FORM 10-K

Annual report pursuant to section 13 and 15(d)

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ML MEDIA PARTNERS LP

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended
December 25, 1998

0-14871
(Commission File Number)

ML MEDIA PARTNERS, L.P.
(Exact name of registrant as specified in its governing
Securities registered pursuant to Section 12(b)
of the Act:

Delaware
(State or other jurisdiction of organization)

13-3321085
(IRS Employer Identification No.)

World Financial Center
South Tower - 14th Floor
New York, New York 10080-6114
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(212) 236-6577

Securities registered pursuant to Section 12(b) of the Act:

None

(Title of Class)

Securities registered pursuant to Section 12(g) of the Act:

Units of Limited Partnership Interest

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in a definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Part I.

Item 1. Business.

Formation

ML Media Partners, L.P. (the "Registrant" or the "Partnership"), a Delaware limited partnership, was organized February 1, 1985. Media Management Partners, a New York general partnership (the "General Partner"), is Registrant's sole general partner. The General Partner is a joint venture, organized as a general partnership under New York law, between RP Media Management ("RPMM") and ML Media Management Inc. ("MLMM"). MLMM is a Delaware corporation and an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc. and an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"). RPMM is organized as a general partnership under New York law, consisting of The Elton H. Rule Company and IMP Media Management Inc. As a result of the death of Elton H. Rule, the owner of The Elton H. Rule Company, the general partner interest of the Elton H. Rule Company may either be redeemed or acquired by a company controlled by I. Martin Pompadur. The General Partner was formed for the purpose of acting as general partner of Registrant.

Registrant was formed to acquire, finance, hold, develop, improve, maintain, operate, lease, sell, exchange, dispose of and otherwise invest in and deal with media businesses and direct and indirect interests therein.

On February 4, 1986, Registrant commenced the offering through Merrill Lynch of up to 250,000 units of limited partnership interest ("Units") at $1,000 per Unit. Registrant held four closings of Units; the first for subscriptions accepted prior to May 14, 1986 representing 144,990 Units aggregating $144,990,000; the second for subscriptions accepted thereafter and prior to October 9, 1986 representing 21,540 Units aggregating $21,540,000; the third for subscriptions accepted thereafter and prior to November 18, 1986 representing 6,334 Units aggregating $6,334,000; and the fourth and final closing of Units for subscriptions accepted thereafter and prior to March 2, 1987 representing 15,130 Units aggregating $15,130,000. At these closings, including the initial limited partner capital contribution, subscriptions for an aggregate of 187,994.1 Units representing the aggregate capital contributions of $187,994,100 were accepted. During 1989, the initial limited partner's capital contribution of $100 was returned.

The Registration Statement relating to the offering was filed on December 19, 1985 pursuant to the Securities Act of 1933 under Registration Statement No. 33-2290 and was declared effective on February 3, 1986 and amendments thereto became effective on September 18, 1986, November 4, 1986 and on December 12, 1986 (such Registration Statement, as amended from and after each such date, the "Registration Statement").

Media Properties

As of December 25, 1998, Registrant's investments in media properties consist of:

a 50% interest in a joint venture which owns two cable television systems in Puerto Rico;

an AM and FM radio station combination in Bridgeport, Connecticut;

an AM and FM radio station combination in Anaheim, California (sold on January 4, 1999; see further discussion below);

a corporation which owns an FM radio station in Cleveland, Ohio (sold on January 28, 1999; see further discussion below).

As of December 25, 1998, Registrant has completed the sale of the following media properties:

an AM and FM radio station combination and a background music service in San Juan, Puerto Rico was sold on June 3, 1998;

four cable television systems located in the California communities of Anaheim, Hermosa Beach/Manhattan Beach, Rohnert Park/Yountville, and Fairfield were sold on May 31, 1996;

two VHF television stations, one located in Lafayette, Louisiana and the other in Rockford, Illinois, were sold on September 30, 1995 and July 31, 1995, respectively;

an AM and FM radio station combination in Indianapolis, Indiana was sold on October 1, 1993;

the Universal Cable systems were sold on July 8, 1992; and

two radio stations, one located in Tulsa, Oklahoma and the other in Jacksonville, Florida, were sold on July 31, 1990.

