stock at no cost to participants and are generally subject to vesting provisions as determined by the Committee. Upon termination of a participant's employment with Radio One, grants that are not vested will be forfeited immediately.

In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, distribution of assets, or any other change in the corporate structure or shares of Radio One, the Committee will make any adjustments it deems appropriate in the number and kind of shares reserved for issuance upon the exercise of options and vesting of grants under the option plan and in the exercise price of outstanding options.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Mableton Option

Mr. Liggins, the Chief Executive Officer and President of Radio One, has a right, which he obtained in 1995, (the "Mableton Option") to acquire an interest in a construction permit for an FM radio station licensed to Mableton, Georgia (the "Mableton Station") which is in the Atlanta MSA. Mr. Liggins and the principals of Syncom, Herbert P. Wilkins, Terry L. Jones and Duane McKnight, have reached an agreement to provide initial funding to satisfy the requirements of the Mableton Option. Syncom has provided this funding, a portion of which will be reimbursed to Syncom by Mr. Liggins. Terry L. Jones is also a member of Radio One's board of directors. Mr. Liggins has also proposed that Radio One, most likely through ROA, enter into an LMA with respect to the Mableton Station, or otherwise participate in the operations and financing of the Mableton Station. Any such arrangement will be on terms at least as favorable to Radio One as any such transaction with an unaffiliated third party.

Office Lease

We lease office space located at 100 St. Paul Street, Baltimore, Maryland from Chalrep Limited Partnership, a limited partnership controlled by Ms. Hughes and Mr. Liggins. The annual rent for the office space is \$152,400. We believe that the terms of this lease are not materially different than if the agreement were with an unaffiliated third party.

Music One, Inc.

Ms. Hughes and Mr. Liggins own a music company called Music One, Inc. We sometimes engage in promoting the recorded music product of Music One, Inc. We

estimate that the dollar value of such promotion is nominal.

Allur-Detroit

Allur-Detroit leases the transmitter site for WDMK-FM from American Signalling Corporation for approximately \$72,000 per year. American Signalling Corporation is a wholly-owned subsidiary of Syncom Venture Partners. We believe that the terms of this lease are not materially different than if the agreement were with an unaffiliated third party.

XM Satellite, Inc.

Radio One and XM Satellite Radio, Inc. have entered into a Programming Partner Agreement whereby we will provide programming to XM Satellite Radio, Inc. for distribution over satellite-delivered channels. Worldspace, Inc. held 20% of the stock of XM Satellite Radio, Inc. Syncom Venture Partners owns approximately 1.25% of the stock of Worldspace, Inc. Terry L. Jones, a director of Radio One, is also a director of Worldspace, Inc.

Radio One of Atlanta, Inc.

On March 30, 1999, we acquired all of the outstanding capital stock of ROA. ROA's stockholders included Alta Subordinated Debt Partners III, L.P. ("Alta"), Syncom Venture Partners, and Alfred C. Liggins, III. Mr. Brian W. McNeill, a general partner of Alta, is also a member of Radio One's board of directors. Alta is one of the selling stockholders and will hold approximately 3.0% of the class A common stock after completion of the offering. Terry L. Jones, a general partner of the general partner of Syncom Venture Partners, is also a member of Radio One's board of directors and is the President of Syncom and Syncom I. Syncom and Syncom I will hold in the aggregate approximately 7.4% of the class A common stock after completion of this offering.

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Radio One issued approximately 3.3 million shares of common stock in exchange for the outstanding capital stock of ROA. Alta, Syncom Venture Partners and Mr. Liggins received a majority of such shares in exchange for their shares in ROA. In connection with this transaction, Mr. Liggins was paid a fee of approximately \$1.2 million for arranging the acquisition. Also, as part of this transaction, Radio One assumed and retired debt and accrued interest of approximately \$16.3 million of ROA and Dogwood. Of this amount, approximately \$12.0 million was paid to Allied Capital Corporation, approximately \$1.3 million was paid to Syncom Venture Partners, and approximately \$2.0 million was paid to Alta.

The board of directors authorized the formation of an ad-hoc committee to oversee the valuation of ROA. The ad-hoc committee members were Catherine L. Hughes of Radio One, Sanford Anstey of BancBoston Investments, Inc. and Dean Pickerell of Medallion Capital, Inc. (formerly Capital Dimensions Venture Fund, Inc.). The committee was comprised of members of the board of directors of, and investors in, Radio One that did not have an interest in ROA.

The ad-hoc committee recommended approval of the acquisition of ROA based upon its determination that the acquisition was fair to Radio One and its stockholders.

Executive Officers' Loans

We have extended an unsecured loan to Mr. Liggins in the amount of \$380,000, which bears interest at an annual rate of 5.56% and is evidenced by a demand promissory note. As of September 30, 1999, the aggregate outstanding principal and interest amount on this loan was \$405,798. The purpose of the loan was to repay a loan that Mr. Liggins obtained from NationsBank, Texas, N.A. in 1997 to purchase an additional interest in Radio One.

ROA has extended an unsecured loan to Mary Catherine Sneed, Chief Operating Officer of Radio One, in the original amount of \$262,539, which bears interest at an annual rate of 5.56% and is evidenced by two demand promissory notes. As of September 30, 1999, the aggregate outstanding principal and interest amount on this loan was \$270,514. The purpose of this loan was to pay Ms. Sneed's tax liability with respect to incentive stock grants of ROA stock received by Ms. Sneed.

We have extended an unsecured loan to Mr. Royster in the amount of \$87,564,

which bears interest at an annual rate of 5.56% and is evidenced by a demand promissory note. As of September 30, 1999, the aggregate outstanding principal and interest on this loan was \$88,787. The purpose of this loan was to pay Mr. Royster's tax liability with respect to the restricted stock grant that we made to Mr. Royster.

SELLING STOCKHOLDERS

The selling stockholders are selling 700,000 shares of class A common stock. The following table sets forth with respect to each of the selling stockholders (1) the number of shares of class A common stock held by that selling stockholder prior to the offering, (2) the number of shares of class A common stock to be sold by that selling stockholder in the offering, (3) the amount of class A common stock that the selling stockholder will hold after completion of the offering, and (4) the percentage of the outstanding class A common stock that the selling stockholder will hold after completion of the offering, without giving effect to the exercise of the underwriters' over-allotment option.

Name of Selling Stockholder	Number of Shares of Class A Common Stock Held Prior to the Offering	Number of Shares of Class A Common Stock to be Sold in the Offering	Number of Shares of Class A Common Stock Held After Completion of the Offering	Percentage of Class A Common Stock Held After Completion of the Offering
BancBoston Investments, Inc.	437,833	200,000	237,833	1.5%
Alta Subordinated Debt Partners III, L.P.....	954,681	476,640	478,041	3.0%
Fulcrum Venture Capital Corporation.....	273,420	23,360	250,060	1.6%

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of October 22, 1999 and after giving effect to this offering, but without giving effect to the exercise of the underwriters' over-allotment option, by: (1) each person (or group of affiliated persons) known by us to be the beneficial owner of more than five percent of any class of common stock; (2) each Named Executive; (3) each of our directors; (4) the selling stockholders; (5) all of our directors and officers as a group. The number of shares of each class of common stock excludes the shares of any other class of common stock issuable upon conversion of that class of common stock. Unless otherwise indicated in the footnotes below, each stockholder possesses sole voting and investment power with respect to the shares listed. Information with respect to the beneficial ownership of shares has been provided by the stockholders.

[illegible]

Catherine L. Hughes(/1/)..... c/o Radio One 5900 Princess Garden Parkway 8th Floor Lanham, Maryland 20706	1,000	0.006%	851,536	29.6%	1,704,740	53.4%	11.6%	19.0%
Alfred C. Liggins, III(/1/)..... c/o Radio One 5900 Princess Garden Parkway 8th Floor Lanham, Maryland 20706	38,036	0.2	2,010,308	70.0	1,419,646	44.4	15.7	45.0
Scott R. Royster(/2/)... c/o Radio One 5900 Princess Garden Parkway 8th Floor Lanham, Maryland 20706	5,627	0.04	--	--	49,191	1.5	0.2	0.01
Linda J. Eckard(/3/).... c/o Radio One 5900 Princess Garden Parkway 8th Floor Lanham, Maryland 20706	8,769	0.1	--	--	--	--	0.04	0.02
Mary Catherine Sneed.... c/o Radio One 5900 Princess Garden Parkway, 8th Floor, Lanham, Maryland 20706	230,922	1.4	--	--	--	--	1.0	0.5
Terry L. Jones(/4/)..... c/o Syncom Capital Corporation 8401 Colesville Road Suite 300 Silver Spring, MD 20910	1,185,079	7.4	--	--	--	--	5.4	2.6
Brian W. McNeill(/5/)... c/o Burr, Egan, Deleage & Co. One Post Office Square, Boston, MA 02109	492,258	3.1	--	--	--	--	2.2	1.1
Larry D. Marcus..... 248 Gay Avenue Clayton, MO 63105	2,500	0.02	--	--	--	--	0.01	0.01
Alta Subordinated Debt Partners III, L.P..... c/o Burr, Egan, Deleage & Co. One Post Office Square Boston, MA 02109	478,041	3.0	--	--	--	--	2.2	1.1
BancBoston Investments, Inc..... 100 Federal Street 32nd Floor Boston, MA 02110	237,833	1.5	--	--	--	--	1.1	0.5
Fulcrum Venture Capital Corporation..... 300 Corporate Point Suite 380 Culver City, CA 90230	250,060	1.6	--	--	--	--	1.1	0.6
Syncom Capital Corporation..... 8401 Colesville Road Suite 300 Silver Spring, MD 20910	1,026,861	6.4	--	--	--	--	4.6	2.3
Syndicated Communications Venture Partners..... 8401 Colesville Road Suite 300 Silver Spring, MD 20910	157,318	1.0	--	--	--	--	0.7	0.4
All Directors and Named Executives as a group (8 persons).....	1,974,191	12.3	2,861,844	99.6	3,173,577	99.3	36.1	68.3

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- (/1/) Ms. Hughes and Mr. Liggins may be deemed to share beneficial ownership of shares of capital stock owned by each other by virtue of the fact that Ms. Hughes is Mr. Liggins' mother. Each of Ms. Hughes and Mr. Liggins disclaims such beneficial ownership. The shares of class B common stock are subject to a voting agreement between Ms. Hughes and Mr. Liggins with respect to the election of Radio One's directors.
 - (/2/) Includes 4,662 shares of class A common stock obtainable upon the exercise of stock options exercisable within 60 days of October 22, 1999.
 - (/3/) Includes 7,769 shares of class A common stock obtainable upon the exercise of stock options exercisable within 60 days of October 22, 1999.
 - (/4/) Includes 1,026,861 shares of class A common stock held by Syncom Capital Corporation, 157,318 shares of class A common stock held by Wilkins & Jones LP, and 300 shares of class A common stock held by each of Mr. Jones' daughters. Mr. Jones is the President of Syncom and may be deemed to share beneficial ownership of shares of class A common stock held by Syncom by virtue of his affiliation with Syncom. Mr. Jones disclaims beneficial ownership in such shares. Mr. Jones is a general partner of Wilkins & Jones LP and may be deemed to share beneficial ownership of class A common stock held by Wilkins & Jones LP by virtue of his affiliation with Wilkins & Jones LP. Mr. Jones disclaims beneficial ownership of such shares.
 - (/5/) Includes 14,217 shares of class A common stock held by Mr. McNeill and 478,041 shares of class A common stock held by Alta. Mr. McNeill is a general partner of Alta and Mr. McNeill may be deemed to share beneficial ownership of shares of class A common stock and existing preferred stock held by Alta by virtue of his affiliation with Alta. Mr. McNeill disclaims any beneficial ownership of such shares.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock gives effect to the consummation of the transactions contemplated under "Capitalization," which will occur prior to or simultaneously with the proposed sale of 4,000,000 shares of class A common stock by Radio One in this offering. Our capital stock consists of (1) 90,000,000 authorized shares of common stock, \$0.001 par value per share, which consists of (a) 30,000,000 shares of class A common stock, of which 16,034,397 shares are outstanding (16,434,397 shares assuming the underwriters overallotment option is exercised), (b) 30,000,000 shares of class B common stock, of which 2,873,083 shares are outstanding, and (c) 30,000,000 shares of class C common stock, of which 3,195,063 shares are outstanding, and (2) 290,000 authorized shares of preferred stock, par value \$0.01 per share, which consists of 140,000 shares of series A preferred stock, none of which is outstanding and 150,000 shares of series B preferred stock, none of which is outstanding. The following is summary of the material provisions of our certificate of incorporation, which is filed as an exhibit to the Registration Statement of which this prospectus is a part.

Class A Common Stock

The holders of class A common stock are entitled to one vote for each share held on all matters voted upon by stockholders, including the election of directors and any proposed amendment to the certificate of incorporation. The holders of class A common stock are entitled to vote as a class to elect two independent directors to the board of directors. The holders of class A common stock will be entitled to such dividends as may be declared at the discretion of the board of directors out of funds legally available for that purpose. The holders of class A common stock will be entitled to share ratably with all other classes of common stock in the net assets of Radio One upon liquidation after payment or provision for all liabilities. All shares of class A common stock may be converted at any time into a like number of shares of class C common stock at the option of the holder of such shares. All shares of class A common stock issued pursuant to the offering will be fully paid and non-assessable.

Class B Common Stock

The holders of class B common stock are entitled to the same rights,

privileges, benefits and notices as the holders of class A common stock, except that the holders of class B common stock will be entitled to ten votes per share. All shares of class B common stock may be converted at any time into a like number of shares of class A common stock at the option of the holder of such shares. Catherine L. Hughes and Alfred C. Liggins, III may transfer shares of class B common stock held by them only to "Class B Permitted Transferees," and Class B Permitted Transferees may transfer shares of class B common stock only to other Class B Permitted Transferees. If any shares of class B common stock are transferred to any person or entity other than a Class B Permitted Transferee, such shares will automatically be converted into a like number of shares of class A common stock. "Class B Permitted Transferees" include Ms. Hughes, Mr. Liggins, their respective estates, spouses, former spouses, parents or grandparents or lineal descendants thereof, and certain trusts and other entities for the benefit of, or beneficially owned by, such persons. Ms. Hughes and Mr. Liggins have agreed to vote their shares of common stock to elect each other and other mutually agreeable nominees to the board of directors. See "Risk Factors--Controlling Stockholders."

Class C Common Stock

The holders of class C common stock are entitled to the same rights, privileges, benefits and notices as the holders of class A common stock and class B common stock, except that the holders of class C common stock will be entitled to no votes per share. All shares of class C common stock may be converted at any time into a like number of shares of class A common stock at the option of the holder of such shares, except that Class B Permitted Transferees may convert shares of class C common stock into shares of class A common stock, or otherwise acquire shares of class A common stock, only in connection with:

- . a merger or consolidation of Radio One with or into, or other acquisition of, another entity pursuant to which the Class B Permitted Transferees are to receive shares of class A common stock in exchange for their interest in such entity;

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- . the transfer of such shares of class A common stock to a person or entity other than a Class B Permitted Transferee; or
- . a registered public offering of such shares of class A common stock.

Foreign Ownership

Radio One's certificate of incorporation restricts the ownership, voting and transfer of our capital stock, including the class A common stock, in accordance with the Communications Act and the rules of the FCC, which prohibit the issuance of more than 25% of our outstanding capital stock (or more than 25% of the voting rights such stock represents) to or for the account of aliens (as defined by the FCC) or corporations otherwise subject to domination or control by aliens. Our certificate of incorporation prohibits any transfer of our capital stock that would cause a violation of this prohibition. In addition, the certificate of incorporation authorizes the board of directors to take action to enforce these prohibitions, including restricting the transfer of shares of capital stock to aliens and placing a legend restricting foreign ownership on the certificates representing the class A common stock.

Registration Rights

The holders of substantially all of the shares of class A common stock outstanding prior to our initial public offering, other than Mr. Liggins, are parties to registration rights agreements with us. These agreements, which relate to approximately 3.3 million shares of class A common stock, provide incidental or "piggyback" registration rights that allow such holders, under certain circumstances, to include their shares of class A common stock in registration statements initiated by Radio One or other stockholders. Under these agreements, the holders of class A common stock may require us to register their shares under the Securities Act for offer and sale to the public (including by way of an underwritten public offering) on up to four occasions. These agreements also permit demand registrations on Form S-3 registration statements provided that we are eligible to register our capital stock on Form S-3. All such registration rights are subject to conditions and limitations, including the right of the underwriters of an offering to limit the number of shares to be included in a registration. The holders of these registration

rights have waived their "piggyback" registration rights with respect to the offering.

Limitations on Directors' and Officers' Liability

Radio One's certificate of incorporation limits the liability of directors to the maximum extent permitted by Delaware law, which specifies that a director of a company adopting such a provision will not be personally liable for monetary damages for breach of fiduciary duty as a director, except for the liability (1) for any breach of the director's duty of loyalty to Radio One or its stockholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or (4) for any transaction from which the director derived an improper personal benefit.

Radio One's certificate of incorporation provides for mandatory indemnification of directors and officers and authorizes indemnification for employees and agents in such manner, under such circumstances and to the fullest extent permitted by the Delaware General Corporation Law, which generally authorizes indemnification as to all expenses incurred or imposed as a result of actions, suits or proceedings if the indemnified parties act in good faith and in a manner they reasonably believe to be in or not opposed to the best interests of Radio One. We believe these provisions are necessary or useful to attract and retain qualified persons as directors. Radio One maintains directors and officers insurance for the benefit of its directors and officers.

There is no pending litigation or proceeding involving a director or officer as to which indemnification is being sought.

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Transfer Agent and Registrar

American Stock Transfer & Trust Company is our transfer agent and registrar.

DESCRIPTION OF INDEBTEDNESS

Bank Credit Facility

On February 26, 1999, we entered into an amended and restated credit agreement providing for a bank credit facility under which we may borrow up to \$100 million on a revolving basis from a group of banking institutions. Draw downs under the bank credit facility are currently available, subject to compliance with provisions of the credit agreement, including but not limited to the financial covenants. Specifically, borrowings under the bank credit facility may be entirely of Eurodollar Loans, Alternate Base Rate ("ABR") Loans or a combination thereof. The bank credit facility will be fully available until a maturity date of December 31, 2003. No commitment reductions under the bank credit facility will occur until the final maturity date, provided that Radio One does not acquire or issue additional indebtedness or Disqualified Stock (as such term is defined in the credit agreement).

The bank credit facility terminates on December 31, 2003, at which time any outstanding principal together with all accrued and unpaid interest thereon would become due and payable. All amounts under the bank credit facility are guaranteed by each of Radio One's direct and indirect subsidiaries other than WYCB Acquisition Corporation and Broadcast Holdings, Inc.

The bank credit facility is secured by a perfected first priority secured interest in: (1) substantially all of the tangible and intangible assets of Radio One and our direct and indirect subsidiaries including, without limitation, any and all FCC licenses to the maximum extent permitted by law and (2) all of the common stock of Radio One and our direct and indirect subsidiaries, including all warrants or options and other similar securities to purchase such securities. Radio One also granted a security interest in all money (including interest), instruments and securities at any time held or acquired in connection with a cash collateral account established pursuant to the credit agreement, together with all proceeds thereof.

The interest rates on the borrowings under the bank credit facility are based on the ratio of total debt to EBITDA, with a maximum margin above ABR of

1.625% with respect to ABR Loans, and a maximum margin above Eurodollar rate 2.625% with respect to Eurodollar Loans. Interest on Eurodollar Loans is based on a 360-day period for actual days elapsed, and interest on ABR Loans is based on a 365-day period for actual days elapsed. In addition, Radio One will pay a commitment fee equal to an amount based on the average daily amount of the available commitment computed at a rate per year tied to a leverage ratio in effect for the fiscal quarter preceding the date of payment of such fee. The commitment fee is fully earned and non-refundable and is payable quarterly in arrears on the last business day of each March, June, September and December and on the maturity date.

The credit agreement contains customary and appropriate affirmative and negative covenants including, but not limited to, financing covenants and other covenants including limitations on other indebtedness, liens, investments, guarantees, restricted payments (dividends, redemptions and payments on subordinated debt), prepayment or repurchase of other indebtedness, mergers and acquisitions, sales of assets, capital expenditures, losses, transactions with affiliates and other provisions customary and appropriate for financing of this type, including mutually agreed upon exceptions and baskets. The financial covenants include:

- . a maximum ratio of total debt to EBITDA of 7.0x;
- . a maximum ratio of senior debt to EBITDA of 3.75x;
- . a minimum interest coverage ratio; and
- . a minimum fixed charge coverage ratio.

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The credit agreement contains the following customary events of default:

- . failure to make payments when due;
- . defaults under any other agreements or instruments of indebtedness;
- . noncompliance with covenants;
- . breaches of representations and warranties;
- . voluntary or involuntary bankruptcy or liquidation proceedings;
- . entrance of judgments;
- . impairment of security interests in collateral; and
- . changes of control.

12% Notes Due 2004

On May 15, 1997, we entered into an approximate \$85.0 million aggregate principal amount offering (the "12% notes offering") of our 12% Senior Subordinated Notes (the "12% notes due 2004"). The 12% notes offering has an aggregate initial accreted value of approximately \$75.0 million, as of Maturity Date May 15, 2004.

The 12% notes due 2004 were issued pursuant to an indenture, dated as of May 15, 1997 among Radio One, Radio One Licenses, Inc. and United States Trust Company of New York (the "12% notes indenture"). The 12% notes due 2004 are generally unsecured obligations of Radio One and are subordinated in rights of payment to all Senior Indebtedness (as defined in the 12% notes indenture). All of our Restricted Subsidiaries are Subsidiary Guarantors of the 12% notes due 2004.

The 12% notes due 2004 were issued at a substantial discount from their principal amount. The issue price to investors per note was \$877.42, which represents a yield to maturity on the 12% notes due 2004 of 12.0% calculated from May 19, 1997 (computed on a semi-annual bond equivalent basis).

Cash interest on the 12% notes due 2004 accrues at a rate of 7.0% per annum on the principal amount of the 12% notes due 2004 through and including May 15, 2000, and at a rate of 12.0% per annum on the principal amount of the 12% notes due 2004 after such date. Cash interest on the 12% notes due 2004 is currently

payable semi-annually on May 15 and November 15 of each year.

The 12% notes due 2004 are redeemable at any time and from time to time at the option of Radio One, in whole or in part, on or after May 15, 2001 at the redemption prices set forth in the 12% notes due 2004, plus accrued and unpaid interest to the date of redemption. In addition, on or prior to May 15, 2000, Radio One may redeem, at our option, up to 25.0% of the aggregate original principal amount of the 12% notes due 2004 with the net proceeds of one or more Public Equity Offerings at 112% of the Accreted Value thereof, together with accrued and unpaid interest, if any, to the date of redemption, as long as at least approximately \$64.1 million of the aggregate principal amount of the 12% notes due 2004 remains outstanding after each such redemption. Upon a Change of Control (as defined in the 12% notes indenture), we must commence an offer to repurchase the 12% notes due 2004 at 101% of the Accreted Value thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

The 12% notes indenture contains certain restrictive covenants with respect to Radio One and our Restricted Subsidiaries, including limitations on: (a) the sale of assets, including the equity interests of our Restricted Subsidiaries, (b) asset swaps, (c) the payment of Restricted Payments (as defined in the 12% notes indenture), (d) the incurrence of indebtedness and issuance of preferred stock by us or our Restricted Subsidiaries, (e) the issuance of Equity Interests (as defined in the 12% notes indenture) by a Restricted Subsidiary, (f) the payment of dividends on our capital stock and the purchase, redemption or retirement of our

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capital stock or subordinated indebtedness, (g) certain transactions with affiliates, (h) the incurrence of senior subordinated debt and (i) certain consolidations and mergers. The 12% notes indenture also prohibits certain restrictions on distributions from Restricted Subsidiaries. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

The 12% notes indenture includes various events of default customary for such type of agreements, such as failure to pay principal and interest when due on the 12% notes due 2004, cross defaults on other indebtedness and certain events of bankruptcy, insolvency and reorganization.

SHARES ELIGIBLE FOR FUTURE SALE

The market price of our class A common stock could decline as a result of future sales of substantial amounts of class A common stock, or the perception that such sales could occur. Furthermore, certain of our existing stockholders have the right to require us to register their shares, which may facilitate their sale of shares in the public market.

Upon completion of this offering, we will have 16,034,397 shares of class A common stock, 2,873,084 shares of class B common stock and 3,195,064 shares of class C common stock issues and outstanding, assuming no exercise of the underwriters' over-allotment option. Of these shares, the 4,700,000 shares of class A common stock being sold in this offering (plus any shares issued upon exercise of the underwriters' over-allotment option), the 7,150,000 shares of class A common stock sold in our initial public offering in May 1999 and approximately 2,293,000 shares of unrestricted class A common stock will be freely transferable without restriction in the public market, except to the extent these shares have been acquired by our affiliates, whose sale of such shares is restricted by Rule 144 under the Securities Act. The remaining shares of our common stock are "restricted" securities under Rule 144 which, among other things, limits the number of such shares available for sale in the public market. However, many of the restrictions of Rule 144 do not apply to persons who are not our affiliates.

The holders of substantially all of the shares of class A common stock outstanding prior to our initial public offering, other than Mr. Liggins, are parties to registration rights agreements with us. These agreements, which relate to approximately 3.3 million shares of class A common stock, provide incidental or "piggyback" registration rights that allow such holders, under certain circumstances, to include their shares of class A common stock in registration statements initiated by Radio One or other stockholders. Such registration rights agreements also permit demand registrations. The number of shares sold in the public market could increase if such rights are exercised. See "Description of Capital Stock--Registration Rights."

