



FINANCIAL OVERVIEW

HBC 053860

HBC Income Statement



(Dollars in Millions)

Latest Twelve Months	<u>Sept. 30, 1995</u>	<u>Sept. 30, 1996</u>	<u>Dec. 31, 1996E</u>
Net Revenue	\$95.4	\$105.5	\$111.9
BCF	\$32.2	\$36.0	\$36.4
BCF Margin	33.8%	34.1%	32.5%

Source of BCF Improvement



Market	1996 BCF Performance	1997 BCF Performance	Difference
Los Angeles w/o KSCA	\$16,267,734	\$19,474,363	\$3,206,629
KSCA-FM	0	3,511,729	3,511,729
KSOL-FM	(1,103,847)	1,411,751	2,515,598
KRTX-FM	(898,152)	222,000	1,120,152
Tejano Country	(681,319)	0	681,319
Sign Pro	(184,259)	0	184,259
WPAT-AM	(241,620)	1,461,200	1,702,820
WLXX-AM	(499,324)	218,939	718,263
Dallas Operations	(88,656)	1,516,746	1,605,402
Other Operations	<u>23,835,079</u>	<u>25,189,533</u>	<u>1,354,454</u>
	HBC 053852		
Total New HBC	\$36,405,636	\$53,006,261	\$16,600,625



Financial Forecast

(Dollars in Millions)

	1996	1997	1998	1999	2000	2001
Net Revenue	\$111.9	\$134.5	\$153.7	\$167.6	\$178.7	\$189.9
% Growth		20.2%	14.3%	9.0%	6.6%	6.3%
Broadcast Cash Flow	\$36.4	\$53.0	\$67.1	\$76.9	\$84.5	\$92.1
% Margin	32.5%	39.4%	43.7%	45.9%	47.3%	48.5%
Corporate Overhead	\$9.0	\$4.5	\$4.8	\$5.1	\$5.4	\$5.7
EBITDA	\$35.5	\$51.0	\$62.7	\$71.8	\$79.2	\$86.4
% Margin	37.1%	37.9%	40.8%	42.9%	44.3%	45.5%
% Growth		45.6%	26.6%	14.6%	9.9%	9.0%

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Note: See Confidential Information Memorandum.

Transaction Sources and Uses



(Dollars in Millions)

<i>Sources</i>		<u>Uses</u>	
Revolving Credit Facility	\$227.0	Refinance Heftel's Existing Debt	\$135.0
		Refinance Tichenor's Existing Debt	71.3
		KSCA-FM Deposit	10.0
		Tichenor Sr. Pref. Redemption	3.4
		Merger Fees and Transaction Expenses	7.3
Total	\$227.0		\$227.0

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Note: See Confidential Information Memorandum.

Pro Forma Capitalization



	<u>Pro Forma At Closing</u>	<u>% of Capitalization</u>
Senior Reducing Revolving Credit Facility	\$227.0	23.6%
Market Value of Equity (1)	736.9	76.4%
Total Capitalization	\$963.9	100.0%

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(1) 17,237,609 million shares outstanding at \$42.75 per share (close of January 16, 1997).



Projected Credit Statistics

(\$ in millions)	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Total Debt	\$217.5	\$111.1	\$183.6	\$153.6	\$113.6	\$73.6
Total Debt/EBITDA	6.13x	2.18x	2.93x	2.14x	1.44x	0.85x
EBITDA/Interest Exp.	2.34x	5.35x	4.27x	5.33x	7.41x	11.54x
EBITDA/Fixed Charges	NA	2.67x	2.57x	1.11x	1.06x	1.15x

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Note: See Confidential Information Memorandum

Offering Summary



◆ Issuer:	Hefel Broadcasting Corporation	
● NASDAQ Symbol:	HBCCA	
◆ Class A Shares Offered:	3,500,000	
◆ Secondary Shares Offered:	350,000	
● Pro Forma Shares Outstanding:	13,659,374	Class A Shares
	<u>7,078,235</u>	Non Voting Shares
	20,737,609	
◆ Use of Proceeds:	Reduce Borrowings Under the Credit Agreement	
◆ Pro Forma Ownership:	Clear Channel	33%
	Tichenor	27%
	Public	40%

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Senior Secured Credit Facility

	Amount	Maturity	Initial Pricing
Reducing Revolving Credit Facility	\$300,000,000	12/31/04	LIBOR + 150 BPS
Borrower:	Heftel Broadcasting Corporation		
Security:	Pledge of 100% of the stock of all subsidiaries of Heftel		
Guarantees:	All operating subsidiaries		
Financial Covenants:	Total Debt/EBITDA' EBITDA/Interest Expense Fixed Charge Coverage		
Availability Schedule:	Date	Availability	
	December 31, 1999	98.0%	
	December 31, 2000	90.0%	
	December 31, 2001	75.0%	
	December 31, 2002	60.0%	
	December 31, 2003	30.0%	
	December 31, 2004	0.0%	