Puerto Rico Investments

Cable Television Investments

Pursuant to the management agreement and joint venture agreement dated December 16, 1986 (the "Joint Venture Agreement"), as amended and restated, between Registrant and Century Communications Corp. ("Century"), the parties formed a joint venture under New York law, Century-ML Cable Venture (the "Venture"), in which each has a 50% ownership interest. Century is a publicly held corporation unaffiliated with the General Partner or any of its affiliates. On December 16, 1986 the Venture, through its wholly-owned subsidiary corporation, Century-ML Cable Corporation ("C-ML Cable Corp."), purchased all of the stock of Cable Television Company of Greater San Juan, Inc. ("San Juan Cable"), and liquidated San Juan Cable into C-ML Cable Corp. C-ML Cable Corp., as successor to San Juan Cable, is the operator of the largest cable television system in Puerto Rico.

On September 24, 1987, the Venture acquired all of the assets of Community Cable-Vision of Puerto Rico, Inc., Community Cablevision of Puerto Rico Associates, and Community Cablevision Incorporated (collectively, the "Community Companies"), which consisted of a cable television system serving the communities of Catano, Toa Baja and Toa Alta, Puerto Rico, which are contiguous to San Juan Cable.

C-ML Cable Corp. and the Community Companies are herein referred to as C-ML Cable ("C-ML Cable"). As of December 25, 1998, C-ML Cable serves 130,518 basic subscribers, passes 293,670 homes and consists of approximately 1,888 linear miles of cable plant.

During 1998, Registrant's share of the net operating revenues of C-ML Cable totaled $32,575,174 (59.9% of operating revenues of Registrant).

During 1997, Registrant's share of the net operating revenues of C-ML Cable totaled $29,404,870 (55.2% of operating revenues of Registrant).

During 1996, Registrant's share of the net operating revenues of C-ML Cable totaled $26,342,927 (36.7% of operating revenues of Registrant).

Radio Investments

On February 15, 1989, Registrant and Century entered into a Management Agreement and Joint Venture Agreement whereby a new joint venture, Century-ML Radio Venture ("C-ML Radio"), was formed under New York law. Responsibility for the management of radio stations to be acquired by C-ML Radio was assumed by Registrant.

On March 10, 1989, C-ML Radio acquired all of the issued and outstanding stock of Acosta Broadcasting Corporation ("Acosta"), Fidelity Broadcasting Corporation ("Fidelity"), and Broadcasting and Background Systems Consultants Corporation ("BBSC"); all located in San Juan, Puerto Rico. The purchase price for the stock was approximately $7.8 million. At the time of acquisition, Acosta owned radio stations WUNO-AM and Noti Uno News, Fidelity owned radio station WFID-FM, and BBSC owned Beautiful Music Services, all serving various communities within Puerto Rico.

In February 1990, C-ML Radio acquired the assets of Radio Ambiente Musical Puerto Rico, Inc. ("RAM"), a background music service. The purchase price was approximately $200,000 and was funded with cash generated by C-ML Radio. The operations of RAM were consolidated into those of BBSC.

Effective January 1, 1994, all of the assets of C-ML Radio were transferred to the Venture in exchange for the assumption by the Venture of all the obligations of C-ML Radio and the issuance to Century and Registrant by the Venture of new certificates evidencing partnership interests of 50% and 50%, respectively. The transfer was made pursuant to a Transfer of Assets and Assumption of Liabilities Agreement. At the time of this transfer, Registrant and Century entered into an amended and restated management agreement and joint venture agreement (the "Revised Joint Venture Agreement") governing the affairs of the Venture as revised.

Under the terms of the Revised Joint Venture Agreement, Century is responsible for the day-to-day operations of C-ML Cable and until the sale of C-ML Radio (see below), Registrant was responsible for the day-to-day operations of C-ML Radio. For providing services of this kind, Century is entitled to receive annual compensation of 5% of C-ML Cable's net gross revenues (defined as gross revenues from all sources less monies paid to suppliers of pay TV product, e.g., HBO, Cinemax, Disney and Showtime) and Registrant was entitled to receive annual compensation of 5% of C-ML Radio's gross revenues including the local marketing agreement ("LMA") revenue (after agency commissions, rebates or discounts and excluding revenues from barter transactions).

On June 3, 1998, the Venture consummated the sale of C-ML Radio pursuant to a sales agreement entered into in October 1997 between the Venture and Madifide, Inc. The base sales price for C-ML Radio was approximately $11.5 million, approximately $5.8 million of which is Registrant's share, subject to closing adjustments. Pursuant to an LMA entered into, effective as of October 1, 1997, the buyer was allowed to program the station from such date through the date of sale. C-ML Radio collected a monthly LMA fee from the buyer which was equal to the operating income for that month, provided however, that it not be less than $50,000 nor more than $105,000. The monthly fee was recognized as revenue during the LMA period and Registrant did not recognize any operating revenues nor incur any net operating expenses of C-ML Radio during the LMA period. At the closing, the Venture and Madifide, Inc. entered into escrow agreements pursuant to which the Venture deposited, in aggregate, approximately $725,040, $362,520 of which is Registrant's share, into three separate escrow accounts with respect to which indemnification, benefit, and chattel mortgage claims may be made by Madifide, Inc. for a period of one year. The balance of these escrows, which is being classified on the accompanying Consolidated Balance Sheet as Investments held by escrow agents, was $321,023 as of December 25, 1998.