In general, under Rule 144 as currently in effect, a person (or persons whose shares are required to be aggregated) who has beneficially owned shares of common stock that have been outstanding and not held by any "affiliate" of Radio One for a period of one year is entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of class A common stock (approximately 221,000 shares immediately after completion of this offering assuming no exercise of the underwriters' over-allotment option) or the average weekly reported trading volume of the class A common stock during the four calendar weeks preceding the date on which notice of such sale is given, provided certain manner of sale and notice requirements and requirements as to the availability of current public information are satisfied (such information requirements have been satisfied by Radio One's filing of reports under the Securities Exchange Act of 1934, as amended since August 1997). Affiliates of Radio One must comply with the restrictions and requirements of Rule 144, other than the two-year holding period requirement, in order to sell shares of common stock that are not "restricted securities" (such as shares acquired by affiliates in this offering). Under Rule 144(k), a person who is not deemed an "affiliate" of Radio One at any time during the three months preceding a sale by him, and who has beneficially owned shares of common stock that were not acquired from Radio One or an "affiliate" of Radio One within the previous two years, would be entitled to sell such shares without regard to volume limitations, manner of sale provisions,

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notification requirements or the availability of current public information concerning Radio One. As defined in Rule 144, an "affiliate" of an issuer is a person that directly or indirectly through the use of one or more intermediaries controls, or is controlled by, or is under common control with, such issuer.

Radio One, Catherine L. Hughes, Alfred C. Liggins, III, the selling stockholders and certain other holders of common stock of Radio One have entered into contractual "lock-up" agreements providing that they will not offer, sell, contract to sell or grant any option to purchase or otherwise dispose of the shares of common stock owned by them or that could be purchased by them through the exercise of options to purchase common stock of Radio One for a period of 90 days after the date of this prospectus without the prior written consent of Credit Suisse First Boston Corporation on behalf of the underwriters.

Radio One has on file with the SEC an effective Registration Statement under the Securities Act covering shares of class A common stock reserved for issuance under Radio One's option plan. Such Registration Statement covers approximately 1.4 million shares. Shares registered under such Registration Statement will be, subject to Rule 144 volume limitations applicable to affiliates, available for sale in the open market, unless such shares are subject to vesting restrictions or the lock-up agreements described above.

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UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement, dated, November , 1999, we and the selling stockholders have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc., Prudential Securities Incorporated and BancBoston Robertson Stephens Inc. are acting as representatives, the following respective number of shares of class A common stock:

Underwriter -----	Number of Shares -----
Credit Suisse First Boston Corporation.....	
Deutsche Bank Securities Inc.....	
Banc of America Securities LLC.....	
Bear, Stearns & Co. Inc.....	

Prudential Securities Incorporated.....
 BancBoston Robertson Stephens Inc.....

Total..... ---
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The underwriting agreement provides that the underwriters are obligated to purchase all the shares of class A common stock in the offering if any are purchased other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering of class A common stock may be terminated.

We have granted to the underwriters a 30-day option to purchase up to 400,000 additional shares from us at the public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of class A common stock.

The underwriters propose to offer the shares of class A common stock initially at the public offering price on the cover page of this prospectus, and to selling group members at that price less a concession of \$ per share. The underwriters and selling group members may allow a discount of \$ per share on sales to other broker/dealers. After the initial public offering, the public offering price and concession and discount to broker/dealers may be changed by the representatives.

The following table summarizes the compensation and estimated expenses we and the selling stockholders will pay.

Per Share		Total	
Without	With	Without	With
Over-	Over-	Over-	Over-
allotment	allotment	allotment	allotment

Underwriting Discounts and
 Commissions paid by us
 Expenses payable by us.....
 Underwriting Discounts and
 Commissions paid by selling
 stockholders

The offering is being made in compliance with the requirements of Rule 2710(c) (8) of the National Association of Securities Dealers, Inc. Conduct Rules.

We are currently in compliance in all material respects with the terms of our credit agreement with lenders including Credit Suisse First Boston, New York branch, an affiliate of Credit Suisse First Boston Corporation. The decision of Credit Suisse First Boston Corporation to distribute the class A common stock was made in accordance with its customary procedures. Credit Suisse First Boston Corporation will not receive any benefit from this offering other than its respective portion of the underwriting discounts as set forth on the cover page of this prospectus.

Radio One, Catherine L. Hughes, Alfred C. Liggins, III, the selling stockholders and certain other holders of Common Stock of Radio One have agreed that they will not offer, sell, contract to sell or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any additional shares of class A common stock or securities convertible into or exchangeable or exercisable for any of our class A common stock, or publicly disclose the intention to make an offer, sale disposition or filing, without the prior written consent of Credit Suisse First

Boston Corporation for a period of 90 days after the date of this prospectus, except, in our case, issuances pursuant to the exercise of employee stock options outstanding on the date hereof.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities under the Securities Act, or contribute to payments which the underwriters may be required to make in that respect.

Credit Suisse First Boston Corporation has provided customary financial advisory services to Radio One, for which it has received customary compensation and indemnification, and in the future may provide such services.

The representatives may engage in over-allotment, stabilizing transactions, syndicate covering transactions, penalty bids and passive market making in accordance with Regulation M under the Securities Exchange Act of 1934, as amended.

- . Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position.
- . Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- . Syndicate covering transactions involve purchases of the class A common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- . Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the class A common stock originally sold by such syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions.
- . In passive market making, market makers in the class A common stock who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchases of the class A common stock until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of the class A common stock to be higher than it would otherwise be in the absence of such transactions. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

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NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the class A common stock in Canada is being made only on a private placement basis exempt from the requirement that we and the selling stockholders prepare and file a prospectus with the securities regulatory authorities in each province where trades of the class A common stock are effected. Accordingly, any resale of the class A common stock in Canada must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the class A common stock.

Representations of Purchasers

Each purchaser of the class A common stock in Canada who receives a purchase confirmation will be deemed to represent to us, the selling stockholders and the dealer from whom such purchase confirmation is received that (1) such purchaser is entitled under applicable provincial securities laws to purchase such class A common stock without the benefit of a prospectus qualified under such securities laws, (2) where required by law, that such purchaser is purchasing as principal and not as agent, and (3) such purchaser has reviewed the text above under "Resale Restrictions."

Rights of Action (Ontario Purchasers)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by Ontario securities law. As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

Enforcement of Legal Rights

All of the issuer's directors and officers as well as the experts named herein and the selling stockholders may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

Notice to British Columbia Residents

A purchaser of the class A common stock to whom the Securities Act (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any class A common stock acquired by such purchaser pursuant to this offering. Such report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from Radio One. Only one report must be filed in respect of the class A common stock acquired on the same date and under the same prospectus exemption.

Taxation and Eligibility for Investment

Canadian purchasers of the class A common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the class A common stock in their particular circumstances and with respect to the eligibility of the class A common stock for investment by the purchaser under relevant Canadian legislation.

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LEGAL MATTERS

Kirkland & Ellis will pass upon the legality of the common stock offered by this prospectus and other matters specified in the underwriting agreement for Radio One. Davis Wright Tremaine LLP will pass upon legal matters regarding FCC issues for Radio One. Skadden, Arps, Slate, Meagher & Flom LLP will pass upon matters specified in the underwriting agreement for the underwriters.

EXPERTS

The audited consolidated financial statements of Radio One, Inc. and subsidiaries as of December 31, 1997 and 1998, and for each of the years in the three-year period ended December 31, 1998, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited consolidated financial statements of Radio One of Atlanta, Inc. and subsidiary as of December 31, 1997 and 1998, and for each of the years in the three-year period ended December 31, 1998, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of Bell Broadcasting Company as of December 31, 1997 and for each of the years in the two-year period ended December 31, 1997, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of Allur-Detroit, Inc., as of December 31, 1997, and for the year then ended, included in the prospectus and registration

statement have been audited by Mitchell & Titus, LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of the Richmond Operations of Sinclair Telecable, Inc. as of December 31, 1997 and 1998, and for each of the years in the two-year period ended December 31, 1998, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of stations WKJS-FM and WARV-FM of FM 100, Inc. as of December 31, 1998, and for the year then ended, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the SEC's regional offices located at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661 and Seven World Trade Center, 13th Floor, New York, NY 10048. Copies of such material can be obtained from the Public Reference Section of the SEC upon payment of certain fees prescribed by the SEC. The SEC's Web site contains reports,

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proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

We have filed a registration statement on Form S-1 with the SEC under the Securities Act of 1933, as amended in respect of the class A common stock offered pursuant to this prospectus. This prospectus, which is a part of the registration statement, omits certain information contained in the registration statement as permitted by the SEC's rules and regulations. For further information with respect to Radio One and the class A common stock offered hereby, please reference the registration statement, including its exhibits. Statements in this prospectus concerning the contents of any contract or other document filed with the SEC as an exhibit to the registration statement are summaries of the material provisions of those documents and we recommend that you also refer to those exhibits in evaluating Radio One. Copies of the registration statement, including all related exhibits and schedules, may be inspected without charge at the public reference facilities maintained by the SEC, or obtained at prescribed rates from the Public Reference Section of the SEC at the address set forth above.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of
Radio One, Inc.:

We have audited the accompanying consolidated balance sheets of Radio One, Inc. (a Delaware corporation) and subsidiaries (the Company) as of December 31, 1997 and 1998, and the related consolidated statements of operations, changes in stockholders' deficit and cash flows for each of the years in the three-year period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Radio One, Inc. and subsidiaries as of December 31, 1997 and 1998 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Baltimore, Maryland,
May 6, 1999

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RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 1997 and 1998 and June 30, 1999

	1997	1998	June 30, 1999
	-----	-----	-----
			(unaudited)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.....	\$ 8,500,000	\$ 4,455,000	\$ 5,018,000
Trade accounts receivable, net of allowance for doubtful accounts of \$904,000, \$1,243,000 and \$1,977,000, respectively.....	8,722,000	12,026,000	16,879,000
Prepaid expenses and other.....	315,000	334,000	766,000
Deferred taxes.....	--	826,000	826,000
	-----	-----	-----
Total current assets.....	17,537,000	17,641,000	23,489,000
PROPERTY AND EQUIPMENT, net.....	4,432,000	6,717,000	15,349,000
INTANGIBLE ASSETS, net.....	54,942,000	127,639,000	200,181,000
OTHER ASSETS.....	2,314,000	1,859,000	4,757,000
	-----	-----	-----
Total assets.....	\$ 79,225,000	\$153,856,000	\$243,776,000
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
(DEFICIT)			
CURRENT LIABILITIES:			
Accounts payable.....	\$ 258,000	\$ 1,190,000	\$ 3,353,000
Accrued expenses.....	3,029,000	3,708,000	6,052,000
Income taxes payable.....	--	143,000	--

Total current liabilities.....	3,287,000	5,041,000	9,405,000
LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion.....	74,954,000	131,739,000	96,498,000
DEFERRED TAX LIABILITY.....	--	15,251,000	14,943,000
Total liabilities.....	78,241,000	152,031,000	120,846,000
COMMITMENTS AND CONTINGENCIES			
SENIOR CUMULATIVE REDEEMABLE PREFERRED STOCK:			
Series A, \$.01 par value, 140,000 shares authorized, 84,843 shares issued and outstanding.....	9,310,000	10,816,000	--
Series B, \$.01 par value, 150,000 shares authorized, 124,467 shares issued and outstanding.....	13,658,000	15,868,000	--
STOCKHOLDERS' EQUITY (DEFICIT):			
Common stock--class A, \$.001 par value, 30,000,000 shares authorized, 33,719 shares issued and outstanding.....	--	--	12,000
Common stock--class B, \$.001 par value, 30,000,000 shares authorized, and 1,560,969 shares issued and outstanding.....	2,000	2,000	3,000
Common stock--class C, \$.001 par value, 30,000,000 shares authorized, 3,120,915 shares issued and outstanding.....	3,000	3,000	3,000
Additional paid-in capital.....	--	--	152,933,000
Accumulated deficit.....	(21,989,000)	(24,864,000)	(30,021,000)
Total stockholders' equity (deficit).....	(21,984,000)	(24,859,000)	122,930,000
Total liabilities and stockholders' equity (deficit).. =====	\$ 79,225,000	\$153,856,000	\$243,776,000

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

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RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31, 1996, 1997 and 1998
and for the Six Months Ended June 30, 1998 and 1999

December 31,			June 30,	
1996	1997	1998	1998	1999
			(unaudited)	

REVENUE:

Broadcast revenue, including barter revenue of \$1,122,000, \$1,010,000 and \$644,000, respectively.....	\$ 27,027,000	\$ 36,955,000	\$ 52,696,000	\$22,328,000	\$37,473,000
Less: Agency commissions.....	3,325,000	4,588,000	6,587,000	2,800,000	4,619,000
Net broadcast					

revenue.....	23,702,000	32,367,000	46,109,000	19,528,000	32,854,000
OPERATING EXPENSES:					
Program and technical.....	4,157,000	5,934,000	8,015,000	3,503,000	5,877,000
Selling, general and administrative.....	9,770,000	12,914,000	16,486,000	7,007,000	13,206,000
Corporate expenses....	1,793,000	2,155,000	2,800,000	1,319,000	1,928,000
Stock based compensation.....	--	--	--	--	225,000
Depreciation and amortization.....	4,262,000	5,828,000	8,445,000	3,632,000	7,475,000
Total operating expenses.....	19,982,000	26,831,000	35,746,000	15,461,000	28,711,000
Operating income....	3,720,000	5,536,000	10,363,000	4,067,000	4,143,000
INTEREST EXPENSE, including amortization of deferred financing costs.....	7,252,000	8,910,000	11,455,000	4,925,000	7,489,000
OTHER (EXPENSE) INCOME, net.....	(77,000)	415,000	358,000	286,000	141,000
Loss before benefit from income taxes and extraordinary item...	(3,609,000)	(2,959,000)	(734,000)	(572,000)	(3,205,000)
BENEFIT (PROVISION) FROM INCOME TAXES.....	--	--	1,575,000	--	(476,000)
(Loss) income before extraordinary item...	(3,609,000)	(2,959,000)	841,000	(572,000)	(3,681,000)
EXTRAORDINARY ITEM:					
Loss on early retirement of debt...	--	1,985,000	--	--	--
Net (loss) income...	\$ (3,609,000)	\$ (4,944,000)	\$ 841,000	\$ (572,000)	\$ (3,681,000)
NET LOSS APPLICABLE TO COMMON STOCKHOLDERS....	\$ (3,609,000)	\$ (6,981,000)	\$ (2,875,000)	\$ (2,344,000)	\$ (5,157,000)
BASIC AND DILUTED EARNINGS PER COMMON SHARE:					
Loss before extraordinary item...	\$ (.38)	\$ (.53)	\$ (.31)	\$ (.25)	\$ (.40)
Net loss.....	\$ (.38)	\$ (.74)	\$ (.31)	\$ (.25)	\$ (.40)
WEIGHTED AVERAGE SHARES OUTSTANDING:					
Basic and diluted.....	9,392,000	9,392,000	9,392,000	9,393,000	12,739,000

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

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RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT For the Years Ended December 31, 1996, 1997 and 1998 and the Six Months Ended June 30, 1999

	Common Stock Class A	Common Stock Class B	Common Stock Class C	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
BALANCE, as of December 31, 1995.....	\$ --	\$2,000	\$3,000	\$ 1,158,000	\$ (12,557,000)	\$ (11,394,000)
Net loss.....	--	--	--	--	(3,609,000)	(3,609,000)
BALANCE, as of December						

31, 1996.....	--	2,000	3,000	1,158,000	(16,166,000)	(15,003,000)
Net loss.....	--	--	--	--	(4,944,000)	(4,944,000)
Effect of conversion to C corporation....	--	--	--	(1,158,000)	1,158,000	--
Preferred stock dividends.....	--	--	--	--	(2,037,000)	(2,037,000)

BALANCE, as of December 31, 1997.....	--	2,000	3,000	--	(21,989,000)	(21,984,000)
Net income.....	--	--	--	--	841,000	841,000
Preferred stock dividends.....	--	--	--	--	(3,716,000)	(3,716,000)

BALANCE, as of December 31, 1998.....	--	2,000	3,000	--	(24,864,000)	(24,859,000)
Net loss.....	--	--	--	--	(3,681,000)	(3,681,000)
Preferred stock dividends earned....	--	--	--	--	(1,476,000)	(1,476,000)
Issuance of stock for acquisition.....	2,000	1,000	--	34,191,000	--	34,194,000
Stock issued to an employee.....	--	--	--	225,000	--	225,000
Conversion of warrants.....	5,000	--	--	(5,000)	--	--
Issuance of common stock.....	5,000	--	--	118,522,000	--	118,527,000

BALANCE, as of June 30, 1999 (unaudited).....	\$12,000	\$3,000	\$3,000	\$152,933,000	\$ (30,021,000)	\$122,930,000
=====						

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

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RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 1996, 1997 and 1998
and for the Six Months Ended June 30, 1998 and 1999

	December 31,			June 30,	
	1996	1997	1998	1998	1999
	-----	-----	-----	-----	-----
	(unaudited)				
CASH FLOWS FROM					
OPERATING ACTIVITIES:					
Net (loss) income.....	\$ (3,609,000)	\$ (4,944,000)	\$ 841,000	\$ (572,000)	\$ (3,681,000)
Adjustments to reconcile net (loss) income to net cash from operating activities:					
Depreciation and amortization.....	4,262,000	5,828,000	8,445,000	3,632,000	7,475,000
Amortization of debt financing costs, unamortized discount and deferred interest.....	3,005,000	3,270,000	4,110,000	1,804,000	2,180,000
Loss on disposals.....	153,000	--	--	--	--
Loss on extinguishment of debt.....	--	1,985,000	--	--	--
Deferred income taxes and reduction in valuation reserve on deferred taxes.....	--	--	(2,038,000)	--	--
Noncash compensation to officer.....	--	--	--	--	225,000
Effect of change in operating assets and					

liabilities--					
Trade accounts receivable.....	(656,000)	(2,302,000)	(1,933,000)	(1,319,000)	(3,160,000)
Prepaid expenses and other.....	114,000	(198,000)	(4,000)	166,000	(159,000)
Other assets.....	(71,000)	(147,000)	(1,391,000)	(442,000)	(98,000)
Accounts payable.....	(818,000)	(131,000)	830,000	223,000	2,059,000
Accrued expenses.....	234,000	1,576,000	296,000	804,000	1,143,000
Income tax payable...	--	--	143,000	--	--
	-----	-----	-----	-----	-----
Net cash flows from operating activities.....	2,614,000	4,937,000	9,299,000	4,296,000	5,984,000
	-----	-----	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property and equipment.....	(252,000)	(2,035,000)	(2,236,000)	(1,103,000)	(2,119,000)
Proceeds from disposal of property and equipment.....	--	--	150,000	(32,529,000)	--
Purchase of Investments.....	--	--	--	--	(1,000,000)
Deposits and payments for station purchases.....	(1,000,000)	(21,164,000)	(59,085,000)	--	(38,911,000)
	-----	-----	-----	-----	-----
Net cash flows from investing activities.....	(1,252,000)	(23,199,000)	(61,171,000)	(33,632,000)	(42,030,000)
	-----	-----	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of debt.....	(2,408,000)	(45,599,000)	(485,000)	(453,000)	(69,476,000)
Proceeds from new debt.....	51,000	72,750,000	49,350,000	25,350,000	16,000,000
Deferred debt financing costs.....	--	(2,148,000)	(1,038,000)	(630,000)	(282,000)
Repayment of Senior Cumulative Redeemable Preferred Stock.....	--	--	--	--	(28,160,000)
Proceeds from issuance of common stock, net of issuance costs....	--	--	--	--	118,527,000
Financed equipment purchases.....	--	51,000	--	--	--
	-----	-----	-----	-----	-----
Net cash flows from financing activities.....	(2,357,000)	25,054,000	47,827,000	24,267,000	36,609,000
	-----	-----	-----	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(995,000)	6,792,000	(4,045,000)	(5,069,000)	563,000
CASH AND CASH EQUIVALENTS, beginning of year.....	2,703,000	1,708,000	8,500,000	8,500,000	4,455,000
	-----	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of year.....	\$ 1,708,000	\$ 8,500,000	\$ 4,455,000	\$ 3,431,000	\$ 5,018,000
	=====	=====	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:					
Cash paid for--					
Interest.....	\$ 4,815,000	\$ 4,413,000	\$ 7,192,000	\$ 3,104,000	\$ 5,207,000
	=====	=====	=====	=====	=====
Income taxes.....	\$ 50,000	\$ --	\$ 338,000	\$ --	\$ 312,000
	=====	=====	=====	=====	=====

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

Radio One, Inc. (a Delaware corporation referred to as Radio One) and its subsidiaries, Radio One Licenses, Inc. and WYCB Acquisition Corporation (Delaware corporations), Broadcast Holdings, Inc. (a Washington, D.C. corporation), Bell Broadcasting Company (a Michigan corporation), Radio One of Detroit, Inc., Allur-Detroit, Inc. and Allur Licenses, Inc. (Delaware corporations) (collectively referred to as the Company) were organized to acquire, operate and maintain radio broadcasting stations. The Company owns and operates radio stations in Washington, D.C.; Baltimore, Maryland; Philadelphia, Pennsylvania; Detroit, Michigan; and Kingsley, Michigan markets. The Company is highly leveraged, which requires substantial semi-annual and other periodic interest payments and may impair the Company's ability to obtain additional working capital financing. The Company's operating results are significantly affected by its share of the audience in markets where it has stations.

Radio One intends to offer Common A shares to the public in an initial public offering (IPO). The proceeds of the IPO will be used to repay certain outstanding debt, to finance pending and future acquisitions, to redeem all of the Senior Cumulative Redeemable Preferred Stock and for other general corporate purposes.

Basis of Presentation

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

Interim Financial Statements (unaudited)

The interim consolidated financial statements included herein for Radio One, Inc. and subsidiaries have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In management's opinion, the interim financial data presented herein include all adjustments (which include only normal recurring adjustments) necessary for a fair presentation. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Results for interim periods are not necessarily indicative of results to be expected for the full year.

Subsequent to year end, the Company completed the acquisition of Radio One of Atlanta, Inc. for approximately 3.3 million shares of its stock and the assumption of debt (see Note 6). The Company also consummated certain of the acquisitions addressed in Note 8 and acquired the assets of a station in Boston for approximately \$10 million.

Acquisitions

On December 28, 1998, Radio One purchased all of the outstanding stock of Allur-Detroit, Inc. (Allur), which owned one radio station in Detroit, Michigan, for approximately \$26.5 million. Radio One financed this acquisition through a combination of cash and \$24.0 million borrowed under the Company's line of credit. The acquisition of Allur resulted in the recording of approximately \$31.7 million of intangible assets (including the recording of a deferred tax liability for the difference in book and tax basis in the assets acquired from the Allur purchase price being in excess of the net book value of Allur).

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

On June 30, 1998, Radio One purchased all of the outstanding stock of Bell Broadcasting Company (Bell), which owned three radio stations in Michigan, for approximately \$34.2 million. Radio One financed this acquisition through a combination of cash and approximately \$25.4 million borrowed under the Company's line of credit. The acquisition of Bell resulted in the recording of approximately \$42.5 million of intangible assets (including the recording of a deferred tax liability for the difference in book and tax basis in the assets acquired from the Bell purchase price being in excess of the net book value of Bell).

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

On February 8, 1997, under a local marketing agreement with the former owners of WDRE-FM licensed to Jenkintown, Pennsylvania, Radio One began to provide programming to and selling advertising for WDRE-FM. On May 19, 1997, Radio One acquired the broadcast assets of WDRE-FM for approximately \$16,000,000. In connection with the purchase, Radio One entered into a three-year noncompete agreement totaling \$4,000,000 with the former owners. Radio One financed this purchase with a portion of the proceeds from the issuance of approximately \$85,500,000 of 12% Senior Subordinated Notes due 2004. Following this acquisition, Radio One converted the call letters of the radio station from WDRE-FM to WPHI-FM.

The unaudited pro forma summary consolidated results of operations for the years ended December 31, 1996, 1997 and 1998, assuming the acquisitions of WPHI-FM, WYCB-AM, Bell Broadcasting and Allur-Detroit had occurred in the beginning of the fiscal years, are as follows:

	1996	1997	1998
	-----	-----	-----
Net broadcast revenue.....	\$33,021,000	\$39,475,000	\$50,988,000
Operating expenses, excluding			
depreciation and amortization....	23,650,000	27,077,000	31,435,000
Depreciation and amortization....	12,742,000	12,165,000	12,115,000
Interest expense.....	14,301,000	14,295,000	15,114,000
Other (expense) income, net.....	16,000	666,000	322,000
(Benefit) provision for income			
taxes.....	(7,979,000)	(6,360,000)	(4,064,000)
Extraordinary loss.....	--	1,985,000	--
	-----	-----	-----
Net loss.....	\$ (9,677,000)	\$ (9,021,000)	\$ (3,290,000)
	=====	=====	=====

On November 23, 1998, Radio One signed an agreement to purchase the assets of a radio station located in the St. Louis area, for approximately \$13.6 million. Radio One made a deposit of approximately \$700,000 towards the purchase price. This deposit is included in other assets in the accompanying consolidated balance sheet as of December 31, 1998.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market accounts at various commercial banks. All cash equivalents have original maturities of 90 days or less. For cash and cash equivalents, cost approximates market value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

Property and Equipment

Property and equipment are recorded at cost and are being depreciated on a straight-line basis over various periods. The components of the Company's property and equipment as of December 31, 1997 and 1998, are as follows:

	1997	1998	Period of Depreciation
	-----	-----	-----
PROPERTY AND EQUIPMENT:			
Land.....	\$ 117,000	\$ 590,000	--
Building and improvements.....	148,000	248,000	31 years
Transmitter towers.....	2,146,000	2,282,000	7 or 15 years
Equipment.....	3,651,000	5,609,000	5 to 7 years
Leasehold improvements.....	1,757,000	2,577,000	Life of Lease
	-----	-----	
	7,819,000	11,306,000	
Less: Accumulated depreciation.....	3,387,000	4,589,000	
	-----	-----	
Property and equipment, net.....	\$4,432,000	\$ 6,717,000	
	=====	=====	

Depreciation expenses for the fiscal years ended December 31, 1996, 1997 and 1998, were \$706,000, \$746,000 and \$1,202,000, respectively.

Revenue Recognition

In accordance with industry practice, revenue for broadcast advertising is recognized when the commercial is broadcast.

