



Urban Radio Communications closes \$17 mil. Goldman Sachs, 21st Century deal

Acquisitions of ten radio stations planned

(Mobile, AL July 19, 2005) Urban Radio Communications, LLC ("Urban Radio") announced today that it has received \$17 million in equity and mezzanine debt financing from The Goldman Sachs Urban Investment Group and 21st

Century Group, bringing the total capital raised to date to \$21 million. The new capital will be used to acquire selected radio broadcasting stations and to finance capital expenditures and general working capital needs. In conjunction with the financing, Urban Radio also announced it has acquired ten additional radio stations: WIMX-FM and WJZE-FM in Toledo, Ohio; WLAY-FM, WLAY-AM, WVNA-FM, WNVA-AM, and WMXV-FM in Florence-Muscle Shoals, Alabama; WACR-FM in Columbus/Starkville, Mississippi; and KBCE-FM and KMXH-FM in Alexandria, Louisiana. With these acquisitions, Urban Radio now owns and operates thirteen radio stations in four markets, principally focused on providing a variety of urban formats in small and mid-size markets in the Southeastern United States.

"This transaction is a transformational event for Urban Radio. We are now poised to grow organically and through additional acquisitions," said Kevin Wagner, Founder and CEO of Urban Radio. "The Goldman Sachs Urban Investment Group and 21st Century Group have a keen understanding of the compelling growth dynamics in the urban radio markets."

By leveraging its expertise across a variety of urban formats, Urban Radio seeks to profit from the strong growth trends in media and advertising targeting African-Americans. Key formats include Urban AC, Mainstream Urban, and Urban Gospel. According to data recently released by Miller-Kaplan, Urban AC is the second fastest-growing radio format in the United States (with a 12.6% increase in ad revenue year-to-date, compared to an overall radio ad revenue growth rate of 1%).⁽¹⁾ Additionally, the number of Urban Gospel stations has tripled over the last ten years, with the majority of that listenership concentrated in the Southeast.⁽²⁾ Urban Radio expects to deliver superior value to its advertisers by becoming the premiere cluster of urban radio assets in each of its markets.

"The Goldman Sachs Urban Investment Group provides growth capital to high caliber, minority management teams. We are excited to extend financial and strategic backing to Kevin Wagner as he pursues growth opportunities throughout the Southeast," said Precious Williams, Vice President, Goldman Sachs Urban Investment Group and a Board Member of Urban Radio. "Urban Radio is well-positioned to take advantage of the strong ad revenue growth in its segment of the broadcasting industry."

"We are delighted to partner with Goldman Sachs in the financing of Urban Radio. Their approach to investing is compatible with ours, and we believe the partnership between our two firms can assist Kevin Wagner and his team in bringing Urban Radio to the next level," said John Ware, President of 21st Century Group and a Board Member of Urban Radio.

As part of the transaction, both companies will place representatives on Urban Radio's board of directors. In addition to Mr. Ware, 21st Century Group will also be represented on Urban Radio's board of directors by Rick Neuman, a prominent radio and private equity industry professional. Neuman, a partner at Hicks, Muse Tate and Furst, was formerly a senior executive at Chancellor Media (which merged with Clear Channel in 2000).

Urban Radio's initial investors included Marv Dyson, Donovan McNabb, Tim Hardaway, and Michael Finley. Marv Dyson was formerly President/General Manager of WGCI-FM/AM and WVAZ-FM in Chicago. A pioneer in urban radio, Marv Dyson hired Kevin Wagner into the radio business as an account executive twenty-four years ago and was an early investor in the company.

About Urban Radio Communications, LLC

Urban Radio Communications, LLC is a radio broadcasting company serving selected small and mid-size markets in the Southeastern United States. Founded by Kevin Wagner, a seasoned radio entrepreneur, Urban Radio currently owns and operates thirteen stations in Florence-Muscle Shoals, Alabama; Columbus/Starkville, Mississippi; Alexandria, Louisiana; and Toledo, Ohio.

About The Goldman Sachs Urban Investment Group

The Goldman Sachs Urban Investment Group is a private equity initiative within The Goldman Sachs Group, Inc. (NYSE: GS), that invests capital in ethnic minority-owned or targeted businesses and urban real estate. Founded in 1869, Goldman Sachs is a leading global investment banking, securities and investment management firm. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world. Goldman Sachs also has offices in Houston, Texas, and Atlanta, Georgia. To learn more about the Goldman Sachs Urban Investment Group, please visit www.gs.com/uig.

About 21st Century Group

21st Century Group, LLC is a Dallas-based private equity fund focused on middle market acquisitions and growth capital investments. Founded in 1998, the firm makes investments in basic manufacturing, distribution, financial/business services, and media enterprises.

(1) Source: Radio Advertising Bureau Report citing Miller, Kaplan, Arase & Co. data, July 5, 2005.

(2) Source: Interep, "Gospel Music on the Radio" Report.

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