Pursuant to the terms of the outstanding senior indebtedness that jointly finances C-ML Radio and C-ML Cable, the net proceeds, and escrow amounts when discharged, if any, from the resulting sale of C-ML Radio must be retained by the Venture and cannot be distributed to Registrant or its partners.

During 1998, until its sale on June 3, 1998, Registrant's share of the net operating revenues of C-ML Radio totaled $165,004 (0.3% of operating revenues of Registrant).

During 1997, Registrant's share of the net operating revenues of C-ML Radio totaled $2,051,576 (3.9% of operating revenues of Registrant).

During 1996, Registrant's share of the net operating revenues of C-ML Radio totaled $2,951,028 (4.1% of operating revenues of Registrant).

California Cable Systems

In December, 1986, ML California Cable Corporation ("ML California"), a wholly-owned subsidiary of Registrant, entered into an agreement with SCIPSCO, Inc. ("SCIPSCO"), a wholly-owned subsidiary of Storer Communications, Inc. for the acquisition by ML California of four cable television systems servicing the California communities of Anaheim, Hermosa Beach/Manhattan Beach, Rohnert Park/Yountville, and Fairfield and surrounding areas. The acquisition was completed on December 23, 1986 with the purchase by ML California of all of the stock of four subsidiaries of SCIPSCO which at closing owned all the assets of the California cable television systems. The term "California Cable Systems" or "California Cable" as used herein means either the cable systems or the owning entities, as the context requires.

On December 30, 1986, ML California was liquidated into Registrant and transferred all of its assets, except its Federal Communications Commission ("Commission" or "FCC") licenses, subject to its liabilities, to Registrant. The licenses were transferred to ML California Associates, a partnership formed between Registrant and the General Partner for the purpose of holding the licenses in which Registrant is Managing General Partner and 99.99% equity holder.

On November 28, 1994, Registrant entered into an agreement (the "Asset Purchase Agreement") with Century to sell to Century substantially all of the assets used in Registrant's California Cable Systems. On May 31, 1996, Registrant consummated such sale pursuant to the terms of the Asset Purchase Agreement. The base purchase price for the California Cable Systems was $286 million, subject to certain adjustments including an operating cash flow as well as a working capital adjustment as provided in the Asset Purchase Agreement.

On August 15, 1996, Registrant made a cash distribution to limited partners of record on May 31, 1996, of approximately $108.1 million ($575 per Unit) and approximately $1.1 million to its General Partner, representing its 1% share, from net distributable sales proceeds from the sale of the California Cable Systems.

In addition, upon closing of the sale of the California Cable Systems, Registrant set aside approximately $40.7 million in a cash reserve to cover operating liabilities, current litigation, and litigation contingencies relating to the California Cable Systems' operations prior to and resulting from their sale, as well as a potential purchase price adjustment. In accordance with the terms of the Partnership Agreement, any amounts which may be available for distribution from any unused cash reserves, after accounting for certain other expenses of Registrant including certain expenses incurred after May 31, 1996, will be distributed to partners of record as of the date such unused reserves are released, rather than to the partners of record on May 31, 1996, the date of the sale.

Effective August 14, 1997, reserves in the amount of approximately $13.2 million were released and, after accounting for certain expenses of Registrant, in accordance with the terms of the Partnership Agreement, were included in the cash distribution that was distributed to partners on November 25, 1997. As of December 25, 1998, Registrant has approximately $23.2 million remaining in cash reserves to cover operating liabilities, current litigation, and litigation contingencies relating to the California Cable Systems prior to and resulting from their sale. On March 1, 1999, reserves in the amount of approximately $6.1 million were released and, in accordance with the terms of the Partnership Agreement, have been included in the cash distribution to be made on March 31, 1999.

During 1996, until its sale on May 31, 1996, California Cable Systems generated operating revenues of $24,085,663 (33.5% of operating revenues of Registrant).

WREX Television Station

On April 29, 1987, Registrant entered into an acquisition agreement with Gilmore Broadcasting Corporation, a Delaware corporation ("Gilmore"), for the acquisition by Registrant of substantially all the assets of television station WREX-TV, Rockford, Illinois ("WREX-TV" or "WREX"). The acquisition was consummated on August 31, 1987 for $18 million.