Barter Arrangements

The Company broadcasts certain customers' advertising in exchange for equipment, merchandise and services. The estimated fair value of the equipment, merchandise or services received is recorded as deferred barter costs and the corresponding obligation to broadcast advertising is recorded as deferred barter revenue. The deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenue is recognized as the related advertising is aired.

Financial Instruments

Financial instruments as of December 31, 1997 and 1998, consist of cash and cash equivalents, trade accounts receivable, accounts payable, accrued expenses, long-term debt and preferred stock, all of which the carrying amounts approximate fair value except for the Senior Subordinated Notes as of December 31, 1998, which have a fair value of approximately \$84.5 million, as compared to a carrying value of \$78.5 million. The Company has estimated the fair value of the debt, based on its estimate of what rate it could have issued that debt as of December 31, 1998.

Comprehensive Income

The Company has adopted SFAS, No. 130, "Reporting Comprehensive Income" and has determined that the Company does not have any comprehensive income adjustments for the periods presented.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

Segment Reporting

The Company has adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" as of December 31, 1998, and has determined that the Company has only one segment, radio broadcasting. The Company came to this conclusion because the Company has one product or service, has the same type of customer and operating strategy in each market, operates in one regulatory environment, has only one management group that manages the entire Company and provides information on the Company's results as one segment to the key decision-maker to make decisions. All of the Company's revenue is derived from the eastern half of the United States.

Earnings Available for Common Stockholders

The Company has certain senior cumulative redeemable preferred stock outstanding which pays dividends at 15% per annum (see Note 3). The Company accretes dividends on this preferred stock, which is payable when the preferred stock is redeemed. The earnings available for common stockholders for the years ended December 31, 1997 and 1998, is the net loss or income for each of the years, less the accreted dividend of \$2,037,000 and \$3,716,000 during 1997 and 1998, respectively on the preferred stock.

Earnings Per Share

Earnings per share are 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 earnings available for common stockholders. Diluted common equivalent shares consist of shares issuable upon the exercise of stock options and warrants, using the treasury stock method at the estimated IPO price. All warrants outstanding to acquire common stock as of December 31, 1996, 1997 and 1998, will be exercised concurrent with the closing of the IPO and have been reflected in the calculation of earnings per share as if the stock granted from the exercise was outstanding for all periods presented. The Company also issued stock to an employee subsequent to year-end at a price below market value. The stock issued has been reflected in the earnings per share calculation as if it was outstanding for all periods presented (see Note 8). The weighted average shares outstanding is calculated as follows:

	December 31,		
	1996	1997	1998
Common stock outstanding.....	4,716,000	4,716,000	4,716,000
Common stock issued from exercise of warrants.....	4,625,000	4,625,000	4,625,000
Stock issued subsequent to year end.....	51,000	51,000	51,000
Weighted average shares outstanding for both basic and diluted earnings per share.....	9,392,000	9,392,000	9,392,000

The Company effected a 34,061 for one stock split, effective May 6, 1999, in conjunction with the planned IPO. All share data included in the accompanying consolidated financial statements and notes thereto are as if the stock split had occurred prior to the periods presented.

Also, effective February 25, 1999, the Company converted certain class A common stock held by the principal stockholders to class B common stock which will have ten votes per share, as compared to class A common stock which has one vote per share, and certain of their class A common stock to class C common stock. Class C common stock will have no voting rights except as required by Delaware law. All share data included in the accompanying consolidated financial statements and notes thereto are as if the stock conversion had occurred prior to the periods presented.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

2. INTANGIBLE ASSETS:

Intangible assets are being amortized on a straight-line basis over various periods. The intangible asset balances and periods of amortization as of December 31, 1997 and 1998, are as follows:

	1997	1998	Period of Amortization
FCC broadcast license.....	\$56,179,000	\$103,792,000	7-15 Years
Goodwill.....	7,609,000	39,272,000	15 Years
Debt financing.....	2,147,000	3,186,000	Life of Debt
Favorable transmitter site and other intangibles.....	1,922,000	1,924,000	6-17 Years
Noncompete agreement.....	4,900,000	4,000,000	3 Years
Total.....	72,757,000	152,174,000	
Less: Accumulated amortization.....	17,815,000	24,535,000	
Net intangible assets.....	\$54,942,000	\$127,639,000	

Amortization expense for the fiscal years ended December 31, 1996, 1997 and 1998, was \$3,556,000, \$5,082,000 and \$7,243,000, respectively. The amortization of the deferred financing cost was charged to interest expense.

3. DEBT AND SENIOR CUMULATIVE REDEEMABLE PREFERRED STOCK:

As of December 31, 1997 and 1998, the Company's outstanding debt is as follows:

	1997	1998
Senior subordinated notes (net of \$10,640,000 and \$7,020,000 unamortized discounts, respectively)...	\$74,838,000	\$ 78,458,000
Line of credit.....	--	49,350,000
WYCB note payable and deferred interest.....	--	3,841,000
Other notes payable.....	35,000	23,000
Capital lease obligations.....	81,000	67,000
Total, noncurrent.....	\$74,954,000	\$131,739,000

Senior Subordinated Notes

To finance the WPHI-FM acquisition (as discussed in Note 1) and to refinance certain other debt, Radio One issued approximately \$85,500,000 of 12% Senior Subordinated notes due 2004. The notes were sold at a discount, with the net proceeds to Radio One of approximately \$72,750,000. The notes pay cash interest at 7% per annum through May 15, 2000, and at 12% thereafter. In connection with this debt offering, Radio One retired approximately \$45,600,000 of debt outstanding under a NationsBank credit agreement with the proceeds from the offering. Radio One also exchanged approximately \$20,900,000 of 15% Senior Cumulative Redeemable Preferred Stock which must be redeemed by May 2005, for an equal amount of Radio One's then outstanding subordinated notes and accrued interest.

The 12% notes due 2004 are redeemable at any time and from time to time at the option of the Company, in whole or in part, on or after May 15, 2001 at the redemption prices set forth in the 12% notes due 2004, plus accrued and unpaid interest to the date of redemption. In addition, on or prior to May 15, 2000,

the Company may redeem, at its option, up to 25% of the aggregate original principal amount of the 12% notes due 2004 with the net proceeds of one or more Public Equity Offerings at 112% of the Accreted Value thereof, together with accrued and unpaid interest, if any, to the date of redemption, as long as at least approximately \$64.1 million of the aggregate principal amount of the 12% notes due 2004 remains outstanding after each

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RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

such redemption. Upon a Change of Control (as defined in the indenture), the Company must commence an offer to repurchase the 12% notes due 2004 at 101% of the Accreted Value thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

Lines of Credit

To finance the Bell Broadcasting and Allur-Detroit Acquisitions during 1998, Radio One borrowed \$49,350,000 from Credit Suisse First Boston, New York Branch, and other financial institutions which is to mature on December 31, 2003. This credit agreement bears interest at the Eurodollar rate plus an applicable margin. The average interest rate for the year ended December 31, 1998, was 7.58%. This credit agreement is secured by the property of the Company (other than Unrestricted Subsidiaries), and interest and proceeds of real estate and Key Man life insurance policies. During 1998, the month-end weighted average and the highest month-end balances were \$28,779,000 and \$49,350,000, respectively. Subsequent to December 31, 1998, the Company increased its availability under the line of credit.

As of December 31, 1997, Radio One had a \$7,500,000 outstanding line of credit with NationBank. The interest rate was a base rate plus 1.375%. Radio One's collateral for this line of credit consisted of liens and security interest in all common and voting securities convertible or exchangeable into common stock of the Company and substantially all of its assets (other than WYCB Acquisition). This line of credit was not drawn on as of December 31, 1997. NationsBank was a participating financial institution in the line of credit above, and this line of credit agreement was terminated when the Company entered into the line of credit agreement with Credit Suisse First Boston and one other financial institution, as discussed above.

During 1995, through a revolving credit agreement (the NationsBank Credit Agreement) with NationsBank of Texas, N.A. and the other lenders who were parties, Radio One borrowed \$53,000,000 which was to mature on March 31, 2002. The NationsBank Credit Agreement was refinanced on May 19, 1997, as part of the Senior Subordinated Notes financing discussed above. The NationsBank Credit Agreement bore interest at the LIBOR 30-day rate, plus an applicable margin. The average interest rate for the years ending December 31, 1996 and 1997, was 8.25% and 9.28%, respectively. The credit agreement was secured by all property of the Company (other than unrestricted subsidiaries) and interest and proceeds of real estate and Key Man life insurance policies.

Senior Cumulative Redeemable Preferred Stock

On May 19, 1997, concurrent with the debt issuance, all of the holders of Radio One Subordinated Promissory Notes converted all of their existing subordinated notes consisting of approximately \$17,000,000, together with any and all accrued interest thereon of approximately \$3,900,000 and outstanding warrants, for shares of Senior Cumulative Redeemable Preferred Stock, which must be redeemed in May 2005, and stock warrants to purchase 147.04 shares of common stock. The Senior Cumulative Redeemable Preferred Stock can be redeemed at 100% of its liquidation value, which is the principal and accreted dividends. The dividends on each share accrues on a daily basis at a rate of 15% per annum. Preferred stock dividends of approximately \$2,037,000 and \$3,716,000 were accrued during the years ended December 31, 1997 and 1998, respectively. If Radio One does not redeem all of the issued and outstanding preferred shares on the mandatory redemption date or upon the occurrence of an event of noncompliance, the holders may elect to have the Dividend Rate increase to 18% per annum. In the event Radio One does not meet any required performance target relating exclusively to the operation of WPHI-FM, the

Dividend Rate for each preferred share shall be increased to 17% per annum.

Other Notes Payable

During 1996, Radio One entered into two notes totaling \$51,000 with NationsBank to purchase vehicles. These notes bear interest at 8.74% and 8.49%, require monthly principal and interest payments of \$789 and \$471 and mature on April 30, 2000, and December 2, 2000.

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RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

Refinancing of Debt

During 1997, Radio One retired \$45,600,000 of outstanding debt. Associated with the retirement of the debt, Radio One incurred certain early prepayment penalties and legal fees, and had to write-off certain deferred financing costs associated with the debt retired. These costs amounted to \$1,985,000 and were recorded as an extraordinary item in the accompanying statements of operations.

4. COMMITMENTS AND CONTINGENCIES:

Leases

Radio One has various operating leases for office space, studio space, broadcast towers and transmitter facilities which expire on various dates between May 1999 through October 15, 2003. One of these leases is for office and studio space in Baltimore, Maryland, and is with a partnership in which two of the partners are stockholders of the Company (see Note 6).

The following is a schedule of the future minimum rental payments required under the operating leases that have an initial or remaining noncancelable lease term in excess of one year as of December 31, 1998.

Year	

1999.....	\$1,007,000
2000.....	1,055,000
2001.....	1,075,000
2002.....	838,000
2003.....	830,000
Thereafter.....	4,578,000

Total rent expense for the years ended December 31, 1996, 1997 and 1998, was \$777,000, \$809,000 and \$888,000, respectively.

FCC Broadcast Licenses

Each of the Company's radio stations operates pursuant to one or more licenses issued by the Federal Communications Commission (FCC) that have a maximum term of eight years prior to renewal. The Company's radio operating licenses expire at various times from October 1, 2003, to August 1, 2006. Although the Company may apply to renew its FCC 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.

Litigation

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, the outcome of these claims will not have a material adverse effect on the Company's financial position or results of operations.

5. INCOME TAXES:

Effective January 1, 1996, Radio One elected to be treated as an S Corporation under Subchapter S of the Internal Revenue Code. As an S Corporation, the stockholders separately account for their pro-rata share of Radio One's income, deductions, losses and credits. Effective May 19, 1997, the Company's S Corporation status was terminated.

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RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

In connection with the conversion to a C corporation, in accordance with SEC Staff Accounting Bulletin 4.B, Radio One transferred the amount of the undistributed losses up to the amount of additional paid-in capital at the date of conversion to additional paid-in capital.

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). Under SFAS 109, deferred income taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for tax purposes. Deferred taxes are based on tax laws as currently enacted.

During 1998, the Company acquired the stock of three companies. Associated with these stock purchases, the Company allocated the purchase price to the related assets acquired, with the excess purchase price allocated to goodwill. In a stock purchase, for income tax purposes, the underlying assets of the acquired companies retain their historical tax basis. Accordingly, the Company recorded a deferred tax liability of approximately \$16,863,000 related to the difference between the book and tax basis for all of the assets acquired (excluding goodwill). The result of recording this deferred tax liability is reflected as additional goodwill of \$16,863,000 related to these acquisitions.

A reconciliation of the statutory federal income taxes to the recorded income tax provision for the years ended December 31, 1996, 1997 and 1998, is as follows:

	1996	1997	1998
	-----	-----	-----
Statutory tax (@ 35% rate).....	\$ (1,263,000)	\$ (1,730,000)	\$ (257,000)
Effect of state taxes, net of federal.....	(217,000)	(245,000)	(29,000)
Establishment of S corporation loss to its stockholders.....	1,480,000	984,000	--
Effect of net deferred tax asset in conversion to C corporation.....	--	(1,067,000)	--
Nondeductible goodwill.....	--	--	769,000
Valuation reserve.....	--	2,058,000	(2,058,000)
	-----	-----	-----
Benefit for income taxes.....	\$ --	\$ --	\$ (1,575,000)
	=====	=====	=====

The components of the provision for income taxes for the years ended December 31, 1997 and 1998, are as follows:

	1997	1998
	-----	-----
Current.....	\$ --	\$ 463,000

Deferred.....	(991,000)	20,000
Establishment of net deferred tax asset in conversion to C corporation.....	(1,067,000)	--
Valuation reserve.....	2,058,000	(2,058,000)
	-----	-----
Benefit for income taxes.....	\$ --	\$ (1,575,000)
	=====	=====

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RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

Deferred income taxes reflect the net tax effect of temporary differences between the financial statement and tax basis of assets and liabilities. The significant components of the Company's deferred tax assets and liabilities as of December 31, 1997 and 1998, are as follows:

	1997	1998
	-----	-----
Deferred tax assets--		
FCC and other intangibles amortization.....	\$ 246,000	\$ 1,152,000
Reserve for bad debts.....	353,000	473,000
NOL carryforward.....	1,746,000	400,000
Accruals.....	--	268,000
Barter activity.....	--	85,000
Interest expense.....	--	479,000
Other.....	2,000	20,000
	-----	-----
Total deferred tax assets.....	2,347,000	2,877,000
	-----	-----
Deferred tax liabilities--		
FCC license.....	--	(16,525,000)
Depreciation.....	(279,000)	(539,000)
Other.....	(10,000)	(238,000)
	-----	-----
Total deferred tax liabilities.....	(289,000)	(17,302,000)
	-----	-----
Net deferred tax asset (liability).....	2,058,000	(14,425,000)
Less: Valuation reserve.....	(2,058,000)	--
	-----	-----
Net deferred taxes included in the accompanying consolidated balance sheets.....	\$ --	\$ (14,425,000)
	=====	=====

A 100% valuation reserve was applied against the net deferred tax asset as of December 31, 1997, as its realization was not more likely than not to be realized. During the year ended December 31, 1998, this valuation allowance was reversed as the deferred tax assets were likely to be realized.

During 1998, the Company utilized its entire NOL carryforward, but acquired an approximate \$1,200,000 net operating loss from the purchase of Allur-Detroit, Inc. This net operating loss acquired can only be utilized as Allur-Detroit, Inc. has taxable income.

6. RELATED PARTY TRANSACTIONS:

Radio One leases office space for \$8,000 per month from a partnership in which two of the partners are stockholders of Radio One (Note 4). Total rent paid to the stockholders for fiscal years 1996, 1997 and 1998, was \$96,000, \$96,000 and \$96,000, respectively. Radio One also has a net receivable as of December 31, 1997 and 1998, of approximately \$68,000 and \$4,000, respectively, due from Radio One of Atlanta, Inc. (ROA), of which an executive officer and stockholder of Radio One is a major stockholder of ROA. Effective January 1, 1998 Radio One charged ROA a management fee of \$300,000 per year, and prior to

January 1, 1998, the fee was \$100,000 per year.

The stockholders of Radio One of Atlanta, Inc. have agreed in principle to sell their shares of Radio One of Atlanta, Inc. to the Company in exchange for shares of the Company's Common Stock.

As of December 31, 1998, the Company has a loan outstanding of \$380,000, and accrued interest of \$7,000 from an officer. The loan is due May 2003 and bears interest at 5.6%.

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RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

7. PROFIT SHARING:

Radio One has a 401(k) profit sharing plan for its employees. Radio One can contribute to the plan at the discretion of its board of directors. Radio One made no contribution to the plan during fiscal year 1996, 1997 or 1998.

8. SUBSEQUENT EVENTS:

In January 1999, the Company granted shares of common stock of the Company to an officer of the Company. These shares will vest over three years. The Company recognized compensation expense of approximately \$200,000 during 1999, which is the difference between the fair value of the stock on the grant date and the exercise price of stock.

On February 26, 1999, Radio One signed an asset purchase agreement for the broadcasting assets of two radio stations located in Richmond, Virginia, for approximately \$12,000,000. The Company expects to complete this transaction during the second quarter of 1999.

On February 10, 1999, Radio One signed an agreement to purchase the assets of a radio station located in the Richmond, Virginia, area for approximately \$4,600,000. Radio One made a deposit of \$200,000 related to this purchase.

In February 1999, Radio One signed a letter of intent to purchase the broadcasting assets of two radio stations located in Cleveland, Ohio, for approximately \$20,000,000. The Company expects to complete this transaction during the first half of 1999.

In March 1999, Radio One signed a letter of intent to purchase the broadcasting assets of four radio stations located in Richmond, Virginia for approximately \$34,000,000. The Company expects to complete this transaction during the first half of 1999.

In March 1999, the Company adopted a stock option and grant plan which provides for the issuance of qualified and nonqualified stock options and grants to full-time key employees. The Plan allows the issuance of common stock at the discretion of the Company's board of directors. There are no options currently outstanding under this plan. In May 1999, the Company granted 213,395 options to certain employees.

During 1999, the Company made a \$1,000,000 investment in PNE Media Holdings, LLC, a privately-held outdoor advertising company.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Radio One of Atlanta, Inc.:

We have audited the accompanying consolidated balance sheets of Radio One of Atlanta, Inc. (a Delaware corporation) and subsidiary as of December 31, 1997 and 1998, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the years in the three-year

period ended December 31, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Radio One of Atlanta, Inc. and subsidiary as of December 31, 1997 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Baltimore, Maryland,
February 19, 1999

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

As of December 31, 1997 and 1998, and March 31, 1999

	December 31,		March 31,
	1997	1998	1999
			(unaudited)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.....	\$ 1,117,000	\$ 1,711,000	\$ 2,133,000
Trade accounts receivable, net of allowance for doubtful accounts of \$112,000 and \$312,000 as of December 31, 1997 and 1998, respectively.....	1,259,000	2,479,000	1,694,000
Prepaid expenses and other.....	59,000	82,000	937,000
Due from Mableton.....	77,000	120,000	--
Income tax receivable.....	--	164,000	--
Total current assets.....	2,512,000	4,556,000	4,764,000
PROPERTY AND EQUIPMENT, net.....	585,000	1,758,000	2,097,000
INTANGIBLE ASSETS, net.....	10,994,000	10,867,000	11,187,000
OTHER ASSETS.....	112,000	40,000	52,000
DEFERRED TAXES.....	--	60,000	117,000
Total assets.....	\$14,203,000	\$17,281,000	\$18,217,000
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable.....	\$ 108,000	\$ 276,000	\$ 339,000
Accrued expenses.....	782,000	909,000	1,168,000
Current portion of long-term debt.....	568,000	327,000	269,000
Due to affiliate.....	68,000	4,000	304,000
Total current liabilities.....	1,526,000	1,516,000	2,080,000
LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion.....	13,398,000	15,525,000	15,727,000
Total liabilities.....	14,924,000	17,041,000	17,807,000

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY:

Common stock, \$1 par value, 14,670 shares authorized, 10,000 shares issued and outstanding.....	10,000	10,000	10,000
Additional paid-in capital.....	978,000	1,390,000	1,390,000
Accumulated deficit.....	(1,709,000)	(1,160,000)	(990,000)
	-----	-----	-----
Total stockholders' (deficit) equity.....	(721,000)	240,000	410,000
	-----	-----	-----
Total liabilities and stockholders' equity.....	\$14,203,000	\$17,281,000	\$18,217,000
	=====	=====	=====

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

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31, 1996, 1997 and 1998
And for the Three Months Ended March 31, 1999

	December 31,			March 31,	
	1996	1997	1998	1998	1999
	-----	-----	-----	-----	-----
	(unaudited)				
REVENUE:					
Broadcast revenue, including barter revenue of \$112,000, \$86,000 and \$51,000, respectively.....	\$4,257,000	\$6,525,000	\$11,577,000	\$1,684,000	\$2,803,000
Less: Agency commissions.....	497,000	794,000	1,437,000	195,000	356,000
	-----	-----	-----	-----	-----
Net broadcast revenue.....	3,760,000	5,731,000	10,140,000	1,489,000	2,447,000
	-----	-----	-----	-----	-----
OPERATING EXPENSES:					
Program and technical.....	1,017,000	1,432,000	1,418,000	303,000	478,000
Selling, general and administrative.....	1,426,000	1,994,000	4,111,000	673,000	910,000
Corporate expenses....	241,000	637,000	667,000	80,000	96,000
Depreciation and amortization.....	429,000	577,000	896,000	129,000	202,000
	-----	-----	-----	-----	-----
Total operating expenses.....	3,113,000	4,640,000	7,092,000	1,185,000	1,686,000
	-----	-----	-----	-----	-----
Operating income....	647,000	1,091,000	3,048,000	304,000	761,000
INTEREST EXPENSE, including amortization of deferred financing costs.....	839,000	1,663,000	2,007,000	471,000	491,000
OTHER EXPENSES (INCOME), net.....	--	111,000	(7,000)	(9,000)	--
	-----	-----	-----	-----	-----
(Loss) income before provision for income taxes.....	(192,000)	(683,000)	1,048,000	(158,000)	270,000
PROVISION (BENEFIT) FOR INCOME TAXES.....	--	--	499,000	(74,000)	100,000
	-----	-----	-----	-----	-----
Net (loss) income...	\$ (192,000)	\$ (683,000)	\$ 549,000	\$ (84,000)	\$ 170,000
	=====	=====	=====	=====	=====

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

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 1996, 1997 and 1998
And for the Three Months Ended March 31, 1999

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' (Deficit) Equity
	-----	-----	-----	-----
BALANCE, December 31, 1995.....	\$ --	\$ --	\$ (834,000)	\$ (834,000)
Net loss.....	--	--	(192,000)	(192,000)
	-----	-----	-----	-----
BALANCE, December 31, 1996.....	--	--	(1,026,000)	(1,026,000)
Net loss.....	--	--	(683,000)	(683,000)
Issuance of stock options below market.....	--	264,000	--	264,000
Tax benefit of issuance of stock options below market....	--	106,000	--	106,000
Allocation for stock issued in conjunction with debt.....	--	608,000	--	608,000
Issuance of common stock.....	10,000	--	--	10,000
	-----	-----	-----	-----
BALANCE, December 31, 1997.....	10,000	978,000	(1,709,000)	(721,000)
Net income.....	--	--	549,000	549,000
Issuance of stock options below market.....	--	294,000	--	294,000
Tax benefit of issuance of stock options below market....	--	118,000	--	118,000
	-----	-----	-----	-----
BALANCE, December 31, 1998.....	10,000	1,390,000	(1,160,000)	240,000
Net income.....	--	--	170,000	170,000
	-----	-----	-----	-----
BALANCE, March 31, 1999 (unaudited).....	\$10,000	\$1,390,000	\$ (990,000)	\$ 410,000
	=====	=====	=====	=====

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

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 1996, 1997 and 1998
And for the Three Months Ended March 31, 1998 and 1999

	December 31,			March 31,	
	1996	1997	1998	1998	1999
	-----	-----	-----	-----	-----
				(Unaudited)	

CASH FLOWS FROM					
OPERATING ACTIVITIES:					
Net income (loss)....	\$ (192,000)	\$ (683,000)	\$ 549,000	\$ (84,000)	\$ 170,000
Adjustments to reconcile net income (loss) to net cash					

from operating activities:					
Depreciation and amortization.....	429,000	577,000	896,000	129,000	202,000
Amortization of debt financing costs and unamortized discount.....	399,000	172,000	630,000	276,000	424,000
Compensation expense from stock options granted...	--	264,000	294,000	--	--
Loss on disposals..	--	157,000	--	--	--
Deferred tax liability.....	--	--	58,000	--	(57,000)
Effect of change in operating assets and liabilities--					
Trade accounts receivable.....	(774,000)	(243,000)	(1,220,000)	322,000	785,000
Prepaid expenses and other.....	(16,000)	(4,000)	(23,000)	(35,000)	(855,000)
Due from Mableton.....	--	(77,000)	(43,000)	--	120,000
Income tax receivable.....	--	--	(164,000)	--	164,000
Other assets.....	--	(112,000)	72,000	--	(12,000)
Accounts payable.....	(22,000)	97,000	168,000	--	63,000
Accrued expenses.....	423,000	386,000	127,000	(419,000)	259,000
Due to affiliate.....	(19,000)	(10,000)	(64,000)	25,000	300,000
	-----	-----	-----	-----	-----
Net cash flows from operating activities....	228,000	524,000	1,280,000	214,000	1,563,000
	-----	-----	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property and equipment.....	(235,000)	(385,000)	(1,242,000)	(179,000)	(421,000)
Acquisition of Dogwood.....	--	(6,792,000)	--	--	--
Acquisition of intangibles.....	--	--	(678,000)	(100,000)	(440,000)
	-----	-----	-----	-----	-----
Net cash flows from investing activities....	(235,000)	(7,177,000)	(1,920,000)	(279,000)	(861,000)
	-----	-----	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from debt issuance.....	--	7,577,000	2,000,000	--	--
Repayment of debt....	--	--	(744,000)	(198,000)	(280,000)
Deferred debt financing costs.....	--	(60,000)	(22,000)	--	--
Issuance of common stock.....	--	10,000	--	--	--
	-----	-----	-----	-----	-----
Net cash flows from financing activities....	--	7,527,000	1,234,000	(198,000)	(280,000)
	-----	-----	-----	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(7,000)	874,000	594,000	(263,000)	422,000
CASH AND CASH EQUIVALENTS, beginning of period.....	250,000	243,000	1,117,000	1,117,000	1,711,000
	-----	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of period.....	\$ 243,000	\$1,117,000	\$1,711,000	\$ 854,000	\$2,133,000

SUPPLEMENTAL DISCLOSURE
OF CASH FLOW
INFORMATION:

Cash paid for interest.....	\$ 441,000	\$1,305,000	\$1,616,000	\$ 400,000	\$ 400,000
Income taxes paid....	\$ --	\$ --	\$ 499,000	\$ --	\$ 100,000

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

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

Radio One of Atlanta, Inc. (the Company) owns and operates a radio station serving the Atlanta, Georgia, market, and its subsidiary, Dogwood Communications, Inc. (Dogwood) owns a radio station serving the Atlanta, Georgia market. The Company started operations in June, 1995. The Company is highly leveraged, which requires substantial interest payments and may impair the Company's ability to obtain additional financing. The Company's operating results are significantly affected by its market share in the Atlanta, Georgia market.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiary, Dogwood (see Note 2). All significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market accounts at various commercial banks. All cash equivalents have original maturities of 90 days or less. For cash and cash equivalents, cost approximates market value.