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Investment Merits

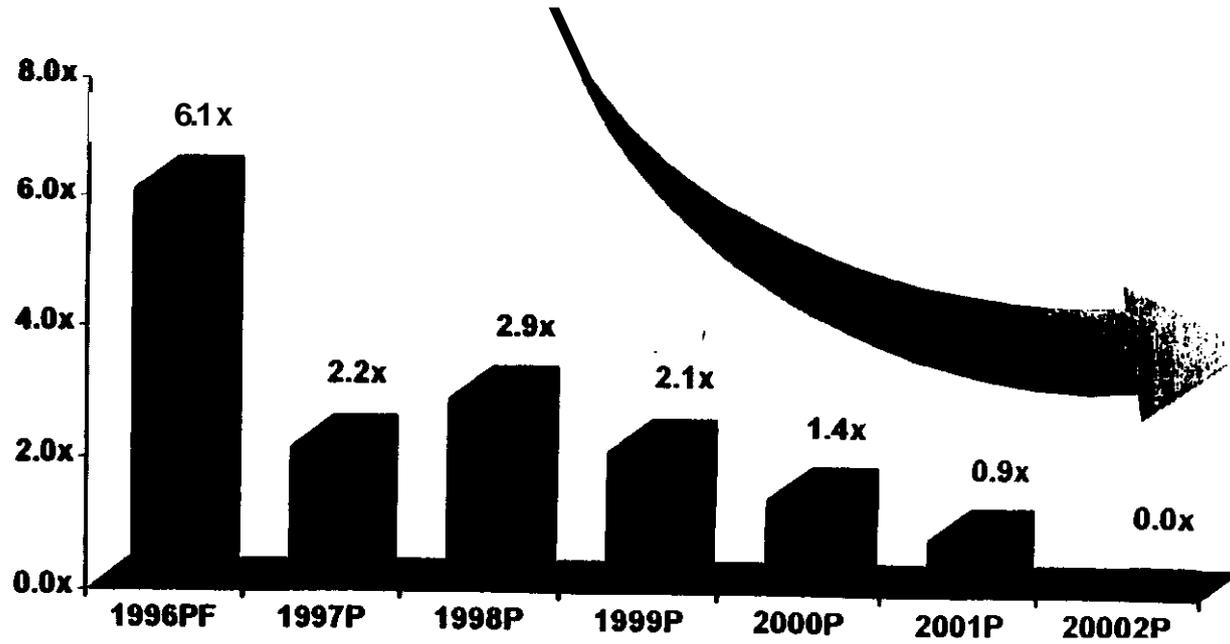
- ◆ Leading Market, Positions
- ◆ Favorable Operating Performance
- ◆ Strong Capital Structure
- ◆ Attractive Platform for Growth
- ◆ Dynamic Industry Fundamentals
- ◆ Proven Management Team
- ◆ Geographic Diversification

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Investment Merits



Rapidly Declining Leverage (Total Debt/EBITDA)

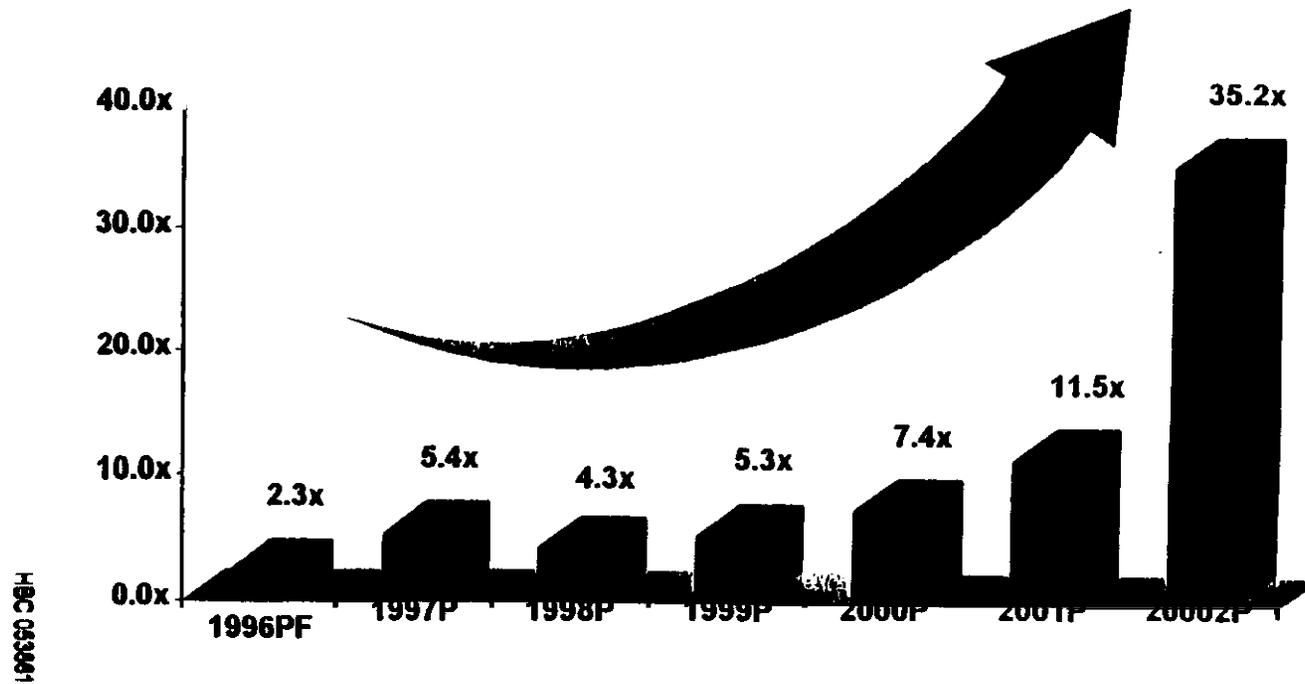


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Investment Merits



Strong & Improving Interest Coverage (EBITDA/Interest)



Timetable



Wednesday, January 22

**Lenders Meeting and Distribution of
Confidential Information Memorandum**

Wednesday, February 5

**Final Deadline for Banks to respond to
Syndicate Invitation (by 12:00 p.m. New
York City Time)**

Wednesday, February 12

Closing



QUESTIONS AND ANSWERS

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