On July 31, 1995, Registrant completed the sale to Quincy Newspapers, Inc. ("Quincy") of substantially all of the assets used in the operations of Registrant's television station WREX, other than cash and accounts receivable. The purchase price for the assets was approximately $18.4 million, subject to certain adjustments. A reserve of approximately $2.3 million was established to cover certain purchase price adjustments and expenses and liabilities relating to WREX, and the balance of approximately $16.1 million was applied to repay a portion of the bank indebtedness secured by the assets of WREX and KATC (as defined below). Quincy did not assume certain liabilities of WREX and Registrant remained liable for such liabilities. On the sale of WREX, Registrant recognized a gain for financial reporting purposes of approximately $8.8 million in 1995.

Effective August 14, 1997 approximately $1.8 million, a portion of the reserve established at the time of the WREX-TV sale, was released. In accordance with the terms of the Partnership Agreement, such released reserve amounts, after accounting for certain expenses of Registrant, were included in the cash distribution made to partners on November 25, 1997. In addition, effective December 26, 1997 the remaining reserve established at the time of the WREX sale of approximately $161,000 was released. Thus, during 1997, Registrant recognized a gain on sale of WREX of approximately $2.0 million resulting from the release of reserves and reversal of previous accruals.

KATC Television Station

On September 17, 1986, Registrant entered into an acquisition agreement with Loyola University, a Louisiana non-profit corporation ("Loyola"), for the acquisition by Registrant of substantially all the assets of television station KATC-TV, Lafayette Louisiana ("KATC-TV" or "KATC"). The acquisition was completed on February 2, 1987 for a purchase price of approximately $26.7 million.

On September 30, 1995, Registrant completed the sale to KATC Communications, Inc. (the "KATC Buyer") of substantially all of the assets used in the operations of Registrant's television station KATC, other than cash and accounts receivable. The KATC Buyer did not assume certain liabilities of KATC and Registrant remained liable for such liabilities. The purchase price for the assets was $24.5 million. From the proceeds of the sale, approximately $6.3 million was applied to repay in full the remaining bank indebtedness secured by the assets of KATC and WREX; a reserve of approximately $2.0 million was established to cover certain purchase price adjustments and expenses and liabilities relating to KATC; $1.0 million was deposited into an indemnity escrow account to secure Registrant's indemnification obligations to the KATC Buyer; approximately $7.6 million was applied to pay a portion of accrued fees and expenses owed to the General Partner; and the remaining amount of approximately $7.6 million ($40 per Unit) was distributed to partners in December, 1995. Registrant recognized a gain for financial reporting purposes of approximately $14.0 million on the sale of KATC in 1995.

On June 24, 1997, Registrant received the discharge of escrowed proceeds of $1.0 million (and approximately $100,000 of interest earned thereon) generated from the sale of KATC. In addition, effective August 14, 1997, approximately $1.5 million, a portion of the reserve established at the time of the KATC sale, was released. In accordance with the terms of the Partnership Agreement, the amount of such released reserve and discharged escrowed proceeds, after accounting for certain expenses of Registrant, were included in the cash distribution made to partners on November 25, 1997. In addition, effective December 26, 1997, the remaining reserve established at the time of the KATC sale of approximately $218,000 was released. Thus, during 1997, Registrant recognized a gain on sale of KATC of approximately $1.7 million resulting from the release of reserves and reversal of previous accruals.

WEBE-FM Radio

On August 20, 1987, Registrant entered into an Asset Purchase Agreement with 108 Radio Company, L.P. for the acquisition of the business and assets of radio station WEBE-FM, Westport, Connecticut ("WEBE-FM" or "WEBE"), which serves Fairfield and New Haven counties, for $12.0 million.

During 1998, WEBE-FM generated operating revenues of $8,485,300 (15.6% of operating revenues of Registrant).

During 1997, WEBE-FM generated operating revenues of $7,851,792 (14.8% of operating revenues of Registrant).

During 1996, WEBE-FM generated operating revenues of $6,519,197 (9.1% of operating revenues of Registrant).

Wincom

On August 26, 1988, Registrant acquired 100% of the stock of Wincom Broadcasting Corporation ("Wincom"), an Ohio corporation headquartered in Cleveland for $46.0 million. At acquisition, Wincom and its subsidiaries owned and operated five radio stations - WQAL-FM, Cleveland, Ohio; WCKN-AM/WRZX-FM, Indianapolis, Indiana (the "Indianapolis Stations", including the Indiana University Sports Radio Network, which was discontinued after the first half of 1992); KBEZ-FM, Tulsa, Oklahoma; and WEJZ-FM, Jacksonville, Florida. On July 31, 1990, Registrant sold the business and assets of KBEZ-FM and WEJZ-FM to Renda Broadcasting Corp. for net proceeds of approximately $10.3 million. On October 1, 1993, Registrant sold the Indianapolis stations which generated net proceeds in the approximate amount of $6.1 million. All proceeds of the sales were paid to the lender.