Property and Equipment

Property and equipment are recorded at cost and are being depreciated on a straight-line basis over various periods. The components of the Company's property and equipment as of December 31, 1997 and 1998, are as follows:

	December 31,		Period of
	1997	1998	Depreciation
PROPERTY AND EQUIPMENT:			
Transmitter towers.....	\$335,000	\$ 493,000	7 Years
Equipment.....	364,000	967,000	5 to 7 Years
Leasehold improvements.....	14,000	14,000	Life of Lease
Furniture and fixtures.....	--	185,000	5 to 7 Years
Construction in progress.....	--	296,000	
	713,000	1,955,000	
Less: Accumulated depreciation.....	128,000	197,000	

Property and equipment, net.....	\$585,000	\$1,758,000
	=====	=====

Depreciation expense for the fiscal years ended December 31, 1996, 1997 and 1998, was \$38,000, \$64,000 and \$69,000, respectively.

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Organizational Costs

As of December 31, 1998, Dogwood had \$24,000 of unamortized organization costs. In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5 (the "SOP") regarding financial reporting on the costs of start-up activities. Under the SOP, organizational costs are considered start-up costs and, commencing with fiscal years beginning after December 15, 1998, entities are required to expense such costs as they are incurred. The Company decided to expense the unamortized organizational costs as of December 31, 1998.

Revenue Recognition

In accordance with industry practice, revenue for commercial broadcasting advertisements is recognized when the commercial is broadcast.

Barter Arrangements

Certain program contracts provide for the exchange of advertising air time in lieu of cash payments for the rights to such programming. These contracts are recorded as the programs are aired at the estimated fair value of the advertising air time given in exchange for the program rights.

The Company broadcasts certain customers' advertising in exchange for equipment, merchandise and services. The estimated fair value of the equipment, merchandise or services received is recorded as deferred barter costs and the corresponding obligation to broadcast advertising is recorded as deferred barter revenue. The deferred barter costs are expensed or capitalized as they are used or received. Deferred barter revenue is recognized as the related advertising is aired.

Financial Instruments

Financial instruments as of December 31, 1997 and 1998, consist of cash and cash equivalents, trade accounts receivable, accounts payable, accrued expenses, and long-term debt, all of which the carrying amounts approximate fair value.

Reclassifications

Certain reclassifications have been made to the 1997 financial statements in order to conform with the 1998 presentation.

Comprehensive Income

The Company has adopted SFAS, No. 130, "Reporting Comprehensive Income." The Company does not have any comprehensive income adjustments.

Segment Reporting

The Company has adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" as of December 31, 1998, and has determined the Company has only one segment, radio broadcasting.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Interim Financial Statements (unaudited)

The interim consolidated financial statements included herein for the Company have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In management's opinion, the interim financial data presented herein include all adjustments (which include only normal recurring adjustments) necessary for a fair presentation. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Results for interim periods are not necessarily indicative of results to be expected for the full year.

On March 30, 1999, Radio One, Inc. acquired the Company for approximately 3.3 million shares of Radio One's common stock and the assumption of indebtedness of the Company and Dogwood. Also, on March 30, 1999, the Company acquired the remaining approximate 67% of Dogwood for \$3.6 million. Upon the completion of these acquisitions, the Company became a wholly owned subsidiary of Radio One, and Dogwood became a wholly owned subsidiary of the Company. (See Notes 2 and 8)

2. DOGWOOD COMMUNICATIONS, INC.:

In April 1997, the Company's founder and stockholder transferred his 33 1/3% ownership interest in Dogwood to the Company in return for the Company assuming responsibility for certain liabilities of Dogwood. Concurrent with the transfer of ownership, the Company contributed approximately \$6 million to Dogwood to retire Dogwood's outstanding debt. This stockholder also assigned to the Company his option to purchase the portion of Dogwood owned by others. The Company exercised the option to purchase up to 80% of Dogwood during 1998, for \$100,000. The Company intends to exercise its option to purchase the remaining 20% for \$3.5 million during 1999.

The Company owns 33 1/3% of Dogwood, it has the ability to acquire an additional 46 2/3% for \$100,000, it has 45 1/2% of the voting control of Dogwood, and it programs the station owned by Dogwood through a local marketing agreement (LMA). During the years ended December 31, 1997 and 1998, Dogwood's primary activity was an LMA of the station to the Company (the station went on the air on December 16, 1997). As the Company controls Dogwood's operations, Dogwood has been consolidated with the Company in the accompanying financial statements.

3. INTANGIBLE ASSETS:

Intangible assets are being amortized on a straight-line basis over various periods. The intangible asset balances and periods of amortization as of December 31, 1997 and 1998, are as follows:

	December 31,		Period of Amortization
	1997	1998	
Debt financing costs.....	\$ 313,000	\$ 335,000	Life of debt
FCC broadcast license and other.....	11,602,000	12,280,000	15 Years
Organizational costs.....	203,000	--	5 Years
Total.....	12,118,000	12,615,000	
Less: Accumulated amortization.....	1,124,000	1,748,000	
Net intangible assets.....	\$10,994,000	\$10,867,000	

Amortization expense for the years ended December 31, 1996, 1997 and 1998, was \$391,000, \$513,000 and \$827,000, respectively. The amortization of the debt financing costs was charged to interest expense.

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

4. LONG-TERM DEBT:

The Company is obligated under a long-term senior note and various subordinated notes payable as follows:

	December 31,	
	1997	1998
Allied Investment Corporation and its affiliates (senior).....	\$10,000,000	\$12,000,000
Alta Subordinated Debt Partners III, L.P. (net of \$508,000 and \$360,000 of unamortized discount allocated to stock issuance).....	1,069,000	1,217,000
Syncom Capital Corporation (subordinate).....	1,000,000	1,000,000
Shareholder (subordinate).....	1,000,000	960,000
Design Media, Inc. (subordinate).....	235,000	--
Accrued interest on senior and subordinated notes...	662,000	675,000
Total.....	13,966,000	15,852,000
Less: Current portion of long-term debt.....	568,000	327,000
Total.....	\$13,398,000	\$15,525,000
	=====	=====

Allied Investment Corporation Debt

The start-up of the Company was partially financed through a \$4,000,000 long-term debt agreement with Allied Investment Corporation and certain of its affiliates (collectively Allied). The loan bore interest at 14%. Terms of the note required only partial interest payments until January 1, 1997.

In April 1997, the Company renegotiated the prior Allied debt. In connection with that renegotiation, Allied amended and restated the prior Allied debt to provide the Company and Dogwood (see Note 2) to become co-borrowers with respect to the \$4,000,000 debt and to jointly borrow an additional \$6,000,000. In connection with this amended and restated loan, new senior secured debentures totaling \$10,000,000 were issued jointly by the Company and Dogwood, whereby the Company will carry the debt on its books and Dogwood will act as the guarantor. The agreements have an interest rate that ranges from 12.5% to 13.5% and matures on March 1, 2001. Interest only payments are due monthly until May 1, 1999. Subsequent to that date, monthly principal and interest payments are due. Also, as part of the renegotiation, the Company signed notes for interest that had accrued but was unpaid as of December 31, 1996, on the prior Allied debt.

In September 1998, the Company borrowed an additional \$2,000,000 from Allied. This debt has an interest rate ranging from 12.5% to 13.5%, and principal and interest payments are due monthly until the debt matures on March 1, 2001.

In April 1997, the Company also amended and restated its Security Agreement with Allied which grants them a security interest in all of the Company's collateral, which includes all tangible and intangible property, all the issued and outstanding stock of the Company, and the Company's rights and interest in Dogwood.

The prior Allied debt was issued with detachable warrants that granted Allied the right to acquire an equity interest in the Company. The warrants have an aggregate exercise price of \$100 per share. During 1997, the warrants were exercised and the Company issued Allied 1,430 shares of common stock.

Subordinated Notes

In April 1997, the Company also entered into a \$1,577,000 Senior Secured

Subordinated Promissory Note with Alta Subordinated Debt Partners III, L.P. The note has an interest rate of 11%, and the unpaid principal

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

and accrued interest on the note is due on April 1, 2001. The Company also issued 1,500 shares of common stock in connection with the note. The Company allocated the proceeds between debt and additional paid-in capital, based on the pro-rata value of the debt and the common stock. As such, \$969,000 was assigned to the debt and \$608,000 was assigned to the value of the common stock. The value assigned to the common stock was recorded as an increase in additional paid-in capital. The value assigned to the debt was less than the face value, and such discount will be amortized over the life of the related debt using the effective interest method.

The Syndicated Communications Venture Partners II, L.P. (Syncom) debt bears an interest rate of 11% on the original principal balance of \$1,000,000. In April 1997, the Company amended the subordinated note with Syncom. Under the new terms of the agreement, interest accrues and is added to the principal balance, except that beginning with the period of June 20, 1998, the Company is required to make \$18,958 monthly payments. Unpaid principal and accrued interest is due April 1, 2001.

During 1995, the Syncom note was issued with detachable stock warrants allowing Syncom to purchase 2,400 shares of the Company for a purchase price of \$100. During 1997, the warrants were exercised and the Company issued Syncom 2,400 shares of common stock.

This note is also secured by a security agreement for the property and equipment of the Company.

The Company has a note payable to its shareholder of \$1,000,000, which bears interest at 8%. Interest only payments were made monthly until July 1, 1998. At that time, monthly principal and interest payments of \$12,133 began. Unpaid principal is due June 20, 2002.

The Design Media, Inc.'s note of \$235,000 bore interest at 8%. Interest only payments were made monthly until July 1, 1998. During 1998, the note was repaid in full.

The aggregate maturities of debt as of December 31, 1998, are as follows:

Year	Total
----	-----
1999.....	\$ 327,000
2000.....	1,620,000
2001.....	13,175,000
2002.....	730,000

Total.....	\$15,852,000
	=====

5. LEASES:

The Company leases office space which expires in October 2004 and broadcast towers which expire through December 2009.

The following is a schedule of the future minimum rental payments required under the operating leases that have an initial or remaining noncancellable lease term in excess of one year as of December 31, 1998:

Year

1999.....	\$170,000
2000.....	163,000
2001.....	164,000
2002.....	170,000
2003.....	170,000
Thereafter.....	259,000

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Total rent expense for the years ending December 31, 1996, 1997 and 1998, was \$54,000, \$57,000 and \$93,000, respectively.

6. STOCK OPTION PLAN:

During 1997, the Company granted stock options to an officer of the Company for up to 700 shares of the Company's common stock for \$1.00 each. Of the 700 shares, 400 shares vested immediately and were exercised during 1997. The officer was granted the remaining options after certain performance results were achieved during 1998. These options granted in 1998 vested immediately. As the options to acquire 400 shares and 300 shares granted and vested during 1997 and 1998, respectively, were significantly below their estimated fair market value, the Company recognized compensation expense of \$264,000 and \$294,000 during 1997 and 1998, respectively. Compensation expense represented the difference between the estimated fair market value of the stock and the exercise price. The Company also recognized an income tax benefit of \$106,000 and \$118,000 during 1997 and 1998, respectively, related to the options, which has been recorded as additional paid-in capital.

7. INCOME TAXES:

Effective March 31, 1997, the Company converted from an S corporation to a C corporation. At the date of conversion, the Company had no additional paid-in capital to convert to retained earnings.

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). Under SFAS 109, deferred income taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for tax purposes. Deferred taxes are based on tax laws as currently enacted.

A reconciliation of the statutory federal income taxes to the recorded income tax provision for the years ended December 31, 1996, 1997 and 1998, is as follows:

	1996	1997	1998
	-----	-----	-----
Statutory tax (@ 35% rate).....	\$ (67,000)	\$ (239,000)	\$367,000
Effect of state taxes, net of federal.....	(9,000)	(32,000)	42,000
Nondeductible amortization.....	--	--	154,000
Effect of losses while an S corporation.....	76,000	264,000	--
Establish benefit for deferred taxes at C corporation			
Conversion.....	--	(57,000)	--
Valuation reserve.....	--	64,000	(64,000)
	-----	-----	-----
Provision for income taxes.....	\$ --	\$ --	\$499,000
	=====	=====	=====

The components of the provision for income taxes for the years ended December 31, 1997 and 1998, are as follows:

	1997	1998
	-----	-----
Current.....	\$ --	\$335,000
Deferred.....	(64,000)	228,000
Valuation reserve.....	64,000	(64,000)
	-----	-----
Provision for income taxes.....	\$ --	\$499,000
	=====	=====

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RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Deferred income taxes reflect the net tax effect of temporary differences between the financial statement and tax basis of assets and liabilities. The significant components of the Company's deferred tax assets and liabilities as of December 31, 1997 and 1998, are as follows:

	1997	1998
	-----	-----
Deferred tax assets--		
Reserve for bad debts.....	\$ 44,000	\$118,000
NOL carryforward.....	79,000	--
	-----	-----
Total deferred tax assets.....	123,000	118,000
Deferred tax liabilities--		
Depreciation and amortization.....	(59,000)	(58,000)
	-----	-----
Net deferred tax asset.....	64,000	60,000
Less: Valuation reserve.....	(64,000)	--
	-----	-----
Net deferred taxes included in the accompanying consolidated balance sheets.....	\$ --	\$ 60,000
	=====	=====

A 100% valuation reserve was applied against the net deferred tax asset as of December 31, 1997, as its realization was not more likely than not to be realized. During 1998, this valuation allowance was reversed as the deferred tax assets would likely be realized. During 1998, the Company utilized its entire net operating loss carryforward.

8. RELATED PARTY TRANSACTIONS:

The Company is affiliated with Radio One, Inc., as a stockholder of the Company is also a stockholder of Radio One, Inc. The Company has a due to affiliate of \$68,000 and \$4,000 as of December 31, 1997 and 1998, respectively, for expenses paid by Radio One, Inc. on behalf of the Company and for administrative services. During the years ended December 31, 1996, 1997 and 1998, the Company incurred expenses of \$100,000, \$100,000 and \$300,000, respectively, for administrative services which Radio One, Inc. performed for the Company.

The Company has \$77,000 and \$120,000 recorded as a receivable from Mableton Investment Group (Mableton) as of December 31, 1997 and 1998, respectively. These balances represent costs incurred by the Company for research and feasibility studies on behalf of a new radio station to be owned by Mableton, a company owned by a stockholder of the Company.

The stockholders of the Company agreed in principle to sell their shares of the Company to Radio One, Inc. in exchange for shares of Radio One, Inc.'s common stock. A stockholder of the Company will receive a \$1.2 million fee related to this acquisition.

Subsequent to year end, the Company made a \$263,000 unsecured loan to an employee. The loan bears interest at 5.56% and is payable on demand.

9. PROFIT SHARING:

The Company's employees participate in a 401K profit sharing plan sponsored by Radio One, Inc., an affiliate of the Company (see Note 8). The Company's contribution is at the direction of its board of directors. The Company made no contributions to the plan during fiscal years 1996, 1997 or 1998.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Radio One, Inc.:

We have audited the accompanying balance sheet of Bell Broadcasting Company (a Michigan Corporation) (the Company) as of December 31, 1997, and the related statements of operations, changes in stockholders' equity and cash flows for the years ended December 31, 1996 and 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bell Broadcasting Company as of December 31, 1997, and the results of its operations and its cash flows for the years ended December 31, 1996 and 1997, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Baltimore, Maryland,
August 28, 1998

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BELL BROADCASTING COMPANY

BALANCE SHEETS As of December 31, 1997 and June 30, 1998

	December 31, 1997	June 30, 1998
	-----	-----
		(Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash.....	\$ 226,000	\$ 186,000
Trade accounts receivable, net of allowance for doubtful accounts of \$28,000 and \$69,000, respectively.....	951,000	918,000
Current portion of notes receivable.....	13,000	14,000
Prepaid expenses and other.....	34,000	6,000
	-----	-----
Total current assets.....	1,224,000	1,124,000
PROPERTY AND EQUIPMENT, net.....	859,000	1,139,000
NOTES RECEIVABLE, net of current portion.....	491,000	184,000

OTHER ASSETS.....	38,000	20,000
	-----	-----
Total assets.....	\$2,612,000	\$2,467,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable.....	\$ 251,000	\$ 92,000
Accrued expenses.....	198,000	61,000
Current portion of long-term debt.....	149,000	--
	-----	-----
Total current liabilities.....	598,000	153,000
LONG-TERM DEBT, net of current portion.....	592,000	--
	-----	-----
Total liabilities.....	1,190,000	153,000
	-----	-----
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock--Class A, \$2.00 par value, 800 shares authorized, issued and outstanding.....	2,000	2,000
Common stock--Class B, \$2.00 par value, 24,000 shares authorized, 20,071 and 20,071 shares issued and outstanding, respectively.....	40,000	40,000
Additional paid-in capital.....	198,000	1,308,000
Retained earnings.....	1,182,000	964,000
	-----	-----
Total stockholders' equity.....	1,422,000	2,314,000
	-----	-----
Total liabilities and stockholders' equity.....	\$2,612,000	\$2,467,000
	=====	=====

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

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BELL BROADCASTING COMPANY

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 1996 and 1997
and the Six Months Ended June 30, 1997 and 1998

	Year Ended December 31,		Six Months Ended June 30,	
	1996	1997	1997	1998
	-----	-----	-----	-----
			(Unaudited)	(Unaudited)
REVENUE:				
Broadcast revenue, including barter revenue of \$121,000, \$151,000, \$14,000 and \$73,000, respectively.....	\$ 3,917,000	\$ 4,571,000	\$1,916,000	\$2,326,000
Less: Agency commissions....	537,000	537,000	229,000	301,000
	-----	-----	-----	-----
Net broadcast revenue.....	3,380,000	4,034,000	1,687,000	2,025,000
	-----	-----	-----	-----
OPERATING EXPENSES:				
Programming and technical...	1,154,000	1,335,000	723,000	675,000
Selling, general and administrative.....	1,520,000	1,544,000	715,000	748,000
Corporate expenses.....	849,000	816,000	301,000	663,000
Depreciation and amortization.....	130,000	148,000	68,000	63,000
	-----	-----	-----	-----
Total operating expenses..	3,653,000	3,843,000	1,807,000	2,149,000
	-----	-----	-----	-----
Operating (loss) income...	(273,000)	191,000	(120,000)	(124,000)
	-----	-----	-----	-----
INTEREST EXPENSE.....	75,000	81,000	38,000	52,000

OTHER (INCOME) EXPENSE, net...	(5,000)	54,000	59,000	28,000
(Loss) income before (benefit) provision for income taxes.....	(343,000)	56,000	(217,000)	(204,000)
(BENEFIT) PROVISION FOR INCOME TAXES.....	(78,000)	44,000	(164,000)	14,000
Net (loss) income.....	\$ (265,000)	\$ 12,000	\$ (53,000)	\$ (218,000)

The accompanying notes are an integral part of these statements.

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BELL BROADCASTING COMPANY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY For the Years Ended December 31, 1996 and 1997 and the Six Months Ended June 30, 1998

	Common Stock Class A	Common Stock Class B	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
BALANCE, January 1, 1996..	\$2,000	\$39,000	\$ 98,000	\$1,435,000	\$1,574,000
Net loss.....	--	--	--	(265,000)	(265,000)
Stock options granted below market.....	--	--	9,000	--	9,000
Stock bonus compensation.....	--	--	16,000	--	16,000
Issuance of common stock.....	--	--	9,000	--	9,000
BALANCE, December 31, 1996.....	2,000	39,000	132,000	1,170,000	1,343,000
Net income.....	--	--	--	12,000	12,000
Stock options granted below market.....	--	--	17,000	--	17,000
Stock bonus compensation.....	--	1,000	32,000	--	33,000
Issuance of common stock.....	--	--	17,000	--	17,000
BALANCE, December 31, 1997.....	2,000	40,000	198,000	1,182,000	1,422,000
Net loss.....	--	--	--	(218,000)	(218,000)
Capital contributed from former owners.....	--	--	672,000	--	672,000
Capital contributed from owners.....	--	--	438,000	--	438,000
BALANCE, June 30, 1998 (Unaudited).....	\$2,000	\$40,000	\$1,308,000	\$ 964,000	\$2,314,000

The accompanying notes are an integral part of these statements.

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BELL BROADCASTING COMPANY

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 1996 and 1997 and the Six Months Ended June 30, 1997 and 1998

	December 31,		June 30,	
	1996	1997	1997	1998
			(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING				
ACTIVITIES:				
Net (loss) income.....	\$ (265,000)	\$ 12,000	\$ (53,000)	\$ (218,000)
Adjustments to reconcile net (loss) income to net cash from operating activities:				
Depreciation and amortization.....	130,000	148,000	68,000	63,000
Compensation expense related to stock bonus plan and stock granted below market price.....	25,000	50,000	--	--
Loss on disposal of assets...	--	(8,000)	(8,000)	--
Effect of change in operating assets and liabilities--				
Trade accounts receivable..	190,000	(156,000)	(35,000)	33,000
Prepaid expenses and other.....	(101,000)	119,000	19,000	19,000
Other assets.....	(1,000)	(17,000)	--	18,000
Accounts payable.....	56,000	(94,000)	(108,000)	(159,000)
Accrued expenses.....	(125,000)	41,000	(68,000)	(137,000)
Net cash flows from operating activities....	(91,000)	95,000	(185,000)	(381,000)
CASH FLOWS FROM INVESTING				
ACTIVITIES:				
Proceeds from sale of assets...	--	22,000	22,000	--
Principal payments received on notes.....	--	6,000	--	306,000
Acquisition of property and equipment.....	(140,000)	(211,000)	(109,000)	(403,000)
Net cash flows from investing activities....	(140,000)	(183,000)	(87,000)	(97,000)
CASH FLOWS FROM FINANCING				
ACTIVITIES:				
Proceeds from the issuance of debt.....	739,000	220,000	103,000	438,000
Repayment of debt.....	(642,000)	(211,000)	--	(438,000)
Issuance of common stock.....	9,000	17,000	--	--
Contributed capital.....	--	--	--	438,000
Net cash flows from financing activities....	106,000	26,000	103,000	438,000
DECREASE IN CASH.....	(125,000)	(62,000)	(169,000)	(40,000)
CASH, beginning of period.....	413,000	288,000	288,000	226,000
CASH, end of period.....	\$ 288,000	\$ 226,000	\$ 119,000	\$ 186,000
SUPPLEMENTAL DISCLOSURE OF CASH				
FLOW INFORMATION:				
Interest paid.....	\$ 73,000	\$ 81,000	\$ 38,000	\$ 55,000
Income taxes paid.....	\$ 117,000	\$ --	\$ --	\$ 7,000

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 1996 and 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Bell Broadcasting Company (the Company), a Michigan corporation, is a radio broadcaster, broadcasting on two stations, WCHB-AM and WDTJ-FM (formerly WCHB-FM), both located in the Detroit metropolitan area. During 1996, the Federal Communications Commission (FCC) approved the construction permit to increase WCHB-AM's signal from 25 kilowatts to 50 kilowatts. In addition, in September 1997, the Canadian government approved WCHB-AM's proposal for a nighttime increase to 15 kilowatts, and the FCC granted a construction permit for the nighttime increase. The Company also owns one station in Kingsley, Michigan, WJZZ-AM.

The financial statements for the six months ended June 30, 1997 and 1998, are unaudited, but, in the opinion of management, such financial statements have been presented on the same basis as the audited financial statements for the year ended December 31, 1997, and include all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of the financial position and results of operations and cash flows for these periods.

Financial Instruments

Financial instruments as of December 31, 1997, consist of cash, trade accounts receivables, notes receivables, accounts payable, accrued expenses and long-term debt, all of which the carrying amounts approximate fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using accelerated and straight-line methods over the estimated useful lives of the related assets.

The components of the Company's property and equipment as of December 31, 1997, are as follows:

	December 31, 1997	Period of Depreciation
	-----	-----
Construction in progress.....	\$ 122,000	--
Land.....	581,000	--
Buildings and improvements.....	149,000	10 to 31 years
Transmitter towers.....	754,000	7 to 15 years
Equipment.....	555,000	5 to 15 years
Leasehold improvements.....	12,000	7 to 19 years

Total property and equipment.....	2,173,000	
Less: Accumulated depreciation.....	1,314,000	

Property and equipment, net.....	\$ 859,000	
	=====	

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

Depreciation expense for the fiscal years ended December 31, 1996 and 1997, were \$120,000 and \$141,000, respectively.

Revenue Recognition

In accordance with industry practice, revenue for broadcast advertising is recognized when the commercial is broadcast.

Barter Arrangements

Certain program contracts provide for the exchange of advertising air time in lieu of cash payments for the rights to such programming. These contracts are recorded as the programs are aired at the estimated fair value of the advertising air time given in exchange for the program rights.