On January 28, 1999, Registrant consummated a sale to Chancellor Media Corporation of Los Angeles ("Chancellor") of the stock of Wincom, pursuant to a stock purchase agreement (the "Cleveland Agreement") dated August 11, 1998. Wincom owns all of the outstanding stock of Win Communications, Inc. ("WIN"), which owns and operates the radio station WQAL-FM, serving Cleveland, Ohio (the "Cleveland Station").

The base sales price for the Cleveland Station was $51,250,000, subject to certain adjustments for the apportionment of current assets and liabilities as of the closing date, as provided for in the Cleveland Agreement, resulting in a reduction of the base sales price of approximately $1.6 million.

Pursuant to the Cleveland Agreement, Registrant deposited $2.5 million into an indemnity escrow account against which Chancellor may make indemnification claims for a period of up to two years after the closing; $1.5 million, less any claims previously asserted, will be discharged from such escrow on December 31, 1999. Approximately $2.0 million was used to repay in full the remaining outstanding balance of the Wincom-WEBE-WICC Loan and pursuant to the terms of the Wincom-WEBE-WICC Loan, an initial amount of approximately $7.3 million was paid to the Wincom Bank, pursuant to its 15% residual interest in the net sales proceeds from the sale of Wincom. In addition, Registrant held approximately $2.5 million of the sales proceeds to pay (or to reserve for payment of) wind-down expenses and sale-related expenses. The remaining sales proceeds of $35.4 million will be included in the cash distribution made to partners on March 30, 1999 in accordance with the terms of the Partnership Agreement. To the extent any amounts reserved or paid into escrow as described above are subsequently released or discharged, such amounts will be distributed to partners of record as of the date of such release from reserve or discharge from such escrow. The net assets of the Cleveland Station, which were sold pursuant to the Cleveland Agreement in 1999, have been included in assets held for sale on the accompanying Consolidated Balance Sheet as of December 25, 1998. In 1999, Registrant will recognize a gain on the sale of the Cleveland Station.

Additionally, in connection with the Cleveland Agreement, WIN and Chancellor entered into a Time Brokerage Agreement, pursuant to which WIN made substantially all of the time on the station available to Chancellor in exchange for a monthly payment by Chancellor to WIN. The Time Brokerage Agreement became effective on October 1, 1998.

During 1998, Wincom generated operating revenues of $6,041,783 (11.1% of operating revenues of Registrant).

During 1997, Wincom generated operating revenues of $6,995,768 (13.1% of operating revenues of Registrant).

During 1996 Wincom generated operating revenues of $5,428,648 (7.6% of operating revenues of Registrant).

WICC-AM

On July 19, 1989, Registrant purchased all of the assets of radio station WICC-AM located in Bridgeport, Connecticut ("WICC-AM" or "WICC") from Connecticut Broadcasting Company, Inc. The purchase price of $6.25 million was financed solely from proceeds of the Wincom-WEBE-WICC Loan.

During 1998, WICC-AM generated operating revenues of $3,174,571 (5.8% of operating revenues of Registrant).

During 1997, WICC-AM generated operating revenues of $2,969,144 (5.6% of operating revenues of Registrant).

During 1996, WICC-AM generated operating revenues of $2,494,402 (3.5% of operating revenues of Registrant).

Wincom-WEBE-WICC Loan

On July 19, 1989, Registrant entered into an Amended and Restated Credit Security and Pledge Agreement which provided for borrowings up to $35.0 million for use in connection with the Wincom-WEBE-WICC Loan. On July 30, 1993, Registrant and the Wincom Bank executed an amendment to the Wincom-WEBE-WICC Loan, effective January 1, 1993, which cured all previously outstanding defaults pursuant to the Wincom-WEBE-WICC Loan. Since December 26, 1997, Registrant has been in default on the Wincom-WEBE-WICC Loan. In 1999, Registrant repaid the remaining outstanding balance of the Wincom-WEBE-WICC Loan in full, however the default has not been waived by the Wincom Bank. Pursuant to the terms of the Wincom-WEBE-WICC Loan, an initial amount was paid to the Wincom Bank, pursuant to its 15% residual interest in the net sales proceeds (see further discussion under Wincom above).

KEZY-FM and KORG-AM

On November 16, 1989, Registrant acquired an AM ("KORG-AM") and an FM ("KEZY-FM") (jointly the "Anaheim Stations" or "KORG/KEZY") radio station combination located in Anaheim, California, from Anaheim Broadcasting Corporation. The total acquisition cost was approximately $15.1 million.

On January 4, 1999, Registrant consummated a sale to Citicasters Co., a subsidiary of Jacor Communications, Inc. ("Citicasters") of substantially all of the assets, other than cash and accounts receivable, used in the operations of Registrant's radio stations, KORG-AM and KEZY-FM, serving Anaheim, California (the "Anaheim Stations"), pursuant to the asset purchase agreement (the "Anaheim Agreement") dated September 14, 1998, as amended.

The base sales price for the Anaheim Stations was $30,100,000, subject to certain adjustments for the apportionment of income and liabilities as of the closing date, as provided for in the Anaheim Agreement, resulting in a reduction of the base sales price of approximately $20,000.

Pursuant to the Anaheim Agreement, Registrant deposited $1.0 million into an indemnity escrow account against which Citicasters may make indemnification claims for a period of one year after the closing. In addition, Registrant held approximately $5.2 million of the sales proceeds to pay (or to reserve for payment of) expenses and liabilities relating to the operations of the Anaheim Stations prior to the sale as well as wind-down expenses, sale-related expenses and contingent obligations of the Anaheim Stations. The remaining sales proceeds of $23,840,000 will be included in the cash distribution made to partners on March 30, 1999, after accounting for certain expenses of Registrant, in accordance with the terms of the Partnership Agreement. To the extent any amounts reserved or paid into escrow as described above are subsequently released or discharged, such amounts will be distributed to partners of record as of the date of such release from reserves or discharge from such escrow. The net assets of the Anaheim Stations, which were sold pursuant to the Anaheim Agreement in 1999, have been included in assets held for sale on the accompanying Consolidated Balance Sheet as of December 25, 1998. In 1999, Registrant will recognize a gain on the sale of the Anaheim Stations.

During 1998, the Anaheim Stations generated operating revenues of $3,989,661 (7.3% of operating revenues of Registrant).

During 1997, the Anaheim Stations generated operating revenues of $3,950,833 (7.4% of operating revenues of Registrant).

During 1996, the Anaheim Stations generated operating revenues of $3,750,442 (5.2% of operating revenues of Registrant).

Employees.

As of December 25, 1998, Registrant and its consolidated subsidiaries employed approximately 394 persons. The business of Registrant is managed by the General Partner. RPMM, MLMM and ML Leasing Management Inc., all affiliates of the General Partner, employ individuals who perform the management and administrative services for Registrant.

COMPETITION.

Cable Television

Cable television systems compete with other communications and entertainment media, including off-air television broadcast signals that a viewer is able to receive directly using the viewer's own television set and antenna. The extent of such competition is dependent in part upon the quality and quantity of such off-air signals. In the areas served by Registrant's systems, a substantial variety of broadcast television programming can be received off-air. In those areas, the extent to which cable television service is competitive depends largely upon the system's ability to provide a greater variety of programming than that available off-air and the rates charged by Registrant's cable systems for programming. Cable television systems also are susceptible to competition from other multichannel video programming distribution ("MVPD") systems, from other forms of home entertainment such as video cassette recorders, and in varying degrees from other sources of entertainment in the area, including motion picture theaters, live theater and sporting events.

In recent years, the level of competition in the MVPD market has increased significantly. Notably, several entities provide high-powered direct broadcast satellite ("DBS") service in the continental United States. In addition, the FCC has adopted polices providing for authorization of new technologies and a more favorable operating environment for certain existing technologies which provide, or have the potential to provide, substantial additional competition to cable television systems. For example, the FCC has revised its rules on multi-channel multi-point distribution service ("MMDS" or "wireless cable") to foster MMDS services competitive with cable television systems, has authorized telephone companies to deliver directly to their subscribers video programming and has authorized a new service, the local multipoint distribution service ("LMDS"), which can employ technology analogous to that used by cellular telephone systems to distribute multiple channels of video programming and other data directly to subscribers. Moreover, the Telecommunications Act of 1996 (the "1996 Act") substantially reformed the Communications Act of 1934, as amended (the "Communications Act") by, among other things, permitting telephone companies to enter the MVPD market through a number of means, including in-region cable systems. Regulatory initiatives that will result in additional competition for cable television systems are described in the following sections.