The Company broadcasts certain customers' advertising in exchange for equipment, merchandise and services. The estimated fair value of the equipment, merchandise or services received is recorded as deferred barter costs and the corresponding obligation to broadcast advertising is recorded as deferred barter revenue. The deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenue is recognized as the related advertising is aired.

Sale of WKNX

In June 1997, the Company sold the assets and rights of WKNX-AM for approximately \$210,000 and recognized a loss of approximately \$22,000. In connection with the sale, the Company obtained a note receivable from the purchasers of the station. The terms of the sale call for a note receivable bearing interest at 10% per annum, requiring monthly payments of approximately \$3,000 through June 2007. The note is secured by certain real estate and personal property and the pledge of the stock of Frankenmuth.

Supplemental Cash Flow Information

The Company issued 200 and 400 shares each of class B common stock to two former officers of the Company during 1996 and 1997, respectively, at a price below the stock's estimated fair market value. Compensation expense of \$25,000 and \$50,000 was recorded in 1996 and 1997, respectively, in connection with the issuance (Note 6). In June 1997, the Company sold the assets and rights to WKNX-AM for a note receivable in the amount of \$210,000. (Also see Note 7.)

New Accounting Standards

During 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income" (SFAS No. 130), which is effective for fiscal years beginning after December 15, 1997. This statement establishes standards for reporting and display of comprehensive income and its components. The Company believes the adoption of SFAS No. 130 will have no impact on the financial statements as the Company has no comprehensive income adjustments.

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BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

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

2. NOTES RECEIVABLE--RELATED PARTY:

In 1995, the Company loaned the trust of a deceased shareholder \$300,000 and received a note receivable. The note bears interest at the mid-term applicable federal rate (6.31% and 5.63% as of December 31, 1996 and 1997, respectively), with principal and interest due December 2000. The principal and all interest due were paid on June 30, 1998.

3. DEBT:

Debt consists of the following:

	December 31, 1997 -----
Note payable to bank, payable in monthly installments of \$12,000, including interest at 9.35% per annum, secured by land, equipment and the Company's AM broadcast license.....	\$641,000
Note payable to bank, payable in monthly installments of \$7,000, including interest at 9.35% per annum, secured by land, equipment and the Company's FM broadcast license.....	51,000
Note payable to bank, payable in monthly installments of \$1,000, including interest at 8.99% per annum, secured by vehicles.....	40,000
Note payable in monthly installments of \$400, including interest at 11% per annum, secured by transportation equipment.....	9,000

Total.....	741,000
Less: Current portion.....	149,000

Total long-term debt.....	\$592,000 =====

This outstanding debt was repaid as of June 30, 1998.

4. COMMITMENTS AND CONTINGENCIES:

Leases

During 1996 and 1997, the Company leased the facilities under three separate operating leases, one of which was with a related party (the former owners of the Company). The related party lease was on a month-to-month basis for the FM station building, at a rate of \$800 per month. The second lease covers the FM tower and transmitter space and expires in May 1999, with one optional renewal of five years. Monthly rent under this lease is currently \$4,000. In addition, the Company leases equipment under two operating leases expiring in 1999. Monthly rent under the equipment leases is \$450.

Rental expense for the years ended December 31, 1996 and 1997, was \$70,000 and \$60,000, respectively.

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BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

Litigation

The Company has been named as defendant in various legal proceedings arising out of the normal course of business. It is the opinion of management, after consultation with legal counsel, that the amount, if any, of the Company's ultimate liability under all current legal proceedings will not have a material adverse effect on the financial position or results of operations of the Company.

5. STOCK OPTION AND BONUS PLANS:

The Company had an Incentive stock option plan (the stock option plan). The Company granted options to two employees of the Company to purchase up to 200 shares each of class B common stock at a price equal to 50% of the fair market value of the stock on the exercise date. In 1996, the stock option plan was extended for two years (January 1, 1996 to December 31, 1997). During 1996 and 1997, the Company granted options under the plan and recognized compensation expense because the option price was below the estimated market price of the stock.

The Company also had a Stock Bonus Plan (the Bonus Plan). Under provisions of the Bonus Plan, the Company could, at its discretion, award two employees of the Company up to an aggregate of 200 shares each of class B common stock. The Bonus Plan was extended in 1996 for two years. During 1996, the Company awarded 50 shares to each employee under the Bonus Plan. During 1997, the Company awarded 100 shares to each employee for services performed. Compensation expense equal to the fair market value of the class B common stock awarded has been recorded for 1996 and 1997 to reflect such awards.

Agreements between the Company and three of its former stockholders generally provide that none of their shares (as specifically defined) may be sold, transferred or exchanged without the prior written consent of the Company.

In addition, the agreements specify the rights of the stockholders and the obligations of the Company in the event of death, termination of employment or change in control of the Company. The agreements state that if a change in control of the Company occurs, the employees' right to exercise their options will cease. If the Company is required to repurchase any of the shares, the purchase price shall be the fair market value of such shares (as specifically defined). As of June 30, 1998, all options terminated.

The Company accounts for its stock option plans in accordance with Accounting Principles Board Opinion No. 25. Had compensation cost for the plans been determined consistent with Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation," the difference in the Company's pro forma net income would have been immaterial.

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BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

6. INCOME TAXES:

A reconciliation of the statutory federal income taxes to the recorded income tax (benefit) provision for the years ended December 31, 1996 and 1997 is as follows:

	December 31,	
	1996	1997
Statutory tax (@ 35% rate).....	\$(120,000)	\$ 19,000
Effect of state taxes, net of federal.....	16,000	3,000
Effect of graduated tax rate.....	--	(12,000)
Other nondeductible items.....	23,000	28,000
Nondeductible compensation expense.....	3,000	6,000
(Benefit) provision for income taxes.....	\$ (78,000)	\$ 44,000

The components of the (benefit) provision for income taxes for the years ended December 31, 1996 and 1997 are as follows:

	December 31,	
	1996	1997
Current.....	\$ (105,000)	\$20,000
Deferred.....	27,000	24,000
	-----	-----
(Benefit) provision for income taxes.....	\$ (78,000)	\$44,000
	=====	=====

Deferred income taxes reflect the net tax effect of temporary differences between the financial statement and tax basis of assets and liabilities. The significant components of the Company's deferred tax assets and liability as of December 31, 1997, are as follows:

	December 31,	
	1997	

Deferred tax assets--		
Reserve for bad debts.....	\$ 10,000	
Deferred tax liability--		
Other.....	(13,000)	

Net deferred tax liability.....	\$ (3,000)	
	=====	

7. SALE OF CAPITAL STOCK:

On December 23, 1997, the stockholders of the Company entered into an Agreement with Radio One, Inc. to sell all of the issued and outstanding shares of the capital stock of the Company for approximately \$34 million. Prior to the sale, the stockholders of the Company assumed certain debt totaling \$771,000 and acquired certain assets of the Company totaling \$99,000. The net book value of the assets acquired and the liabilities assumed prior to the sale was recorded as a capital contribution from the owners. The sale to Radio One, Inc. was completed on June 30, 1998.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of
Allur-Detroit, Inc.:

We have audited the accompanying balance sheet of Allur-Detroit, Inc. (a wholly owned subsidiary of Syndicated Communications Venture Partners II, LP) for the year ended December 31, 1997, and the related statements of operations, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of Allur-Detroit, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allur-Detroit, Inc. for the year ended December 31, 1997, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting

principles.

/s/ MITCHELL & TITUS LLP

Washington, D.C.,
March 25, 1998

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ALLUR-DETROIT, INC.

BALANCE SHEETS
As of December 31, 1997 and September 30, 1998

	December 31, 1997	September 30, 1998
	-----	-----
		(Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash.....	\$ 86,000	\$ 172,000
Trade accounts receivable, net of allowance of \$77,000.....	410,000	805,000
Prepaid expenses and other.....	55,000	42,000
	-----	-----
Total current assets.....	551,000	1,019,000
PROPERTY AND EQUIPMENT, net.....	75,000	82,000
INTANGIBLE ASSETS, net.....	7,563,000	7,429,000
	-----	-----
Total assets.....	\$8,189,000	\$8,530,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses.....	\$ 829,000	\$1,056,000
	-----	-----
NOTES PAYABLE AND DEFERRED INTEREST.....	3,229,000	3,892,000
	-----	-----
Total liabilities.....	4,058,000	4,948,000
	-----	-----
COMMITMENTS		
CUMULATIVE REDEEMABLE PREFERRED STOCK, \$2,000 par value, 1,050 shares authorized, 1,050 and 975 shares issued and outstanding, respectively.....	2,100,000	1,950,000
STOCKHOLDERS' EQUITY:		
Common stock, \$1.00 par value, 1,000 shares authorized and 975 shares issued and outstanding.....	1,000	1,000
Additional paid-in capital.....	2,463,000	2,463,000
Accumulated deficit.....	(433,000)	(832,000)
	-----	-----
Total stockholders' equity.....	2,031,000	1,632,000
	-----	-----
Total liabilities and stockholders' equity.....	\$8,189,000	\$8,530,000
	=====	=====

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

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ALLUR-DETROIT, INC.

STATEMENTS OF OPERATIONS
For the Year Ended December 31, 1997
and for the Nine Months Ended September 30, 1997 and 1998

	December 31,	Nine Months Ended September 30,	
	1997	1997	1998
		(Unaudited)	(Unaudited)
REVENUE:			
Broadcast revenue.....	\$2,473,000	\$1,884,000	\$2,509,000
Less: Agency commissions.....	259,000	207,000	379,000
Net broadcast revenue.....	2,214,000	1,677,000	2,130,000
OPERATING EXPENSES:			
Programming and technical.....	894,000	477,000	592,000
Selling, general and administrative.....	1,467,000	1,247,000	1,412,000
Corporate expenses.....	36,000	27,000	27,000
Depreciation and amortization.....	245,000	183,000	167,000
Total operating expenses.....	2,642,000	1,934,000	2,198,000
Operating loss.....	(428,000)	(257,000)	(68,000)
INTEREST EXPENSE.....	222,000	147,000	281,000
OTHER INCOME (EXPENSE), net.....	217,000	126,000	(50,000)
Loss before provision for income taxes.....	(433,000)	(278,000)	(399,000)
PROVISION FOR INCOME TAXES.....	--	--	--
Net loss.....	\$ (433,000)	\$ (278,000)	\$ (399,000)

The accompanying notes are an integral part of these statements.

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ALLUR-DETROIT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Year Ended December 31, 1997
and for the Nine Months Ended September 30, 1998

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE, December 31, 1996.....	\$1,000	\$2,463,000	\$ --	\$2,464,000
Net loss.....	--	--	(433,000)	(433,000)
BALANCE, December 31, 1997.....	1,000	2,463,000	(433,000)	2,031,000
Net loss.....	--	--	(399,000)	(399,000)
BALANCE, September 30, 1998 (unaudited).....	\$1,000	\$2,463,000	\$ (832,000)	\$1,632,000

The accompanying notes are an integral part of these statements.

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ALLUR-DETROIT, INC.

STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 1997
and for the Nine Months Ended September 30, 1997 and 1998

	December 31, 1997	September 30, 1997	September 30, 1998
	-----	----- (Unaudited)	----- (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss.....	\$ (433,000)	\$ (278,000)	\$ (399,000)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation and amortization.....	245,000	183,000	167,000
Effect of change in operating assets and liabilities--			
Trade accounts receivable.....	32,000	(95,000)	(395,000)
Prepaid expenses and other.....	(45,000)	(59,000)	13,000
Accounts payable and accrued expenses.....	(172,000)	(60,000)	227,000
	-----	-----	-----
Net cash flows from operating activities.....	(373,000)	(309,000)	(387,000)
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment.....	(39,000)	--	(40,000)
	-----	-----	-----
Net cash flows from investing activities.....	(39,000)	--	(40,000)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Redemption of preferred stock.....	--	--	(150,000)
Repayment of debt.....	(1,676,000)	(1,257,000)	--
Proceeds from notes payable.....	2,152,000	1,614,000	663,000
	-----	-----	-----
Net cash flows from financing activities.....	476,000	357,000	513,000
	-----	-----	-----
NET INCREASE IN CASH.....	64,000	48,000	86,000
CASH, beginning of period.....	22,000	22,000	86,000
	-----	-----	-----
CASH, end of period.....	\$ 86,000	\$ 70,000	\$ 172,000
	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING INFORMATION:			
Interest paid.....	\$ 81,000	\$ --	\$ --
	=====	=====	=====
Income taxes paid.....	\$ --	\$ --	\$ --
	=====	=====	=====

The accompanying notes are an integral part of these statements.

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ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION:

Allur-Detroit, Inc. (the Company) is a subsidiary of Syndicated Communications Ventures Partners II, LP (SYNCOM II). The Company's sole activity is to operate WWBR-FM, a radio station that broadcasts from Detroit, Michigan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of

accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Interim Financial Statements

The financial statements for the nine months ended September 30, 1997 and 1998, are unaudited but, in the opinion of management, such financial statements have been presented on the same basis as the audited financial statements for the year ended December 31, 1997, and include all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of the financial position and results of operations and cash flows for these periods.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method.

The components of property and equipment as of December 31, 1997 and September 30, 1998, are as follows:

	December 31, 1997	September 30, 1998	Period of Depreciation
	-----	-----	-----
	(Unaudited)		
Leasehold improvements.....	\$ 7,000	\$ 8,000	10 years
Transmitter equipment.....	17,000	17,000	5 years
Studio and other technical equipment.....	46,000	59,000	7 years
Office furniture and equipment...	45,000	54,000	5 years
Automobiles.....	--	17,000	5 years
	-----	-----	
	115,000	155,000	
Less: Accumulated depreciation and amortization.....	40,000	73,000	
	-----	-----	
Property and equipment, net.....	\$ 75,000	\$ 82,000	
	=====	=====	

Intangible Assets

Management periodically reviews its unamortized intangible asset balances to ensure that those assets have not been impaired in accordance with the definition of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived assets and for Long-Lived assets to be disposed of." As of

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ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS--(Continued)

September 30, 1998, management has made such evaluations and believes that the net intangible asset is realizable. In any period which management believes an impairment has occurred, management will write down the asset in accordance with this standard.

Revenue Recognition

Revenue for advertising is recognized when the commercial is broadcasted.

Barter Arrangements

Certain program contracts provide for the exchange of advertising air time in lieu of cash payments for the rights to such programming. These contracts are recorded as the programs are aired at the estimated fair value of the advertising air time given in exchange for the program rights.

The Company broadcasts certain customers' advertising in exchange for equipment, merchandise and services. The estimated fair value of the equipment, merchandise or services received is recorded as deferred barter costs and the corresponding obligation to broadcast advertising is recorded as deferred barter revenue. The deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenue is recognized as the related advertising is aired.

Financial Instruments

Financial instruments as of December 31, 1997, and September 30, 1998, consist of cash, trade accounts receivable, accounts payable, accrued expenses, preferred stock, and notes payable all of which the carrying amounts approximate fair value.

New Accounting Standards

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

During 1997, the FASB issues SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS No. 131), which is effective for fiscal years beginning after December 15, 1997. This statement establishes a new approach for determining segments within a company and reporting information on those segments. The Company adopted this statement during the nine months ended September 30, 1998 and concluded that it had only one segment.

3. INTANGIBLE ASSETS:

Intangible asset balances and periods of amortization as of December 31, 1997, and September 30, 1998, are as follows:

	December 31, 1997	September 30, 1998	Period of Amortization
	-----	-----	-----
	(Unaudited)		
Goodwill and FCC license.....	\$7,768,000	\$7,768,000	40 years
Less: Accumulated amortization....	205,000	339,000	
	-----	-----	
	\$7,563,000	\$7,429,000	
	=====	=====	

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ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS--(Continued)

Depreciation and amortization expense for the year ended December 31, 1997, and for the nine months ended September 30, 1997 and 1998, was \$245,000, \$183,000 and \$167,000, respectively.

4. RELATED PARTY TRANSACTIONS:

Notes Payable

Notes payable consist of the following:

	December 31, 1997	September 30, 1998
	-----	-----
	(Unaudited)	
SYNCOM II--long-term debt--10% annually.....	\$1,676,000	\$1,676,000
SYNCOM III--long-term debt--10% annually.....	1,362,000	1,362,000
SYNCOM II--line of credit--8% annually.....	191,000	854,000
	-----	-----
Total.....	\$3,229,000	\$3,892,000
	=====	=====

The debt owed to SYNCOM II and SYNCOM III are due and payable in lump-sum the earlier of a sale of the license of Allur-Detroit, a sale of substantially all of the assets of Allur-Detroit, a sale of a controlling interest in the common stock shares of Allur-Detroit, or at December 31, 1999 (see Note 7). The debt is secured by the FCC license and assets of the Company.

Management Fee

The Company entered into an agreement with Syncom Management, Inc. whereby it pays \$36,000 per year for accounting services. Syncom Management, Inc. also provides management and financial services to SYNCOM II, the owner of the Company.

5. COMMITMENTS:

Operating Leases

The Company rents office space and transmittal sites under several operating leases. These leases expire at various dates through 2002, with most containing renewal options.

Future minimum rental payments under such noncancellable operating leases as of September 30, 1998, are as follows:

Year	

1998 (remaining).....	\$37,000
1999.....	148,000
2000.....	148,000
2001.....	91,000
2002.....	98,000

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ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS--(Continued)

6. CUMULATIVE REDEEMABLE PREFERRED STOCK:

On December 4, 1992, the Company issued 1,050 shares of cumulative redeemable preferred stock to PNC Bank, formerly Continental Bank. The preferred stock earns cumulative annual dividends of eight percent (8%) of par value.

Under the terms of the PNC Bank/Allur-Detroit settlement agreement of December 31, 1996, redemption of the preferred stock shall occur at the date when: (i) repayment is effected in full of principal and interest on lenders' new notes, or (ii) at the maturity date of the new notes when the lenders shall cause the Company to repay, whichever happens first. In such a situation, all outstanding shares of preferred stock shall be redeemed at a price equal to the par value, plus an amount equal to both accrued and

undeclared dividends payable from available funds as stipulated in Section 2.2 of the Shareholders Agreement dated December 4, 1992. As of September 30, 1998, circumstances supporting the redemption of the preferred stock did not occur.

The Company had not declared and has not recorded an accrual for cumulative preferred stock dividends. At September 30, 1998, cumulative unpaid preferred dividends amounted to \$958,667. Such dividends, if declared, would have been paid out of cumulative retained earnings of the Company, if any.

On February 20, 1998, the Company paid \$150,000, representing a partial payment toward the required redemption of the preferred stock held by PNC Bank. From this date hereof, the balance due for payment on the preferred stock is \$1,950,000. Subsequent to September 30, 1998, the \$1,950,000 of preferred stock was redeemed for the face value without the dividend being declared.

7. INCOME TAXES:

The Company accounted for income taxes in accordance with Statement of Financial Accounting standards No. 109, "Accounting for Income Taxes" (SFAS 109). Under SFAS 109, deferred income taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for tax purposes. Deferred taxes are based on tax laws as currently enacted.

A reconciliation of the statutory federal income taxes to the recorded income tax provision for the year ended December 31, 1997, is as follows:

Statutory Tax (@ 35% rate).....	\$ (152,000)
Effect of state taxes, net of federal.....	(18,000)
Effect of graduated tax rate.....	5,000
Valuation reserve.....	165,000

Provision for income taxes.....	\$ --
	=====

The components of the provision for income taxes for the years ended December 31, 1997 are as follows:

Current.....	\$ --
Deferred.....	(165,000)
Valuation reserve.....	165,000

Provision for income taxes.....	\$ --
	=====

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ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS--(Continued)

Deferred income taxes reflect the net tax effect of temporary differences between the financial statement and tax basis of assets and liabilities. The significant components of the Company's deferred tax assets and liabilities as of December 31, 1997, are as follows:

Deferred tax assets--	
NOL carryforward.....	\$180,000
Deferred tax liabilities--	
Depreciation.....	(15,000)
Net deferred tax asset--	165,000

Less:Valuation reserve.....	(165,000)

Deferred taxes included in the accompanying consolidated	
balance sheets.....	\$ --
	=====

A 100% valuation reserve has been applied against the net deferred tax asset, as its realization is not considered to be more likely than not to be realized.

As of December 31, 1997, there was approximately \$400,000 of available net operating loss carry forwards that expire through 2011.

8. SUBSEQUENT EVENTS:

On October 26, 1998, the stockholders of the Company entered into a stock purchase agreement with Radio One, Inc. to sell all of the issued and outstanding shares of capital stock of the Company for approximately \$27 million. The sale is expected to be completed by December 31, 1998.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of
Radio One, Inc.:

We have audited the accompanying combined balance sheets of the Richmond operations of Sinclair Telecable, Inc., consisting of stations WCDX-FM, WPLZ-FM, WJRV-FM and WGCV-AM (the Stations) as of December 31, 1997 and 1998, and the related combined statements of operations and changes in station equity and cash flows for the years then ended. These financial statements are the responsibility of the Stations' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying combined financial statements have been prepared from the separate records maintained by the Stations and may not be indicative of the conditions that would have existed or the results of operations had the Stations been operated as an unaffiliated entity. As discussed in Note 1, certain corporate overhead and other expenses represent allocations made by the Stations' parent.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Richmond operations of Sinclair Telecable, Inc., consisting of stations WCDX-FM, WPLZ-FM, WJRV-FM and WGCV-AM as of December 31, 1997 and 1998 and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Baltimore, Maryland,
March 5, 1999

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THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

COMBINED BALANCE SHEETS
As of December 31, 1997 and 1998
and March 31, 1999

	1997	1998	March 31, 1999
	-----	-----	-----
			(unaudited)
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.....	\$ 55,000	\$ 142,000	\$ 36,000
Trade accounts receivable, net of allowance for doubtful accounts of \$39,000, \$50,000, 44,000 respectively.....	1,282,000	1,400,000	1,447,000
Prepaid expenses and other.....	47,000	31,000	18,000
	-----	-----	-----
Total current assets.....	1,384,000	1,573,000	1,501,000
PROPERTY AND EQUIPMENT, net.....	922,000	1,202,000	1,192,000
INTANGIBLE ASSETS, net.....	4,065,000	3,692,000	3,599,000
	-----	-----	-----
Total assets.....	\$6,371,000	\$6,467,000	\$6,292,000
	=====	=====	=====
LIABILITIES AND STATION EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses.....	\$ 423,000	\$ 566,000	\$ 200,000
COMMITMENTS			
STATION EQUITY.....	5,948,000	5,901,000	6,092,000
	-----	-----	-----
Total liabilities and station equity.....	\$6,371,000	\$6,467,000	\$6,292,000
	=====	=====	=====

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

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THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN STATION EQUITY
For the Years Ended December 31, 1997 and 1998
and the Three Months Ended March 31, 1998 and 1999

	1997	1998	Three Months Ended March 31,	
	-----	-----	-----	-----
			1998	1999
			-----	-----
			(unaudited)	
REVENUE:				
Broadcast revenue, including barter revenue of \$249,000, \$304,000, 79,495 and 37,440 respectively..	\$ 8,330,000	\$ 8,509,000	\$ 1,785,000	\$ 1,625,000
Less: Agency commissions.....	1,041,000	1,051,000	299,000	227,000
	-----	-----	-----	-----
Net broadcast revenue.....	7,289,000	7,458,000	1,486,000	1,398,000
	-----	-----	-----	-----
OPERATING EXPENSES:				
Program and technical.....	1,313,000	1,498,000	273,000	354,000
Selling, general and administrative.....	3,025,000	3,170,000	587,000	589,000
Corporate allocations.....	311,000	413,000	90,000	122,000
Depreciation and amortization.....	569,000	648,000	142,000	162,000
	-----	-----	-----	-----
Total operating expenses.....	5,218,000	5,729,000	1,092,000	1,227,000

Net income.....	2,071,000	1,729,000	394,000	171,000
STATION EQUITY, beginning of year.....	6,548,000	5,948,000	5,948,000	5,901,000
NET TRANSFER (TO) FROM PARENT.....	(2,671,000)	(1,776,000)	(516,000)	20,000
STATION EQUITY, end of year.....	\$ 5,948,000	\$ 5,901,000	\$ 5,826,000	\$ 6,092,000
	=====	=====	=====	=====

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

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THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

COMBINED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 1997 and 1998
and the Three Months Ended March 31, 1998 and 1999

	December 31,		March 31,	
	1997	1998	1998	1999
	-----	-----	-----	-----
			(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income.....	\$ 2,071,000	\$ 1,729,000	\$ 394,000	\$ 171,000
Adjustments to reconcile net income to net cash from operating activities--				
Depreciation and amortization.....	569,000	648,000	142,000	162,000
Effect of change in operating assets and liabilities--				
Trade accounts receivable.....	109,000	(118,000)	161,000	(47,000)
Prepaid expenses and other.....	(33,000)	16,000	27,000	13,000
Accounts payable and accrued expenses.....	(63,000)	143,000	(180,000)	(366,000)
	-----	-----	-----	-----
Net cash flows from operating activities..	2,653,000	2,418,000	544,000	(67,000)
	-----	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment.....	(49,000)	(555,000)	(59,000)	(59,000)
	-----	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:				
Net transfer (to) from parent.....	(2,671,000)	(1,776,000)	(516,000)	20,000
	-----	-----	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(67,000)	87,000	(31,000)	(106,000)
CASH AND CASH EQUIVALENTS, beginning of year.....	122,000	55,000	55,000	142,000
	-----	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of year.....	\$ 55,000	\$ 142,000	\$ 24,000	\$ 36,000
	=====	=====	=====	=====

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

THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 1997 and 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

The radio stations, WCDX-FM, WPLZ-FM, WJRV-FM and WGCY-AM (Stations) are broadcast in the Richmond area. WCDX-FM, WPLZ-FM and WGCY-AM are owned by Sinclair Telecable, Inc. (Sinclair). WJRV-FM is owned by Commonwealth Broadcasting LLC (Commonwealth), a related party. Sinclair owns 25% of Commonwealth. The remaining 75% of Commonwealth is owned by some of the shareholders of Sinclair. Commonwealth has been fully consolidated into the combined financial statements of Sinclair Telecable, Inc. and Affiliates (combined, Sinclair).