Radio Industry

The radio industry is highly competitive and dynamic, and reaches a larger portion of the population than any other medium. There are generally several stations competing in an area and most larger markets have twenty or more viable stations; however, stations tend to focus on a specific target market by programming music or other formats that appeal to certain demographically specific audiences. As a result of these factors, radio is an effective medium for advertisers as it can have mass appeal or be focused on a specific market. While radio has not been subject to an erosion in market share such as that experienced by broadcast television, it was also subject to the depressed nationwide advertising market at the beginning of this decade. Recent changes in FCC multiple ownership rules have led to more concentration in some local radio markets as a single party is permitted to own additional stations or provide programming and sell advertising on stations it does not own. The provisions of the 1996 Act eliminating national ownership caps and easing local ownership caps have accelerated this trend, as described more fully below.

Registrant is subject to significant competition, in many cases from competitors whose media properties are larger than Registrant's media properties.

LEGISLATION AND REGULATION.

Cable Television Industry

The cable television industry is extensively regulated by the federal government, some state governments and most local franchising authorities. In addition, the Copyright Act of 1976 (the "Copyright Act") imposes copyright liability on all cable television systems for their primary and secondary transmissions of copyrighted programming. The regulation of cable television systems at the federal, state and local levels is subject to the political process and has been in constant flux over the past decade. This process continues to generate proposals for new laws and for the adoption or deletion of administrative regulations and policies. Further material changes in the law and regulatory requirements, especially as a result of both the 1996 Act and the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"), must be expected. There can be no assurance that the Registrant's cable systems will not be adversely affected by future legislation, new regulations or judicial or administrative decisions. The following is a summary of federal laws and regulations materially affecting the cable television industry and a description of certain state and local laws with which the cable industry must comply.

Federal Statutes

The Communications Act imposes certain uniform national standards and guidelines for the regulation of cable television systems. Among other things, the Communications Act regulates the provision of cable television service pursuant to a franchise, specifies a procedure and certain criteria under which a cable television operator may request modification of its franchise, establishes criteria for franchise renewal, sets maximum fees payable by cable television operators to franchising authorities, authorizes a system for regulating certain subscriber rates and services, outlines signal carriage requirements, imposes certain ownership restrictions, and sets forth customer service, consumer protection, and technical standards.

The 1996 Act's cable provisions expanded and in some cases significantly modified the rules applicable to cable systems. Most significantly, the 1996 Act took steps to reduce, or in some cases eliminate, rate regulation of cable systems, while also allowing substantially greater telephone company participation in the MVPD market, as well as promoting cable operator provision of telecommunications services.

Violations of the Communications Act or any FCC regulations implementing the statutory laws can subject a cable operator to substantial monetary penalties and other sanctions.

Federal Regulations

Federal regulation of cable television systems under the Communications Act is conducted primarily through the FCC, although, as discussed below, the Copyright Office also regulates certain aspects of cable television system operation. Among other things, FCC regulations currently contain detailed provisions concerning non-duplication of network programming, sports program blackouts, program origination, ownership of cable television systems and equal employment opportunities. There are also comprehensive registration and reporting requirements and various technical standards. Moreover, pursuant to the 1992 Cable Act, the FCC has, among other things, established regulations concerning mandatory signal carriage and retransmission consent, consumer service standards, the rates for service, equipment, and installation that may be charged to subscribers, and the rates and conditions for commercial channel leasing. The FCC also issues permits, licenses or registrations for microwave facilities, mobile radios and receive-only satellite earth stations, all of which are commonly used in the operation of cable systems.

The FCC is authorized to impose monetary fines upon cable television systems for violations of existing regulations and may also suspend licenses and other authorizations and issue cease and desist orders. It is likewise authorized to promulgate various new or modified rules and regulations affecting cable television, many of which are discussed in the following paragraphs.

The 1992 Cable Act and the 1996 Act

The 1992 Cable Act clarified and modified certain provisions of the Cable Communications and Policy Act of 1984 ("1984 Cable Act"). It also codified certain FCC regulations and added a number of new requirements. Subsequent to the passage of the 1992 Cable Act, the FCC undertook a substantial number of complicated rulemaking proceedings resulting in a host of new regulatory requirements or guidelines. Several of the provisions of the 1992 Cable Act and certain FCC regulations implemented pursuant thereto are still being tested in court. At the same time, a number of provisions have been modified by the 1996 Act. Registrant cannot predict the result of any pending or future court challenges or the shape any still-pending or proposed FCC regulations may ultimately take, nor can Registrant predict the effect of either on its operations.