In March 1999, Sinclair entered into a letter of intent with Radio One, Inc. to sell ultimately all of the tangible and intangible assets of these Richmond operations for approximately \$34 million. Sinclair and Radio One, Inc. intend to enter into a local marketing agreement under which Radio One, Inc. will operate these Richmond operations prior to completing its acquisition of these operations. Accordingly, these combined financial statements of the Richmond operations include the stations to be purchased by Radio One, Inc. All inter-station transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying combined financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interim Financial Statements (unaudited)

The interim combined financial statements included herein for the Richmond operations of Sinclair Telecable, Inc. have been prepared by management, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In management's opinion, the interim financial data presented herein include all adjustments (which include only normal recurring adjustments) necessary for a fair presentation. Certain information and footnote disclosure normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Results for interim periods are not necessarily indicative of results to be expected for the full year.

Corporate Expenses

The Stations are allocated certain corporate expenses for services provided by Sinclair based upon the percentage of revenue of each station to total revenue of all stations operated by Sinclair. Though management is of the opinion that all allocations used are reasonable and appropriate, other allocations might be used that could produce results substantially different from those reflected herein and these cost allocations might not be indicative of amounts which might be paid to unrelated parties for similar services or if Stations had been operated on a stand-alone basis.

Sinclair corporate departmental expenses of \$311,000 and \$413,000 have been allocated to the Stations during 1997 and 1998, respectively, for management salaries and benefits, legal services, corporate office, and other miscellaneous expenses.

NOTES TO COMBINED FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998

The acquisition of station WJRV-FM was partially financed with debt which was allocated to the Stations. This debt and related accrued interest expense was eliminated through cash transfers to the parent. Cash transfers in excess of amounts required to repay debt and secured interest reduces the Stations equity and is recorded as net transfer to parent.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market accounts at various commercial banks. All cash equivalents have original maturities of 90 days or less. For cash and cash equivalents, cost approximates market value.

Property and Equipment

Property and equipment are recorded at cost and are being depreciated on a straight-line basis over various periods. The components of the Stations' property and equipment as of December 31, 1997 and 1998, are as follows:

	1997	1998	Period of Depreciation
	-----	-----	-----
PROPERTY AND EQUIPMENT:			
Land.....	\$ 57,000	\$ 57,000	--
Building and leasehold improvements...	140,000	147,000	31 or 10 years
Furniture and fixtures.....	179,000	241,000	7 or 10 years
Broadcasting equipment.....	2,145,000	2,611,000	5 to 7 years
Vehicles.....	55,000	75,000	5 years
	-----	-----	
	2,576,000	3,131,000	
Less: Accumulated depreciation.....	1,654,000	1,929,000	
	-----	-----	
Property and equipment, net.....	\$ 922,000	\$1,202,000	
	=====	=====	

Depreciation expenses for the fiscal years ended December 31, 1997 and 1998, were \$263,000 and \$275,000, respectively.

Revenue Recognition

In accordance with industry practice, revenue for broadcast advertising is recognized when the commercial is broadcast.

Barter Arrangements

Certain program contracts provide for the exchange of advertising air time in lieu of cash payments for the rights to such programming. These contracts are recorded as the programs are aired at the estimated fair value of the advertising air time given in exchange for the program rights.

Financial Instruments

Financial instruments as of December 31, 1997 and 1998, consist of cash and cash equivalents, trade accounts receivables, accounts payable and accrued expenses, all of which the carrying amounts approximate fair value except.

2. INTANGIBLE ASSETS:

Intangible assets are being amortized on a straight-line basis over various periods. The intangible asset balances and periods of amortization as of December 31, 1997 and 1998, are as follows:

	1997	1998	Period of Amortization
FCC broadcast license.....	\$4,489,000	\$4,489,000	15 Years
Goodwill.....	45,000	45,000	40 Years
Debt financing.....	27,000	27,000	Life of Debt
Organizational costs.....	99,000	--	5 Years
Total.....	4,660,000	4,561,000	
Less: Accumulated amortization.....	595,000	869,000	
Net intangible assets.....	\$4,065,000	\$3,692,000	

Amortization expense for the fiscal years ended December 31, 1997 and 1998, was \$306,000 and \$373,000, respectively. During 1998, the Stations wrote off approximately \$69,000 of unamortized start-up costs.

3. INCOME TAXES:

As the Stations' parent company is an S corporation, no provision for income taxes has been included in the accompanying statements of operations.

4. COMMITMENTS:

The Stations lease office space for its office and broadcast studios and a tower site under operating leases which expire through January 1, 2020. Rent expense for the years ended December 31, 1997 and 1998, was \$152,000 and \$154,000, respectively. The future minimum rental payments for the next five years are as follows:

Year	

1999.....	\$ 185,000
2000.....	183,000
2001.....	189,000
2002.....	196,000
2003.....	104,000
Thereafter.....	1,335,000

5. PROFIT SHARING:

Sinclair Telecable, Inc. has a 401(k) profit sharing plan for its employees. Sinclair Telecable, Inc. can contribute to the plan at the discretion of its board of directors. Sinclair Telecable, Inc. did not contribute to the plan during fiscal year 1997 or 1998.

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6. SUBSEQUENT EVENT (unaudited):

Effective June 1, 1999, Sinclair entered into a local marketing agreement with Radio One, Inc. As a result of the local marketing agreement, Sinclair's only operations, subsequent to the local marketing agreement, was the maintenance of the assets used by Radio One, Inc. in the local marketing agreement. As such, the three-month period ending March 31, 1999 was the last full quarter that Sinclair had operating results from operating the stations. As of June 30, 1999 the broadcast revenues and receivables from these stations were included in the financial statements of Radio One, Inc.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of
Radio One, Inc.:

We have audited the accompanying combined balance sheet of the stations WKJS-FM and WSOJ-FM of FM-100 (the Stations) as of December 31, 1998, and the related combined statements of operations and changes in station (deficit) equity and cash flows for the year then ended. These financial statements are the responsibility of the Stations' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined financial statements have been prepared from the separate records maintained by the Stations and may not be indicative of the conditions that would have existed or the results of operations had the Stations been operated as an unaffiliated entity. As discussed in Note 1, certain corporate overhead and other expenses represent allocations made by the Stations' parent.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the stations WKJS-FM and WSOJ-FM of FM-100, Inc., as of December 31, 1998, and the results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Baltimore, Maryland,
March 10, 1999

STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

COMBINED BALANCE SHEET

AS OF DECEMBER 31, 1998 AND JUNE 30, 1999

ASSETS

	December 31, 1998	June 30, 1999
	-----	-----
		(unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 34,000	\$ 87,000
Trade accounts receivable, net of allowance for doubtful accounts of \$28,000 and \$61,000 respectively	326,000	773,000
Prepays and other	--	10,000
	-----	-----
Total current assets	360,000	870,000
PROPERTY AND EQUIPMENT, net	1,079,000	1,041,000
INTANGIBLE ASSETS, net	3,343,000	3,282,000
	-----	-----
Total assets	\$4,782,000	\$5,193,000

=====

LIABILITIES AND STATION (DEFICIT) EQUITY

CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 168,000	\$ 102,000
Capital lease obligations	13,000	16,000
	-----	-----
Total current liabilities	181,000	118,000
LONG-TERM LIABILITIES:		
Allocation of long-term debt	5,000,000	5,006,000
Capital lease obligations	49,000	48,000
	-----	-----
Total liabilities	5,230,000	5,172,000
COMMITMENTS AND CONTINGENCIES		
STATION (DEFICIT) EQUITY	(448,000)	21,000
	-----	-----
Total liabilities and station (deficit) equity	\$4,782,000	\$5,193,000
	=====	=====

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

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STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN STATION (DEFICIT) EQUITY

FOR THE YEAR ENDED DECEMBER 31, 1998
AND THE SIX MONTHS ENDED
JUNE 30, 1998 AND 1999

	December 31, 1998	June 30, 1998	June 30, 1999
	-----	-----	-----
		(unaudited)	
REVENUE:			
Broadcast revenue, including barter revenue of \$169,000	\$1,187,000	\$ 320,000	\$1,420,000
Less: Agency commissions	125,000	--	--
	-----	-----	-----
Net broadcast revenue	1,062,000	320,000	1,420,000
	-----	-----	-----
OPERATING EXPENSES:			
Program and technical	192,000	86,000	131,000
Selling, general and administrative	810,000	383,000	528,000
Corporate allocations	15,000	9,000	8,000
Depreciation and amortization	416,000	172,000	182,000
	-----	-----	-----
Total operating expenses	1,433,000	650,000	849,000
	-----	-----	-----
Operating loss	(371,000)	(330,000)	571,000
	-----	-----	-----
OTHER INCOME (EXPENSE):			
Interest expense	(500,000)	(240,000)	(231,000)
Other income	21,000	3,000	8,000
	-----	-----	-----
Total other income (expense), net	(479,000)	(237,000)	(223,000)
	-----	-----	-----
Net (loss) income	(850,000)	(567,000)	348,000
STATION EQUITY (DEFICIT), beginning of year			
	177,000	177,000	(448,000)
NET TRANSFER FROM PARENT	225,000	--	121,000
	-----	-----	-----
STATION EQUITY (DEFICIT), end of year	\$ (448,000)	\$ (390,000)	\$ 21,000
	=====	=====	=====

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

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STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

COMBINED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1998
AND THE SIX MONTHS ENDED JUNE 30, 1998 AND 1999

	December 31,	June 30,	
	1998	1998	1999
		(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (850,000)	\$ (567,000)	\$ 348,000
Adjustments to reconcile net loss to net cash used in operating activities-			
Depreciation and amortization	416,000	172,000	182,000
Effect of change in operating assets and liabilities-			
Trade accounts receivable	(257,000)	(350,000)	(447,000)
Prepaid expenses and other	3,000	(2,000)	(10,000)
Accounts payable and accrued expenses	99,000	(50,000)	(66,000)
Net cash flows (used in) provided by operating activities	(589,000)	(797,000)	7,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(58,000)	(40,000)	(81,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net transfer from parent	225,000	339,000	121,000
Proceeds from parent debt	427,000	500,000	6,000
Net cash flows from financing activities	652,000	839,000	127,000
INCREASE IN CASH	5,000	2,000	53,000
CASH AND CASH EQUIVALENTS, beginning of year	29,000	29,000	34,000
CASH AND CASH EQUIVALENTS, end of year	\$ 34,000	\$ 31,000	\$ 87,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for interest	\$ 477,000	\$ 217,000	\$ 254,000

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

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STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

The radio stations, WKJS-FM and WSOJ-FM (the Stations) are broadcast in the

Richmond area. The combined financial statements of the Stations were formed effective January 4, 1998, when FM 100, Inc. purchased station WKJS-FM for \$4,500,000. Station WSOJ-FM was owned by FM 100, Inc. since 1994.

In February 1999, FM 100, Inc. signed an agreement with Radio One, Inc. to sell all tangible and intangible assets for approximately \$12,000,000, subject to certain earn-out adjustments. The sale is expected to close during 1999. The accompanying combined financial statements include the assets, liabilities and results of operations of those stations to be acquired by Radio One, Inc. and were prepared from the financial statements of FM 100, Inc. All inter-station transactions have been eliminated in consolidation.

The Stations have incurred an operating loss of \$371,000 and a net loss of \$850,000 for the year ended December 31, 1998. Also, as of December 31, 1998, the Stations had a station deficit of \$448,000. These factors, along with others could negatively impact future operations of the Stations.

Basis of Presentation

The accompanying combined financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Interim Financial Statements

The interim combined financial statements included herein for the Stations have been prepared by management without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In management's opinion, the interim financial data presented herein include all adjustments (which include only normal recurring adjustments) necessary for a fair presentation. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Results for interim periods are not necessarily indicative of results to be expected for the full year.

On July 1, 1999, Radio One purchased the assets of the Stations for \$4,600,000.

Certain Corporate Expenses

The Stations are allocated certain corporate expenses for services provided by FM 100, Inc. based upon the percentage of revenue of each station to total revenue of all stations operated by FM 100, Inc. Though management is of the opinion that all allocations used are reasonable and appropriate, other allocations might be used that could produce results substantially different from those reflected herein and these cost allocations might not be indicative of amounts which might be paid to unrelated parties for similar services if the Stations had been operated on a stand-alone basis.

FM 100, Inc. corporate departmental expenses of \$15,000 have been allocated to the Stations during 1998 for accounting services and other miscellaneous expenses.

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STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

NOTES TO COMBINED FINANCIAL STATEMENTS--(Continued)

Property and Equipment

Property and equipment are recorded at cost and are being depreciated on a straight-line basis over various periods. The components of the Stations's property and equipment as of December 31, 1998, are as follows:

Period of

	1998	Depreciation
	-----	-----
PROPERTY AND EQUIPMENT:		
Land.....	\$ 173,000	--
Building.....	646,000	15 years
Furniture and fixtures.....	211,000	10 years
Broadcasting equipment.....	262,000	7 years
Vehicles.....	17,000	5 years

	1,309,000	
Less: Accumulated depreciation.....	230,000	

Property and equipment, net.....	\$1,079,000	
	=====	

Depreciation expense for the fiscal year ended December 31, 1998, was \$102,000.

Revenue Recognition

In accordance with industry practice, revenue for broadcast advertising is recognized when the commercial is broadcast.

Barter Arrangements

Certain program contracts provide for the exchange of advertising air time in lieu of cash payments for the rights to such programming. These contracts are recorded as the programs are aired at the estimated fair value of the advertising air time given in exchange for the program rights.

Financial Instruments

Financial instruments as of December 31, 1998, consist of cash and cash equivalents, trade accounts receivables, accounts payable, accrued expenses, long-term debt, and capital leases, all of which the carrying amounts approximate fair value.

Supplemental Cash Flow Information

During 1998, FM 100, Inc. obtained a \$5,000,000 loan from a bank of which \$4,500,000 was used to finance the purchase of WKJS-FM and \$73,000 was used to pay debt issuance cost. The remaining \$427,000 transferred to the Stations for operating purposes.

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STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

NOTES TO COMBINED FINANCIAL STATEMENTS--(Continued)

2. INTANGIBLE ASSETS:

Intangible assets are being amortized on a straight-line basis over various periods. The intangible asset balances and periods of amortization as of December 31, 1998, are as follows:

	1998	Period of Amortization
	-----	-----
FCC broadcast license.....	\$3,628,000	15 Years
Debt financing.....	73,000	Life of Debt

Total.....	3,701,000	
Less: Accumulated amortization.....	358,000	

Net intangible assets.....	\$3,343,000	
	=====	

Amortization expense for the fiscal year ended December 31, 1998, was \$314,000.

3. LONG-TERM DEBT:

The acquisition of WKJS-FM was financed with \$4,500,000 of debt which has been allocated to the Stations. The debt accrued interest at 10% during 1998 and was originally due January 6, 1999, and has been refinanced to be due January 6, 2000.

FM 100, Inc. has borrowed \$500,000 from a bank which has been allocated down to the Stations. The debt accrued interest at 10% during 1998 and was originally due January 6, 1999 and has been refinanced to be due January 6, 2000.

As of December 31, 1998, the Stations had various capital leases for equipment.

4. INCOME TAXES:

As the Stations' parent company is an S-Corporation, no provision for income taxes has been included in the accompanying statements of operations.

5. COMMITMENTS:

The Stations lease office space for their office and broadcast studios under an operating lease which expires during 1999. Rent expense for the year ended December 31, 1998, was \$16,064. The future minimum rental payment is \$9,311.

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[logo of Radio One appears here]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the estimated expenses to be incurred in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commissions, to be paid by Radio One:

SEC registration fee.....	*
Printing and engraving fees.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Blue Sky fees and expenses.....	*
Trustee fees.....	*
Directors' and Officers' Insurance.....	*
Miscellaneous.....	*
Total.....	\$

* To be filed by amendment

Item 14. Indemnification of Directors and Officers.

Radio One's Amended and Restated By-Laws incorporate substantially the provisions of the General Corporation Law of the State of Delaware (the "DGCL") in providing for indemnification of directors and officers against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that such person is or was an officer or director of Radio One. In addition, Radio One is authorized to indemnify employees and agents of Radio One and may enter into indemnification agreements with its directors and officers providing mandatory indemnification to them to the maximum extent permissible under Delaware law.

Radio One's Amended and Restated Certificate of Incorporation provides that

Radio One shall indemnify (including indemnification for expenses incurred in defending or otherwise participating in any proceeding) its directors and officers to the fullest extent authorized or permitted by the DGCL, as it may be amended, and that such right to indemnification shall continue as to a person who has ceased to be a director or officer of Radio One and shall inure to the benefit of his or her heirs, executors and administrators except that such right shall not apply to proceedings initiated by such indemnified person unless it is a successful proceeding to enforce indemnification or such proceeding was authorized or consented to by the board of directors. Radio One's certificate of incorporation also specifically provides for the elimination of the personal liability of a director to the corporation and its stockholders for monetary damages for breach of fiduciary duty as director. The provision is limited to monetary damages, applies only to a director's actions while acting within his or her capacity as a director, and does not entitle Radio One to limit director liability for any judgment resulting from (a) any breach of the director's duty of loyalty to Radio One or its stockholders; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (c) paying an illegal dividend or approving an illegal stock repurchase; or (d) any transaction from which the director derived an improper benefit.

Section 145 of the DGCL provides generally that a person sued (other than in a derivative suit) as a director, officer, employee or agent of a corporation may be indemnified by the corporation for reasonable expenses, including counsel fees, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that the person's conduct was unlawful. In the case of a derivative suit, a director, officer, employee or agent of the corporation may be indemnified by the corporation for reasonable expenses, including attorneys' fees, if the person has acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in the case of a derivative suit in respect of any claim as to, which such director, officer,

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for reasonable expenses, including attorneys' fees, if the person has acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in the case of a derivative suit in respect of any claim as to, which such director, officer, employee or agent has been adjudged to be liable to the corporation unless the Delaware Court of Chancery or the court in which such action or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity for proper expenses. Indemnification is mandatory under section 145 of the DGCL in the case of a director or officer who is successful on the merits in defense of a suit against him.

The Underwriting Agreement provides that the Underwriters are obligated, under certain circumstances, to indemnify Radio One, the directors, certain officers and controlling persons of Radio One, Inc. against certain liabilities, including liabilities under the Securities Act. Reference is made to the form of Underwriting Agreement filed as Exhibit 1.1 hereto.

Radio One maintains directors and officers liability insurance for the benefit of its directors and certain of its officers.

Item 15. Recent Sales of Unregistered Securities.

On May 19, 1997, Radio One issued approximately \$85.0 million (aggregate principal amount) of 12% senior subordinated notes to certain investors. Such notes were offered pursuant to Rule 144A under the Securities Act.

On May 19, 1997, Radio One issued approximately \$20.9 million of Series A and Series B 15% senior cumulative preferred stock to certain investors. Such shares were issued pursuant to the exemption from registration provided by Section 4(2) of Securities Act.

On January 25, 1999, Radio One issued an aggregate of 51,192 shares of common stock to its Chief Financial Officer. These shares were issued pursuant to the exemption from registration provided by Rule 701 under the Securities Act.

On February 25, 1999, pursuant to a plan of recapitalization, Radio One issued to the holders of its class A common stock, in exchange for all of the outstanding shares of class A common stock, 46.15 shares of class B common stock and 92.3 shares of class C common stock. These shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On March 30, 1999, Radio One issued approximately 3.3 million shares of common stock to the shareholders of ROA in connection with Radio One's acquisition of ROA. These shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules.

(a) The following exhibits are filed as part of this registration statement.

- 1.1 Form of Underwriting Agreement (to be filed by Amendment to this Registration Statement on Form S-1).
- 3.1 Certificate of Incorporation of Radio One, Inc. (incorporated by reference to Radio One's Amendment to its Registration Statement on Form S-1 filed on May 4, 1999 (File No. 333-74351; Film No. 99610524)).
- 3.2 Amended and Restated By-laws of Radio One, Inc. (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 4.1 Indenture dated as of May 15, 1997 among Radio One, Inc., Radio One Licenses, Inc. and United States Trust Company of New York (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).

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- 4.2 First Supplemental Indenture dated as of June 30, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Bell Broadcasting Company, Radio One of Detroit, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed July 13, 1998 (File No. 333-30795; Film No. 98665139)).
- 4.3 Second Supplemental Indenture dated as of December 23, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Allur-Detroit, Allur Licenses, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed January 12, 1999 (File No. 333-30795; Film No. 99504706)).
- 4.7 Standstill Agreement dated as of June 30, 1998 among Radio One, Inc., the subsidiaries of Radio One, Inc., United States Trust Company of New York and the other parties thereto (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1998 (File No. 333-30795; Film No. 98688998)).
- 5.1 Form of Opinion and consent of Kirkland & Ellis (to be filed by Amendment to this Registration Statement on Form S-1).
- 10.1 Office Lease dated February 3, 1997 between National Life Insurance Company and Radio One, Inc. for premises located at 5900 Princess Garden Parkway, Lanham, Maryland, as amended on February 24, 1997 (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 10.1(a) Amendment to Office Lease dated January 22, 1999 between National Life Insurance Company and Radio One, Inc. for premises located at 5900 Princess Garden Parkway, Lanham, Maryland (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 10.3 Office Lease commencing November 1, 1993 between Chalrep Limited

Partnership and Radio One, Inc., with respect to the property located at 100 St. Paul Street, Baltimore, Maryland (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).

- 10.6 Warrantholders' Agreement dated as of June 6, 1995, as amended by the First Amendment to Warrantholders' Agreement dated as of May 19, 1997, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 10.7(a) Second Amendment to the Warrantholders' Agreement dated as of May 3, 1999, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 10.17 Credit agreement dated June 30, 1998 among Radio One, Inc., as the borrower and NationsBank, N.A., as Documentation Agent and Credit Suisse First Boston as the Agent (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1998 (File No. 333-30795; Film No. 98688998)).
- 10.21 Time Management and Services Agreement dated March 17, 1998, among WYCB Acquisition Corporation, Broadcast Holdings, Inc., and Radio One, Inc. (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 10.22 Stock Purchase Agreement dated December 23, 1997, between the shareholders of Bell Broadcasting Company and Radio One, Inc. (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).

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- 10.28 Amendment to Preferred Stockholders' Agreement dated as of December 31, 1997 among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 10.30 Agreement dated February 20, 1998 between WUSQ License Limited Partnership and Radio One, Inc. (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 10.40 Merger Agreement dated as of March 30, 1999 relating to the acquisition of Radio One of Atlanta, Inc. (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1998 (File No. 333-30795; Film No. 98688998)).
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- 10.42 Asset Purchase Agreement relating to the Acquisition of WENZ-FM and WERE-AM, both licensed to Cleveland, Ohio (incorporated by reference to Radio One's Amendment No. 3 to its registration statement on Form S-1 filed on April 14, 1999 (File No. 333-74351; Film No. 99593769)).
- 10.43 Asset Purchase Agreement dated as of February 10, 1999 relating to the acquisition of WDYL-FM, licensed to Chester, Virginia (incorporated by reference to Radio One's Amendment No. 3 to its registration statement on Form S-1 filed on April 14, 1999 (File No. 333-74351; Film No. 99593769)).
- 10.44 Asset Purchase Agreement dated as of February 26, 1999 relating to the acquisition of WJKS-FM, licensed to Crewe Virginia, and WARV-FM, licensed Petersburg, Virginia (incorporated by reference to Radio One's Amendment No. 3 to its registration statement on Form S-1 filed on April 14, 1999 (File No. 333-74351; Film No. 99593769)).
- 10.45 Asset Purchase Agreement dated as of May 6, 1999 relating to the acquisition of WCDX-FM, licensed to Mechanicsville, Virginia,

WPLZ-FM, licensed to Petersburg, Virginia, WJRV-FM licensed to Richmond, Virginia, and WGCW-AM licensed to Petersburg, Virginia (previously filed).

- 10.45(a) Time Brokerage Agreement dated May 5, 1999 among Radio One, Inc. and Sinclair Telecable, Inc. Commonwealth Broadcasting, L.L.C. and Radio One, Inc. (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 10.46 Stock Purchase Agreement dated as of October 26, 1998, by and between Radio One and Syndicated Communications Venture Partners, II, L.P. (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1998 (File No. 333-30795; Film No. 99581532)).
- 10.50 Amended and Restated Credit Agreement dated as of February 26, 1999, among Radio One, Inc., as the borrower, and Nations Bank, N.A., as Administrative Agent, and Credit Suisse First Boston, as the Documentation Agent (incorporated by reference to Radio One's Amendment No. 3 to its registration statement on Form S-1 filed on April 14, 1999 (File No. 333-74351; Film No. 99593769)).
- 10.52 Asset Purchase Agreement dated as of May 24, 1999 relating to the acquisition of WBOT-FM, licensed to Brockton, Massachusetts (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 10.53 Time Brokerage Agreement dated May 24, 1999 among Radio One, Inc. and Radio Station WBOT-FM, Brockton, Massachusetts (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).

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- 10.54 Agreement and Plan of Warrant Recapitalization dated as of February 25, 1999, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 10.55 Employment Agreement between Radio One, Inc. and Scott R. Royster dated effective as of January 1, 1999 (previously filed).
- 10.56 Employment and Stock Option Agreement dated as of January 1, 1998 between Radio One, Inc. and Mary Catherine Sneed.
- 10.56(a) First Amendment dated as of January 1, 1999 to the Employment and Stock Option Agreement dated as of January 1, 1998 between Radio One, Inc. and Mary Catherine Sneed.
- 21.1 Subsidiaries of Radio One, Inc. (incorporated by reference to Radio One's Registration Statement on Form S-1 filed on March 12, 1999 (File No. 333-74351; Film No. 99564316)).
- 23.1 Consent of Arthur Andersen, L.L.P.
- 23.2 Consent of Mitchell & Titus, L.L.P.
- 23.3 Consent of Kirkland & Ellis (included in Exhibit 5.1).
- 27.1 Financial Data Schedule (previously filed).

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to provisions described in Item 14 above, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of

appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424 (b) (1) or (4) or 497 (h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Lanham, Maryland on November 1, 1999.

Radio One, Inc.

By: /s/ Alfred C. Liggins, III

Name: Alfred C. Liggins, III

Title: President and Chief Executive Officer

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POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Radio One, Inc., hereby severally constitute and appoint Alfred C. Liggins, III and Scott R. Royster and each of them singly, our true and lawful attorneys, with full power to them and each of them singly, to sign for us in our names in the capacities indicated below, all pre-effective and post-effective amendments to this Registration Statement (or any other registrar on statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act), and generally to do all things in our names and on our behalf in such capacities to enable Radio One, Inc. to comply with the provisions of the Securities Act, as amended, and all requirements of the SEC.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed on behalf of the following persons by Scott R. Royster, their true and lawful attorney, on the date indicated.

Radio One, Inc.

Signature

Title(s)

Date

/s/ Catherine L. Hughes

Chairperson of the Board of
Directors

November 1, 1999

Catherine L. Hughes

/s/ Terry L. Jones	Director	November 1, 1999
<hr/> Terry L. Jones		
/s/ Brian W. McNeill	Director	November 1, 1999
<hr/> Brian W. McNeill		
/s/ Larry D. Marcus	Director	November 1, 1999
<hr/> Larry D. Marcus		
/s/ Alfred C. Liggins, III	President and Chief Executive Officer (Principal Executive Officer) and Director	November 1, 1999
<hr/> Alfred C. Liggins, III		
/s/ Scott R. Royster	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	November 1, 1999
<hr/> Scott R. Royster		

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EXHIBIT INDEX

Exhibit No. -----	Description -----	Page ----
1.1	Form of Underwriting Agreement (to be filed by Amendment to this Registration Statement on Form S-1).	
3.1	Certificate of Incorporation of Radio One, Inc. (incorporated by reference to Radio One's Amendment to its Registration Statement on Form S-1 filed on May 4, 1999 (File No. 333-74351; Film No. 99610524)).	
3.2	Amended and Restated By-laws of Radio One, Inc. (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).	
4.1	Indenture dated as of May 15, 1997 among Radio One, Inc., Radio One Licenses, Inc. and United States Trust Company of New York (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).	
4.2	First Supplemental Indenture dated as of June 30, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Bell Broadcasting Company, Radio One of Detroit, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed July 13, 1998 (File No. 333-30795; Film No. 98665139)).	
4.3	Second Supplemental Indenture dated as of December 23, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Allur-Detroit, Allur Licenses, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed January 12, 1999 (File No. 333-30795; Film No. 99504706)).	
4.7	Standstill Agreement dated as of June 30, 1998 among Radio One, Inc., the subsidiaries of Radio One, Inc., United States Trust Company of New York and the other parties thereto (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1998 (File No. 333-30795; Film No. 98688998)).	
5.1	Form of Opinion and consent of Kirkland & Ellis (to be filed by Amendment to this Registration Statement on Form S-1).	
10.1	Office Lease dated February 3, 1997 between National Life	

Insurance Company and Radio One, Inc. for premises located at 5900 Princess Garden Parkway, Lanham, Maryland, as amended on February 24, 1997 (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).

- 10.1(a) Amendment to Office Lease dated January 22, 1999 between National Life Insurance Company and Radio One, Inc. for premises located at 5900 Princess Garden Parkway, Lanham, Maryland (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 10.3 Office Lease commencing November 1, 1993 between Chalrep Limited Partnership and Radio One, Inc., with respect to the property located at 100 St. Paul Street, Baltimore, Maryland (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 10.6 Warrantholders' Agreement dated as of June 6, 1995, as amended by the First Amendment to Warrantholders' Agreement dated as of May 19, 1997, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 10.7(a) Second Amendment to the Warrantholders' Agreement dated as of May 3, 1999, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
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- relating to the acquisition of WDYL-FM, licensed to Chester, Virginia (incorporated by reference to Radio One's Amendment No. 3 to its registration statement on Form S-1 filed on April 14, 1999 (File No. 333-74351; Film No. 99593769)).
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- 23.2 Consent of Mitchell & Titus, L.L.P.
- 23.3 Consent of Kirkland & Ellis (included in Exhibit 5.1).
- 27.1 Financial Data Schedule (previously filed).

EMPLOYMENT AND STOCK OPTION AGREEMENT

THIS EMPLOYMENT AND STOCK OPTION AGREEMENT (this "Agreement"), is made and entered into this 1st day of January, 1998 by and between RADIO ONE, INC., a Delaware corporation (hereinafter referred to as the "Corporation") and MARY CATHERINE SNEED (hereinafter referred to as the "Employee").

RECITALS:

R-1 The Corporation is a corporation existing under the laws of Delaware, whose principal business is to own and manage, directly and through subsidiaries and affiliates, certain radio stations (collectively, together with radio stations acquired and/or managed after the date hereof, the "Radio Stations"). Certain of the Radio Stations are in Philadelphia, Pennsylvania, Washington, D.C. and Baltimore, Maryland and are owned by the Corporation. One Radio Station managed by the Corporation is located in Fayetteville, Georgia and is owned by Radio One of Atlanta, Inc. ("ROA").

R-3 The Corporation desires to hire and employ the Employee and the Employee desires to be hired and employed by the Corporation.

R-4 The Corporation and Employee desire to enter into this Agreement to set forth certain terms and conditions, including certain stock option provisions, which will govern the employment relationship.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises herein contained and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and the Employee, intending to be legally bound, do hereby mutually agree as follows:

1. Term of Employment. The Corporation does hereby hire and employ the

Employee in the capacity and at the compensation set forth below. The term of the employment hereunder shall commence on the date hereof (the "Employment Commencement Date") and shall continue until December 31, 1999 (the "Term Expiration Date") or such other date mutually approved in writing by the Corporation and the Employee. The Employee hereby accepts this employment for the term of employment.

2. Duties of Employee. The Corporation hereby employs the Employee as

the Chief Operating Officer of the Corporation, which duties shall include serving as General Manager of WHTA-FM in Atlanta, Georgia and of WTHA-FM in Roswell, Georgia, and the Employee agrees to perform the functions of the Chief Operating Officer of the Company, General Manager of WHTA-FM and General Manager of WTHA-FM and to perform such other duties as are customary in such capacities. The Employee agrees to reside in the Atlanta area and to devote her full and best efforts, energies and abilities to the service of the Corporation, WHTA-FM and WTHA-FM on a full time basis. The Corporation agrees that Employee shall remain in Atlanta and shall not be required to relocate during the term of this Agreement.

3. Compensation. The Corporation shall pay to the Employee base

compensation at an annual rate of Two Hundred Thousand Dollars (\$200,000.00) per annum payable in equal semi-monthly installments. In addition, except as provided in Section 6 hereof, the Corporation shall pay Employee an annual cash bonus in the maximum amount of Fifty Thousand Dollars (\$50,000.00) for each of calendar year 1998 (the "1998 Bonus") and calendar year 1999 (the "1999 Bonus"). The 1998 Bonus and the 1999 Bonus shall be payable in the event aggregate broadcast cash flow for the Stations for the applicable calendar year exceeds the target set by the Corporation for such calendar year. The foregoing compensation shall be in addition to the special entitlements set forth in Section 12 concerning stock options.

4. Benefits and Leave. Employee shall be entitled to three (3) weeks of

vacation in each of calendar years 1998 and 1999. The Employee shall be entitled
to such benefits as are granted to other similarly situated employees and/or
executives of the Corporation.

5. Expenses. The Corporation shall reimburse the Employee for all

reasonable and necessary business expenses incurred by her in the performance of
her duties hereunder, in accordance with the Corporation's policies and
procedures, and provided they are vouchered in a form satisfactory to the
Internal Revenue Service for the deduction of such expenses and are approved by
the Chief Executive Officer of the Corporation.

6. Termination.

(a) Termination by the Corporation.

(i) Disability. Upon the Permanent Disability of the Employee,

the Corporation may terminate the Employee's employment immediately by written
notice. "Permanent Disability" shall mean any ailment, injury or other medical,
physical or other condition which (1) is covered by Employer's disability
insurance and (2) prevents the Employee from performing her duties in
substantially the manner as prior to such disability for (A) a continuous period
of six (6) months, and further the Employee fails to obtain a bona fide medical
opinion from a physician mutually acceptable to the Corporation and the Employee
during said six (6) month period certifying that such disability will not, in
reasonable medical certainty, last for more than six (6) additional months or
(B) a continuous period of twelve (12) months.

(ii) Death. The Employee's employment shall terminate

immediately upon her death. If the Employee dies during the term of her
employment, the Corporation shall pay to (A) the Employee's spouse or (B) the
Executors under the Employee's Last Will and Testament duly admitted to probate
within one (1) year of her death, or (C) the Employee's heirs at law, the base
compensation which otherwise would be payable to the Employee under Section 3
hereof for a period of three (3) months after the date on which the death
occurs.

(iii) Termination with Cause. The Employee's employment may

be terminated at any time upon written notice for Cause. For the purposes of
this Agreement, "Cause" is defined as: (A) acts of criminal conduct or moral
turpitude; (B) refusal to follow the reasonable instructions or directions of
her superiors, including but not limited to Alfred Liggins, or the board

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of directors of the Corporation; (C) willful and substantial neglect of, or
action contrary to, material duties regularly associated with her position at
the time of employment; (D) alcohol or drug usage interfering with the
performance of material duties regularly associated with her position at the
time of employment.

(iv) Termination Without Cause. The Employee's employment may be

terminated, without any cause whatsoever, by the Corporation providing Employee
with twelve (12) months' written notice. At the Corporation's sole option, the
Corporation may substitute, in lieu of all or any portion of such twelve (12)
month notice period, payment of the base compensation which otherwise would be
payable to the Employee under Section 3 hereof during such period, and
continuation of all benefits for which Employee is eligible during such period.

(b) Termination by the Employee.

(i) Termination upon a Change in Control. The Employee shall

have the right to terminate her employment in the event of a transaction with
one or more independent third parties pursuant to which such party or parties

(A) acquire, whether by merger, consolidation or transfer or issuance of capital stock, capital stock of the Corporation (or any surviving or resulting corporation) possessing the voting power to elect a majority of the board of directors of the Corporation (or such surviving or resulting corporation) or (B) acquire all or substantially all of the Corporation's assets determined on a consolidated basis. Termination under the terms of this Section 6(b)(i) shall be considered a Termination Without Cause by the Corporation pursuant to Section 6(a)(iv) of this Agreement, and Employee shall be entitled to all rights contained therein.

(ii) Termination without Cause. Except as provided in Section

6(b)(i), Employee may not terminate her employment prior to the end of the term of this Agreement for any reason unless Employee shall provide the Corporation with twelve (12) months' written notice. During the period between the giving of the termination notice referred to in the preceding sentence and the termination of Employee's employment with the Corporation, all of the terms and conditions of this Agreement shall apply, provided that the Corporation may terminate Employee's employment at any time after receipt of the Employee's termination notice by paying Employee's base compensation, including continuation of all benefits for which Employee is eligible, for the remainder of such twelve (12) month notice period. In the event that Employee breaches this provision and terminates her employment, the Corporation would suffer considerable damage and shall be entitled to recover such damage through all remedies available in law or in equity.

(c) Pro-Ration of Bonus upon Termination. Anything to the contrary in

this Agreement notwithstanding, any bonus payable to Employee pursuant to Section 3 hereof shall be pro-rated (i) in the case of termination pursuant to Section 6(a)(i), (iii) or (iv) or Section 6(b)(i) or (ii), through the last day of Employee's employment hereunder, and (ii) in the case of termination pursuant to Section 6(a)(ii), through the date of death.

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7. Covenant Not to Compete.

(a) During the Restriction Period, Employee shall not work in a management capacity for any radio station or entity that owns and/or operates any radio stations within fifty (50) miles of the service area of any radio station owned or operated by the Corporation or ROA or any of their affiliates. "Restriction Period" shall mean any period for which the Corporation is obligated hereunder, or has made an election hereunder, to pay base salary after termination of the Employee's employment; provided, however, that the Restriction Period may not exceed six (6) months. This Section 7(a) is not intended to prevent Employee from obtaining the benefit of Section 13 of this Agreement. Employee specifically agrees that this Section 7 shall survive despite the termination of Employee's employment with the Corporation.

(b) The Employee acknowledges that the terms of this Section 7 are necessary for the protection of the Corporation's interests and are reasonable in respect of subject matter, time and area, and that the Corporation has been induced to enter into this Agreement in part due to the representation by the Employee as set forth above and further that the Employee will abide by said terms.

8. Solicitation of Employees. The Employee agrees that during the term

of her employment, and for a period of six (6) consecutive months after termination of such employment, she shall not, except in the course of her duties hereunder, directly or indirectly, induce or attempt to induce or otherwise counsel, advise or encourage any person to leave the employ of the Corporation, ROA or any of their affiliates. Employee specifically agrees that this Section 8 shall survive despite the termination of Employee's employment with the Corporation.

9. Confidential Information. The Employee shall not at any time during

or after her employment with the Corporation disclose or use, directly or indirectly, any Confidential or Proprietary Information of the Corporation, ROA or any of their affiliates, except only to the extent required to perform her duties and responsibilities under this Agreement. For the purposes of this

Agreement, "Confidential or Proprietary Information" shall mean all information disclosed to the Employee, or known by her as a consequence of or through her employment with the Corporation, where such information is not generally known in the trade or industry, and where such information refers or relates in any manner whatsoever to the business activities, processes, services or products of the Corporation, ROA or any of their affiliates. Such information includes, but is not limited to, business and development plans (whether contemplated, initiated or completed), development sites, business contacts, methods of operation, results of analysis, customer lists (including advertising contacts), business forecasts, financial data, costs, revenues, and similar information. Upon termination of this Agreement, the Employee shall immediately return to the Corporation all of its property and Confidential and Proprietary Information. Employee specifically agrees that all this Section 9 shall survive despite the termination of Employee's employment with the Corporation.

10. Business Opportunities. During the term of her employment, the

Employee shall promptly disclose to the Corporation each business opportunity of a type which, based upon its prospects and relationship to the business of the Corporation, ROA or any of their affiliates, the

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Corporation might reasonably and consider pursuing. The Corporation or its affiliates shall have the exclusive right to participate in or undertake any such opportunity on its own behalf without any involvement by the Employee. Employee's obligations pursuant to this Section 10 are not intended to enlarge Employee's fiduciary duties to the Corporation as an Employee of the Corporation and as a shareholder of the Corporation.

11. No Assignment or Delegation. The Employee acknowledges that the

services to be rendered by her are unique and personal. Accordingly, the Employee may not assign any of her rights nor delegate any of her duties under this Agreement.

12. Stock Option Provisions.

(a) Grant and Terms of Options. ROA hereby grants to the Employee,

under the terms and conditions described in subsections (i) and (ii) below, certain incentive options to purchase an aggregate of Seven Hundred (700) shares of Class A Common Stock of ROA, together with any securities which may be issued with respect thereto or in substitution therefor (the "ROA Common Stock"). The shares of the ROA Common Stock purchasable under the options described below are referred to as the "Option Shares" and the price payable for each ROA Option Share shall be One Dollar (\$1.00) (the "Per Share Option Price"). All options granted hereunder, vested or unvested, not previously exercised (i) shall expire and be forfeited in the event Employee shall cease to be an Employee of the Corporation, and (ii) if not exercised or deemed exercised in connection with an ROA Sale, shall expire upon the consummation of the first ROA Sale occurring after the date hereof. "ROA Sale" shall mean a transaction with one or more independent third parties pursuant to which such party or parties (A) acquire, whether by merger, consolidation or transfer or issuance of capital stock, capital stock of ROA (or any surviving or resulting corporation) possessing the voting power to elect a majority of the board of directors of ROA (or such surviving or resulting corporation) or (B) acquire all or substantially all of ROA's assets determined on a consolidated basis.

(i) Employment Options.

(A) Grant. The Corporation hereby grants an option to Employee for Four

Hundred (400) of the Option Shares (the "Employment Option"), which shall vest and become exercisable on the Employment Option Exercise Date. The "Employment Option Exercise Date" shall be the date this Agreement is fully executed.

(B) Take-Back Rights. The Option Shares purchased pursuant to the

Employment Option shall be subject to the following take-back rights in addition to and not in substitution for the provisions of Section 12(g). If

the Employee's employment terminates, for any reason or for no reason at all, (1) before July 3, 1998, the Employee agrees to sell and the Corporation agrees to purchase, on the date Employee's employment terminates, at the Per Share Option Price, Two Hundred (200) Option Shares (2) before July 3, 1999, the Employee agrees to sell and the Corporation agrees to purchase, on the date Employee's employment terminates, at the Per Share Option Price, One Hundred (100) Option Shares. This provision shall secure this Agreement.

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(ii) Performance Options. The Corporation hereby grants an option to

Employee for Three Hundred (300) of the Option Shares (the "Performance Options") to the Employee, which shall vest and become exercisable as described below.

(A) On the first date prior the fifth anniversary of the date hereof upon which ROA's Cash Flow (as hereinafter defined) for the prior twelve (12) month period equals or exceeds Two Million Dollars (\$2,000,000.00), One Hundred (100) of the Performance Options shall vest and become exercisable on the applicable Performance Option Exercise Date as set forth in subsection (b) hereof.

(B) On the first date prior the fifth anniversary of the date hereof upon which ROA's Cash Flow for the prior twelve (12) month period equals or exceeds Three Million Five Hundred Dollars (\$3,500,000.00), Two Hundred (100) of the Performance Options, less the number of Performance Options as shall have vested pursuant to subsection (A), above, shall vest and become exercisable on the applicable Performance Option Exercise Date as set forth in subsection (b) hereof.

(C) On the first date prior the fifth anniversary of the date hereof upon which ROA's Cash Flow for the prior twelve (12) month period equals or exceeds Five Million Dollars (\$5,000,000.00), Three Hundred (300) of the Performance Options, less the number of Performance Options as shall have vested pursuant to subsections (A) and (B), above, shall vest and become exercisable on the applicable Performance Option Exercise Date as set forth in subsection (b) hereof.

(iii) The "Performance Option Exercise Date" with respect to any single vesting of Performance Options shall mean the date on which the Corporation supplied Employee with an accounting indicating a twelve (12) month Cash Flow sufficient to permit such vesting of Performance Options. "Cash Flow" shall mean ROA's annual earnings before (i) interest expenses (excluding interest on any unsecured current liabilities), (ii) tax expenses for federal and state income taxes, (iii) depreciation expense and (iv) amortization expense, calculated in accordance with generally accepted accounting principles. The Corporation shall make available to the Employee the Cash Flow accounting, including the basis for such accounting, on a regular basis.

(b) Exercise of Options.

(i) The Employee may exercise vested Employment Options or Performance Options, in whole but not in part, by sending written notice thereof, in accordance with the terms of Section 15(c) of this Agreement, to the Corporation at any time after the applicable Employment Option Exercise Date or Performance Option Exercise Date. Each of the options is independent of any other option. The exercise or failure to exercise any option shall have no effect on any other option.

(ii) Each written notice given pursuant to this Section shall set forth the number of Option Shares which the Employee desires to purchase and the date on which payment for and delivery of the certificates representing such Option Shares will take place, which date shall

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be at least fifteen (15) days and not more than thirty (30) days after the Employee's written notice was duly given.

(c) Closing. The closing on the purchase of any option shall take

place at the offices of the Corporation or such other location as is mutually acceptable to the Corporation and Employee on the date set forth in the Employee's written notice (each such date being a "Closing Date"). On each Closing Date: (i) the Employee shall execute a certificate addressed to the Corporation stating that she has exercised her option and has no further rights under such option, (ii) the Employee shall pay to the Corporation either in cash, or by certified or cashier's check the aggregate option price, which shall be determined by multiplying the Per Share Option Price by the number of Option Shares being purchased, and (iii) the Corporation shall deliver to the Employee certificates representing the Option Shares purchased. On the first Closing Date, the Employee shall execute a Joinder to the Investors' Shareholders Agreement, dated as of March 31, 1997, by and among ROA and the holders of capital stock of ROA named therein.

(d) Protection Against Dilution.

(i) In the event ROA shall at any time change, by subdivision or combination in any manner, or by making a stock dividend, the number of outstanding shares of ROA Common Stock into a different number of shares, with or without par value:

(A) The number of shares of ROA Common Stock which immediately prior to the record date for such change the Employee is entitled to purchase pursuant to the options shall be increased or decreased in a direct proportion to the increase or decrease, respectively, in the number of shares of ROA Common Stock outstanding immediately prior to such record date, and

(B) The Per Share Option Price in effect immediately prior to such record date shall be increased or decreased in inverse proportion to such increase or decrease in the number of such shares outstanding immediately prior to such record date.

(ii) In the event of any distribution by ROA in respect of its common stock of cash, property or securities, any capital reorganization, any reclassification of the common stock of ROA (other than a cash dividend as part of a normal dividend program or a change in par value or as a result of a stock dividend, subdivision, split-up or combination of shares), or the consolidation or merger of ROA with or into another person, or of the sale or other disposition of all or substantially all of the properties of the Corporation as an entirety to any other person, the Employee shall thereafter be entitled to purchase the kind and number of shares of stock or cash, other securities or property of ROA, or of the corporation resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed, receivable upon such distribution, reorganization, reclassification, consolidation, merger, sale, transfer or other disposition, by a holder of the number of shares of ROA Common Stock which the options entitle the Employee to purchase immediately prior to the record date for such distribution, reorganization, reclassification, consolidation, merger, sale, transfer or other disposition; and in any such case appropriate adjustments shall be made in the application of the

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provisions herein set forth with respect to the rights and interests thereafter of the Employee to the end that the provisions set forth herein shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares or other property thereafter purchasable upon the exercise of an option. The provisions of this Section 12(d) shall similarly apply to successive distributions, reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(iii) The anti-dilution provisions of this Section shall not apply to (i) the issuance of additional ROA Common Stock, warrants or options by ROA for business purposes. For example, ROA may issue additional ROA Common Stock, warrants or options in order to raise equity so long as the Employee and all other existing shareholders, warrant holders and option holders are diluted in the same proportion.

(e) No Transferability. No option described herein is transferable

or assignable. The Option Shares purchased pursuant to the options may not be sold except pursuant to Section 12(g) of this Agreement.

(f) Endorsements on Common Stock Certificates. Each certificate

evidencing any Common Stock which relates in whole or in part to an option shall bear conspicuously legends in substantially the following form:

THE TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE
IS RESTRICTED UNDER THE TERMS OF AN EMPLOYMENT AND STOCK
OPTION AGREEMENT DATED AS OF NOVEMBER 16, 1997.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT
BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE
"ACT") AND ARE ALSO SUBJECT TO CERTAIN RESTRICTIONS ON
TRANSFER AND CERTAIN RESTRICTIONS ON THE VOTING OF SUCH
SECURITIES CONTAINED IN THE INVESTORS' SHAREHOLDERS
AGREEMENT, DATED AS OF MARCH 31, 1997, AMONG THE ISSUER OF
SUCH SECURITIES (THE "COMPANY") AND THE COMPANY'S
STOCKHOLDERS. A COPY OF SUCH INVESTORS' SHAREHOLDERS
AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY
TO THE HOLDER HEREOF UPON WRITTEN REQUEST.

(g) Effect of Termination of the Employee's Employment on Option

Stock. The Employee does hereby agree that any ROA Common Stock owned by the

Employee issued upon exercise of the options granted hereunder shall not be sold, except to the Corporation or ROA, as the Corporation may elect, in accordance with the provisions of this Section 12(g). The Corporation and the Employee do hereby agree that upon the earlier of (i) the termination of the Employee's employment with the Corporation or (ii) the termination of the Employee's employment pursuant to Section 6(a)(iii)(B) or Section 6(b)(ii) hereof, the Corporation or ROA shall have the right, but not the obligation, to repurchase under the terms and conditions set forth in Section 12(g)(i), in whole or in part, any shares of ROA Common Stock previously issued to the Employee upon the

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exercise of an option (the Common Stock to be so repurchased by the Corporation or ROA being referred to in this Section 12(g) as the "Call Stock"). The Corporation and the Employee do further agree that upon the termination of the Employee's employment pursuant to Section 6(a)(iii)(A), (C) or (D) hereof, the Corporation or ROA shall have the right but not the obligation, to repurchase under the terms and conditions set forth in Section 12(g)(ii), in whole or in part, any shares of ROA Common Stock previously issued to the Employee upon the exercise of an option (the Common Stock to be so repurchased by the Corporation being referred to in this Section 12(g) as the "For Cause Call Stock"). The Corporation and the Employee do further hereby agree that upon the earlier of (i) the termination of the Employee's employment with the Corporation or (ii) the termination of Employee's employment pursuant to Section 6(a)(i), (ii), or (iv) or Section 6(b)(i) hereof, the Employee shall have the right, but not the obligation, to require the Corporation to repurchase under the terms and conditions set forth in Sections 12(g)(iii), in whole or in part, any shares of ROA Common Stock previously issued to the Employee upon the exercise of an Option (the ROA Common Stock to be so repurchased by the Corporation being referred to in this Section 12(g) as the "Put Stock").

(i) Call Stock Terms and Conditions.

(A) The per share price payable by the Corporation or ROA for each share of Call Stock shall be the per share "Fair Market Value" of ROA as a going concern. The notice required by Section 12(g)(i)(B) hereof shall set forth a proposed Fair Market Value of ROA. If within thirty (30) days after the giving of the notice required by Section 12(g)(i)(B), the Corporation and the Employee agree upon the Fair Market Value of ROA, then the Fair Market Value shall be as so agreed. If the Corporation and the Employee do not, within thirty (30) days after the giving of such notice, agree as to the Fair Market Value of ROA, then the Employee shall, by notice to the Corporation, appoint one reputable independent appraiser, and the Corporation shall, by notice to the Employee, appoint one reputable independent appraiser, both experienced in the appraisal of companies in the radio broadcasting business. If either party shall fail to appoint such an appraiser within fourteen (14) days after the expiration of such 30-day period, then the appraiser appointed by the party who does

appoint an appraiser shall make the appraisal of the Fair Market Value of ROA and such appraisal shall govern. If two appraisers are appointed, each appraiser shall be engaged under terms requiring them to render a report within thirty (30) days after the date of the engagement. If the two appraisals differ by no more than twenty percent (20%) of the larger amount, they shall be averaged and the result shall be the Fair Market Value of ROA. If the two appraisals differ by more than twenty percent (20%) of the larger amount, the two appraisers shall promptly select a third appraiser experienced in the appraisal of companies in the radio broadcasting business (who shall not have access to any other prior appraisals) under terms requiring the third appraiser to render a report within thirty (30) days. After the third appraiser's report is rendered, the two appraisals which are closest to each other shall be averaged, and the result shall be the Fair Market Value of ROA. All appraisal reports shall be rendered in writing, documented in the manner then customary for similar appraisals, and shall be signed by the appraiser(s). Per share calculations shall assume that all rights, warrants, and options to purchase ROA's Common Stock at prices below the price so determined, have been exercised. All costs of appraisals, legal fees, and travel expenses shall be borne by the Corporation; nothing herein shall preclude the Corporation from reasonably contesting such costs with the appraisers.

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(B) The Corporation or ROA shall exercise the right granted herein by written notice to the Employee, specifying a proposed Fair Market Value of ROA, the date (the "Call Closing") on which the repurchase of the Call Stock shall take place (which date shall be within ninety (90) days after such notice is given), the place of repurchase, the number of shares of ROA Common Stock to be repurchased and the method of payment, either in cash, by certified or cashier's check, or by notes. If payment for the Call Stock is made in notes, the notes shall mature on the fifth anniversary of the Call Closing, and shall be amortized in five equal annual payments of principal plus accrued interest at the rate of NationsBank, N.A., a national banking association, or its successors, as its prime rate. The Corporation or ROA may in such notice require any Put Closing (as hereinafter defined) then pending to be rescheduled to the date of the Call Closing; provided that such Put Closing shall not be deferred for longer than fifteen (15) days.

(C) At the Call Closing, the Employee shall surrender the Call Stock to the Corporation or ROA against payment by the Corporation of the purchase price of the Call Stock as provided for in Section 12(g)(i)(B), and delivery, if applicable, by the Corporation or ROA to the Employee of new certificates of ROA registered in the Employee's name, representing those shares of ROA Common Stock owned by the Employee and not repurchased by the Corporation or ROA.

(D) Anything in this Section 12(g)(i) to the contrary notwithstanding, the Corporation or ROA shall not repurchase any shares of the Call Stock except out of funds legally available therefor and if such repurchase does not conflict with or violate any term or condition of any agreement or contract to which the Corporation or ROA is a party or subject to.

(ii) For Cause Call Stock Terms and Conditions.

(A) The per share price payable by the Corporation or ROA for each share of For Cause Call Stock shall be the lesser of per share book value of ROA or One Hundred Dollars (\$100.00) per share.

(B) The Corporation or ROA shall exercise the rights granted herein by written notice to the Employee, specifying the date (the "For Cause Call Closing") on which the repurchase of the For Cause Call Stock shall take place (which date shall be within ninety (90) days after such notice is given), the place of repurchase and the number of shares of ROA Common Stock.

(C) At the For Cause Call Closing, the Employee shall surrender the For Cause Call Stock to the Corporation or ROA, against payment by the Corporation or ROA of the purchase price of For Cause Call Stock (which shall be paid either in cash, or by certified or cashier's check) and delivery, if applicable, by the Corporation or ROA to the Employee of new certificates of common stock registered in the Employee's name, representing those shares of the Corporation or ROA, Common Stock owned by the Employee and not repurchased by the Corporation or ROA.

(D) Anything in this Section 12(g)(ii) notwithstanding, the Corporation or ROA shall not repurchase any shares of the For Cause Call Stock except out of funds legally available therefor and if such repurchase does not conflict with or violate any term or condition of any agreement or contract to which the Corporation or ROA is a party or subject to.

(iii) Put Stock Terms and Conditions.

(A) The per share price payable by the Corporation or ROA for each share of Put Stock shall be the per share Fair Market Value of ROA as a going concern. Within thirty (30) days of receiving the notice required by Section 12(g)(iii)(B) hereof, the Corporation shall provide Employee with a proposed Fair Market Value of ROA. If within thirty (30) days after the giving of the notice required by Section 12(g)(iii)(B), the Corporation and the Employee agree upon the Fair Market Value of ROA, then the Fair Market Value shall be as so agreed. If the Corporation and the Employee do not, within thirty (30) days after the giving of such notice, agree as to the Fair Market Value of ROA, then the appraisal method set forth in Section 12(g)(i)(A) shall be used to determine the Fair Market Value of ROA.

(B) The exercise of the right granted under this Section 12(g)(iii) shall be made by the Employee giving written notice to the Corporation, which notice shall specify a proposed Fair Market Value of ROA, the number of shares of Put Stock the Corporation shall be required to repurchase from the Employee, the place of repurchase, and the date (the "Put Closing") on which the repurchase of the Put Stock shall take place (which date shall be within ninety (90) days after such notice is given).

(C) At each Put Closing the Employee shall surrender the Put Stock against payment by the Corporation or ROA of the repurchase price for the Put Stock. The repurchase price may be paid either in cash, by certified or cashier's check or by notes. If payment for the Put Stock is made in notes, the notes shall mature on the fifth anniversary of the Put Closing, and shall be amortized in five equal annual payments of principal plus accrued interest at the rate of interest per annum then published or otherwise publicly announced by NationsBank, N.A., a national banking association, or its successors, as its prime rate. The Corporation or ROA shall deliver to the Employee, if applicable, certificates of common stock registered in the Employee's name, representing those shares of ROA Common Stock owned by the Employee and not repurchased by the Corporation or ROA.

(D) The Employee shall retain all its rights, benefits, and privileges relating to the Put Stock until such time as full payment in cash, certified check or notes shall have been received by the Employee, whereupon the Put Stock shall vest in and be the property of the Corporation or ROA.

(E) The Corporation shall take such actions as may be necessary or advisable to enable it to purchase lawfully the Put Stock. The Corporation shall not be required to take any action which would violate any agency requirement nor make any such repurchase except out of funds legally available therefor or repurchase the Put Stock if such repurchase conflicts with

or violates any term or condition of any agreement or contract to which the Corporation or ROA is a party or subject to.

13. Ownership of Events Created by Employee. Employee shall retain

ownership of Event Ideas (as defined below) created by her while employed by the Corporation. The Corporation and ROA and each of their affiliates shall be entitled to a perpetual license for the use of such Event Ideas and no additional compensation shall be due Employee in respect of such license. Event Ideas shall mean major events such as the Peoples Expo and For Sisters Only developed by Employee and not previously developed or used by the Corporation or ROA or any of their affiliates prior to the date of this Agreement and shall not include promotions or other marketing programs used by the Corporation, ROA or any of their affiliates.

14. Enforceability.

(a) With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, the parties hereto agree that such court shall have jurisdiction to reform this Agreement or any provision thereof so that it is enforceable to the maximum extent permitted by law, and the parties agree to abide by such court's determination. If any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

(b) The Employee agrees that in the event of her breach of Sections 7 through 12 of this Agreement, the remedies available at law to the Corporation would be inadequate and that, in addition to, but without limitation to any other remedies available by law or equity, including damages, the Corporation shall be entitled to appropriate equitable remedies, including specific performance and injunctive relief and that the Corporation shall be entitled to recover all costs and expenses of any action, including reasonable attorneys' fees, incurred by the Corporation as a result of any breach of the terms of Section 7 through 12 of this Agreement.

15. Miscellaneous Provisions.

(a) Binding Nature of Agreement. The terms, conditions and promises

contained in this Agreement shall be binding upon and shall inure to the benefit of each of the parties hereto, their heirs, personal representatives, or successors and assigns.

(b) Counterparts. This Agreement may be executed in more than one

copy, any one of which shall be deemed a duplicate original and all of which shall constitute one and the same agreement.

(c) Notices. All notices, consents, approvals and other

communications given or made pursuant hereto shall be in writing and shall be (A) delivered personally against receipt thereof, (B) by overnight courier or (C) by registered or certified mail (postage prepaid, return receipt requested), in each case to the parties at the following addresses (or at such other address for a party as shall be specified by like notice): (X) if to the Corporation, to 5900 Princess Garden

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Parkway, Seventh Floor, Lanham, Maryland 20706, Attention: Alfred C. Liggins and (Y) if to the Employee, to Mary Catherine Sneed, 3791 Markham Way, Atlanta, Georgia 30339. All such notices, consents, approvals and other communications shall be deemed to have been given on the date of receipt if delivered personally or by overnight courier or the second day following posting if transmitted by mail.

(d) Headings. The headings contained herein are for reference

purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(e) No Waiver. No term or condition of this Agreement shall be

deemed to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any fact other than that specifically waived.

(f) Withholding. The Corporation may withhold from any compensation

or benefit payable under this Agreement all federal, state and local taxes as shall be required to be withheld by law, regulation or ruling.

(g) Governing Law. This Agreement has been executed and delivered

within the District of Columbia and shall be governed by and construed in
accordance with the laws of the District of Columbia (without regard to the
principles of conflicts of laws thereof).

(h) Entire Agreement. This Agreement constitutes the entire

agreement between the parties hereto and supersedes all prior agreements,
understandings and arrangements, both oral and written, between the parties
hereto with respect to employment, equity ownership, rights to acquire equity
and all other subject matter hereof. This Agreement may not be modified in any
way unless in a writing signed by all of the parties hereto.

[signature page to follow]

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IN WITNESS WHEREOF, this Agreement has not been executed by the parties on
the day and year first above written.

CORPORATION:

RADIO ONE, INC.
a Delaware corporation

By: /s/ Alfred C. Liggins

Alfred C. Liggins
President

EMPLOYEE:

/s/ Mary Catherine Sneed

Mary Catherine Sneed

Solely for the purpose of acknowledging
provisions of Section 12:

RADIO ONE OF ATLANTA, INC.

By: /s/ Alfred C. Liggins

Alfred C. Liggins
President

FIRST AMENDMENT TO
EMPLOYMENT AND STOCK OPTION AGREEMENT

This First Amendment to the Employment and Stock Option Agreement (this "Amendment"), is made and entered into as of the 1/st/ day of January, 1999 by and between Radio One, Inc., a Delaware corporation (the "Corporation"), Mary Catherine Sneed (the "Employee"), Radio One of Atlanta, Inc. ("ROA") and Alfred C. Liggins, III ("Liggins"). The Corporation, the Employee, ROA and Liggins are referred to collectively herein as the "Parties" and each individually as a "Party".

WHEREAS, on December 8, 1997, the Corporation and the Employee (with the acknowledgment of ROA) entered into an Employment and Stock Option Agreement (the "Employment Agreement");

WHEREAS, pursuant to Section 12 of the Employment Agreement, ROA granted to Employee certain options to purchase Common Stock of ROA;

WHEREAS, as of the date of the Employment Agreement and at all times since, ROA has been subject to certain financial covenants preventing the issuance by ROA of additional shares Common Stock of ROA in satisfaction of the options granted to the Employee under the Employment Agreement;

WHEREAS, the Parties agreed that, due to such restrictive financial covenants and notwithstanding anything to the contrary in the Employment Agreement, the options held by the Employee would entitle the Employee to purchase Common Stock of ROA held by Liggins (the "Understanding") and the Parties have at all times operated in accordance with such Understanding;

WHEREAS, the Parties desire to amend the Employment Agreement in order to document the terms and conditions of the Understanding and to modify certain other provisions of the Employment Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Employment Agreement.
2. Effective Date. The terms contained in this Amendment shall be given effect as if made on the date of the Employment Agreement.
3. Amendment to Section 3 (Compensation) of the Employment Agreement. Section 3 of the Employment Agreement is hereby amended by deleting the existing first sentence in its entirety and replacing it with the following:

The Corporation shall pay to the Employee base compensation at an annual rate of Two Hundred Thousand Dollars (\$200,000) per annum for calendar year 1998 and

Two Hundred Twenty Thousand Dollars (\$220,000) per annum for calendar year 1999, payable in equal bi-weekly installments.

4. Amendments to Section 12(a) (Stock Option Provisions; Grant and Terms of Options) of the Employment Agreement.

- (a) Section 12(a) of the Employment Agreement is hereby amended by deleting the existing first sentence in its entirety and replacing it with the following:

Alfred C. Liggins, III, the President and a shareholder of ROA ("Liggins"), hereby grants to the Employee, under the terms and conditions described in subsections (i) and (ii) below, certain incentive options to purchase from him an aggregate of Seven Hundred (700) shares of Class A Common Stock of ROA, together with any securities which may be issued with respect thereto or in substitution therefor (the "ROA Common Stock").

(b) Section 12(a)(ii) (Performance Options) of the Employment Agreement is

hereby amended by inserting, after the first sentence, the following new
sentence:

Notwithstanding the foregoing, the Corporation may, in its sole
discretion, accelerate the vesting of all or any portion of the
Performance Options.

(c) Section 12(a)(iii) of the Employment Agreement is hereby amended by
deleting the existing first sentence in its entirety and replacing it
with the following:

The "Performance Option Exercise Date" with respect to any
single vesting of Performance Options shall mean (A) the date
on which the Corporation supplied Employee with an accounting
indicating a twelve (12) month Cash Flow sufficient to permit
such vesting of Performance Options, or (B) such earlier date
as the Corporation, in its sole discretion, may determine.

5. Amendment to Section 12(b) (Stock Option Provisions; Exercise of Options)

of the Employment Agreement. Section 12(b) of the Employment Agreement is
hereby amended by adding as a new third subsection the following:

(iii) Within five days after receipt by the Corporation of a notice
of exercise pursuant to Section 12(b) above, the Corporation
shall send a copy of such notice of exercise to Liggins. Within
five days after receipt thereof, Liggins shall send to ROA a
Notice of Conversion of Class B Common Stock, in the form
attached hereto as Exhibit A, and a Notice of Transfer of Class
A Common Stock, in the form attached hereto as Exhibit B, and
shall supply copies of such documents to the Corporation.

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6. Amendment to Section 12(c) (Stock Option Provisions; Closing) of the

Employment Agreement. Section 12(c) of the Employment Agreement is hereby
amended by deleting the existing second sentence in its entirety and
replacing it with the following:

On each Closing Date: (i) the Employee shall execute a certificate
addressed to the Corporation stating that she has exercised her option
and has no further rights under such option, (ii) the Employee shall
pay to Liggins either in cash, or by certified or cashier's check the
aggregate option price, which shall be determined by multiplying the
Per Share Option Price by the number of Option Shares being purchased,
and (iii) Liggins shall deliver to the Employee certificates
representing the Option Shares purchased.

7. Amendment to Section 12(g) (Stock Option Provisions; Effect of Termination

of the Employee's Employment on Stock Option) of the Employment Agreement.

(a) Section 12(g) of the Employment Agreement is hereby amended by deleting
the existing first sentence in its entirety and replacing it with the
following:

The Employee does hereby agree that any ROA Common Stock owned
by Employee issued upon exercise of the options granted
hereunder shall not be sold, except (i) to the Corporation or
ROA, as the Corporation may elect, in accordance with the
provisions of this Section 12(g), or (ii) to the Corporation in
accordance with the terms of an agreement pursuant to which the
Corporation acquires all of the capital stock of ROA in
exchange for cash and/or capital stock of the Corporation

(b) Section 12(g) of the Employment Agreement is further amended hereby by
adding, as a new last sentence to the first paragraph, the following:

In no event shall Put Stock be deemed to include any capital

stock of the Corporation acquired by the Employee in exchange for shares of ROA Common Stock as contemplated by this Section 12(g).

8. Addition of new Section 12(h) (Assumption of Take-Back Rights and Obligations by Liggins) to Section 12 of the Employment Agreement. Section 12 of the Employment Agreement is hereby amended by adding, as new subsection 12(h), the following:

- (h) Assumption of Take-Back Rights and Obligations by Liggins.
- Liggins shall have the right, in his sole discretion, to assume the take-back and repurchase rights and obligations of the Corporation and/or ROA pursuant to Section 12(a)(i)(B) and Section 12(g) of this Agreement (the "Repurchase Rights") in lieu of exercise of such rights by the Corporation or ROA. In the event Liggins elects to assume the Repurchase Rights, Liggins shall send written notice of such election to the Corporation and ROA, and the Corporation, within five days after receipt of such notice of election, shall provide a copy

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of such notice to Employee. Liggins may rescind any election to assume the Repurchase Rights at any time, whereupon the Corporation and/or ROA shall be entitled to exercise the Repurchase Rights in accordance with the provisions of this Employment Agreement.

9. Addition of new Section 12(i) (Withholding Tax on Options) to Section 12 of the Employment Agreement. Section 12 of the Employment Agreement is hereby amended by adding, as new subsection 12(i), the following:

- (h) Withholding Tax Requirements. It shall be a condition of the purchase of any option that the Employee make appropriate payment or other provision acceptable to the Corporation or ROA (as applicable, the "Withholding Entity") with respect to any withholding tax requirement arising from such exercise.
- (i) The amount of withholding tax required, if any, with respect to any option exercise (the "Withholding Amount") shall be determined by the Treasurer or other appropriate officer of the Withholding Entity, and the Employee shall furnish such information and make such representations as such officer requires to make such determination.
- (ii) Withholding Procedure. If the Withholding Entity determines that withholding tax is required with respect to any option exercise, the Withholding Entity shall notify the Employee of the Withholding Amount, and the Employee shall pay to the Withholding Entity, either in cash or by certified cashier's check, an amount not less than the Withholding Amount and the Withholding Entity shall remit such Withholding Amount to the appropriate taxing authority or authorities.
- (iii) Payment of Withholding Amount by Promissory Note. In lieu of requiring payment in cash or by cashier's check, the Withholding Entity may, in its sole discretion, permit payment of the Withholding Amount due with respect to any option exercise to be made by delivery to the Withholding Entity of a full recourse promissory note of the Employee, in a form substantially similar to the form attached hereto as Exhibit C (with such changes or additions thereto as the Withholding Entity deems necessary and appropriate), or by the delivery of such other document(s) that the Withholding Entity deems sufficient and appropriate.

10. Miscellaneous Provisions.

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(a) Binding Nature of Agreement. The terms, conditions and promises

contained in this Amendment shall be binding upon and shall inure to the benefit of each of the parties hereto, their heirs, personal representatives, or successors and assigns.

(b) Counterparts. This Amendment may be executed in more than one

copy, any one of which shall be deemed a duplicate original and all of which shall constitute one and the same agreement.

(c) Notices. All notices, consents, approvals and other

communications given or made pursuant hereto shall be in writing and shall be (A) delivered personally against receipt thereof, (B) by overnight courier or (C) by registered or certified mail (postage prepaid, return receipt requested), in each case to the parties at the following addresses (or at such other address for a Party as shall be specified by like notice): (W) if to the Corporation, to 5900 Princess Garden Parkway, Eighth Floor, Lanham, Maryland 20706, Attention: Alfred C. Liggins (X) if to ROA, in care of Radio One, Inc., 5900 Princess Garden Parkway, Eighth Floor, Lanham, Maryland 20706, Attention: Alfred C. Liggins; (Y) if to Liggins, to Radio One, Inc., 5900 Princess Garden Parkway, Eighth Floor, Lanham, Maryland 20706; and (Z) if to Mary Catherine Sneed, 3791 Markham Way, Atlanta, Georgia 30339. All such notices, consents, approvals and other communications shall be deemed to have been given on the date of receipt if delivered personally or by overnight courier or the second day following posting if transmitted by mail.

(e) No Waiver. No term or condition of this Amendment shall be deemed

to have been waived, nor shall there be any estoppel against the enforcement of any provision of this Amendment, except by written instrument of the Party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any fact other than that specifically waived.

(f) Governing Law. This Amendment has been executed and delivered

within the District of Columbia and shall be governed by and construed in accordance with the laws of the District of Columbia (without regard to the principles of conflicts of laws thereof).

(g) Entire Agreement. This Amendment and the Employment Agreement

constitute the entire agreement between the parties hereto and supersede all prior agreements, understandings and arrangements, both oral and written, between the parties hereto with respect to the subject matter hereof. This Amendment may not be modified in any way unless in a writing signed by all of the parties hereto.

[signature page to follow]

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IN WITNESS WHEREOF, this First Amendment to Employment and Stock Option Agreement has been executed by the parties on the day and year first above written.

RADIO ONE, INC.
a Delaware corporation

By: /s/ Alfred C. Liggins, III

Alfred C. Liggins, III
President

EMPLOYEE

/s/ Mary Catherine Sneed

Mary Catherine Sneed

RADIO ONE OF ATLANTA, INC.
a Delaware corporation

By: /s/ Alfred C. Liggins, III

Alfred C. Liggins, III
President

/s/ Alfred C. Liggins, III

Alfred C. Liggins, III, individually

EXHIBIT A

NOTICE OF CONVERSION
OF CLASS B COMMON STOCK

[Secretary]
Radio One of Atlanta, Inc.
c/o Radio One, Inc.
5900 Princess Garden Parkway, Seventh Floor
Lanham, Maryland 20706

Dear [Secretary]:

This letter shall serve as a Conversion Notice pursuant to Article IV, Part B, Section 8 of the Amended and Restated Certificate of Incorporation of Radio One of Atlanta, Inc. (the "Company").

Please convert ____ of the _____ shares represented by the enclosed Certificate Number ____ from Class B Common Stock to Class A Common Stock of the Company. Please issue in my name the following certificates: (i) a certificate representing ____ shares of Class A Common Stock and (ii) a certificate representing the remaining _____ shares of Class B Common Stock.

Thank you for your prompt attention to this matter.

Very truly yours,

Alfred C. Liggins, III

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EXHIBIT B

NOTICE OF TRANSFER
OF CLASS A COMMON STOCK

[Secretary]

Radio One of Atlanta, Inc.
c/o Radio One, Inc.
5900 Princess Garden Parkway, Seventh Floor
Lanham, Maryland 20706

Dear [Secretary]:

This letter shall serve as notice of transfer of the ____ shares of Class A Common Stock represented by the enclosed Certificate Number ____ from the undersigned to Mary Catherine Sneed. Please issue a new certificate to Ms. Sneed representing such 400 shares of Class A Common Stock, and deliver it to her by overnight courier at the following address:

Mary Catherine Sneed
3791 Markham Way
Atlanta, Georgia 30339

Thank you for your prompt attention to this matter.

Very truly yours,

Alfred C. Liggins, III

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EXHIBIT C

PROMISSORY NOTE

U.S. \$ _____

[Date]
Lanham, Maryland

FOR VALUE RECEIVED, Mary Catherine Sneed ("Maker"), individual residing at 3791 Markham Way, Atlanta, GA 3039, hereby unconditionally promises to pay to the order of [Radio One, Inc.]/[Radio One of Atlanta, Inc.] (the "Company"), a corporation organized under the laws of the State of Delaware with officers at 5900 Princess Garden Parkway, 8/th/ Floor, Lanham, Maryland 20706 or at such other address as the Company shall designate in writing to Maker, the initial principal sum of _____ (\$ _____) in accordance with the following terms and conditions:

1. Payment of the principal sum and any and all accrued interest shall be paid in full upon demand. If at any time, the Company demands payment from Maker, maker shall have 90 days to repay the principal sum and any and all accrued interest in full. If Maker fails to pay the principal sum and any and all accrued interest in full when due, interest will accrue from such date on the outstanding principal and any and all accrued interest at the annual rate of 7 percent compounded until paid in full.
2. This note shall accrue interest monthly at the annual rate of 5.56% (based on a 360 day year) for the term of the Note. If the Note is prepaid at any time prior to the end of a given month, the additional interest accrued during that month will be added to the amount outstanding at the end of the previous month and will be the amount due at the date the Note is to be prepaid.

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3. This acceptance of this Note by the Company is being extended to Maker as part of her compensation for services to be rendered as Chief Operating Officer of the Company and is to be repaid in full within 30 days upon termination of Maker's employment with the Company or any affiliate of the Company.
4. All payments hereunder shall be made in lawful currency of the United States and shall be applied first to cost of collection, if any, second to interest, if any, and then to principal.

5. Upon failure of Maker to make the payments specified in Paragraphs 1 or 2 hereof when due, Maker shall be deemed to be in default, and the Company shall be entitled to institute legal action to collect the outstanding principal and interest.
6. This Note may be prepaid in whole or in part at any time without premium or penalty.
7. Maker (a) waives presentment, demand, protests and notice of presentment, notice of protest and notice of dishonor of this debt, (b) agrees that the holder hereof, at any time or times, without notice to Maker or her consent, may grant extensions, for the payment of any principal or interest due hereon, but in no event shall any such extension constitute a waiver of any right of the holder beyond the extension granted, and (c) agrees that this Note shall be binding upon Maker.
8. If the Company institutes a lawsuit or other formal legal proceeding to enforce its rights hereunder upon Maker's default in making the payments required hereunder, Maker promises to pay the Company all reasonable costs of collection, including reasonable attorneys' fees.

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9. In the event any one or more of the provisions contained in this Note shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Note, and this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
10. This Note shall be interpreted in accordance with the laws of the State of Maryland without regard to conflict of laws provisions.

MAKER

Mary Catherine Sneed

Pay to the order of

[RADIO ONE, INC.]/[RADIO ONE OF ATLANTA, INC.]

By: _____
Name: Alfred C. Liggins
Title: President

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Consent of the Independent Public Accountants

As independent public accountants, we hereby consent to the use of our reports and to all references to our Firm included in or made a part of this registration statement.

/s/ Arthur Andersen L.L.P.

November 1, 1999

Consent of Independent Accountants

We consent to the inclusion in this registration statement on Form S-1 of our report dated March 25, 1998 on our audit of the financial statements of ALLUR-DETROIT, INC. We also consent to the reference to our firm under the caption "Experts".

By: /s/ Mitchell & Titus, L.L.P.

Mitchell & Titus, L.L.P.
Washington, DC
November 1, 1999