As discussed in greater detail elsewhere in this filing, some of the principal provisions of the 1992 Cable Act include: (1) a mandatory carriage requirement coupled with alternative provisions for retransmission consent as to over-the-air television signals; (2) rate regulations that completely replace the rate provisions of the 1984 Cable Act; (3) consumer protection provisions; (4) a three-year ownership holding requirement; (5) some clarification of franchise renewal procedures; and (6) FCC authority to examine and set limitations on the horizontal and vertical integration of the cable industry. Of these provisions, the 1996 Act sunset certain of the rate regulations in March 1999 and eliminated the three-year ownership requirement.

Other provisions of the 1992 Cable Act included: (1) a prohibition on "buy-throughs," an arrangement whereby subscribers are required to subscribe to a program tier other than basic in order to receive certain per-channel or per-program services; (2) requiring the FCC to develop minimum signal standards, rules for the disposition of home wiring upon termination of cable service, and regulations regarding compatibility of cable service with consumer television receivers and video cassette recorders; (3) a requirement that the FCC promulgate rules limiting children's access to indecent programming on access channels; (4) notification requirements regarding sexually explicit programs; and (5) more stringent equal employment opportunity rules for cable operators. Of these provisions, the 1996 Act addresses cable equipment compatibility, as further discussed below.

The 1992 Cable Act also contained a provision barring both cable operators and certain vertically integrated program suppliers from engaging in practices which unfairly impede the availability of programming to other multichannel video programming distributors. In sum, the 1992 Cable Act established an entirely new set of regulatory requirements and standards. It is an unusually complicated legislative enactment that spawned a multitude of FCC enforcement decisions as well as certain still-to-be concluded FCC proceedings. It also remains subject to certain pending judicial challenges. Adding to the complexity is the 1996 Act, which in some areas mandates additional regulation to that required by the 1992 Cable Act and in other areas modifies or eliminates extant cable laws.

Pursuant to the 1992 Cable Act, the FCC promulgated rules and regulations governing the following areas: indecency on leased access channels, obscenity on public, educational and governmental ("PEG") channels, mandatory carriage and retransmission consent of over-the-air broadcast signals, home wiring, equal employment opportunity, tier "buy-throughs," customer service standards, cable television ownership standards, program access, carriage of home shopping stations, and rate regulation. Most of these new regulations went into effect by

1994. However, in November 1993, a three-judge panel of the United States Court of Appeals for the D.C. Circuit found the indecency rules to be unconstitutional and remanded them to the Commission. Subsequently, the United States Court of Appeals for the D.C. Circuit vacated the panel decision pending rehearing and a decision by the full court. On rehearing, the en banc court sustained the Commission's regulations. The Supreme Court ultimately affirmed the provision allowing cable operators to decide whether to carry indecent programming on leased access channels but struck down provisions that would have (i) allowed cable operators to decide whether to carry such programming on PEG channels; and (ii) required cable operators to segregate and block indecent programming allowed on lease access channels. The latter two provisions were struck down on First Amendment grounds for being insufficiently tailored to achieve the legitimate governmental objective of protecting children from exposure to "patently offensive" programming.

On March 31, 1997, the Supreme Court, in a 5-4 decision, upheld the must carry provisions of the 1992 Cable Act, finding them to be content-neutral regulations that advance important governmental interests unrelated to the suppression of free speech. The rules promulgated by the Commission to implement the must carry provisions were in effect pending the outcome of the appellate process and thus remained in effect. On a separate matter, in September 1993 the United States District Court for the District of Columbia found that the horizontal ownership limits called for by the 1992 Cable Act are unconstitutional. The Commission voluntarily stayed the effect of its horizontal ownership rules until final judicial resolution of the issue. Thereafter, petitions for reconsideration were filed with the Commission. In August 1996, the United States Court of Appeals for the District of Columbia Circuit consolidated the appeal of the statutory provision with an appeal of the rules and determined to hold judicial proceedings in abeyance pending the FCC's action on the petitions for reconsideration of the rules. In June 1998, the Commission affirmed its rule that no person or entity can own or have an attributable interest in cable systems reaching more than 30% of homes passed nationwide, with an exception permitting ownership of cable systems reaching up to 35% of all homes passed nationwide (as long as the additional homes passed beyond 30% are served by minority-controlled cable systems). The Commission also lifted its voluntary stay on enforcement of the horizontal ownership rules only insofar as it applies to the information reporting requirements, which compel entities owning cable systems passing more than 20% of homes nationwide to inform the agency how many homes that entity will pass both before and after a proposed acquisition prior to acquiring an attributable interest in any additional cable systems. The FCC also declined to revise the factors used to calculate a cable system's compliance with the 30% limit. The Commission, however, has not yet determined whether the horizontal ownership rules should consider the presence of all MVPDs in the market rather than cable operators alone; whether the rules should be based on actual subscribers rather than on homes passed; whether 30% remains the appropriate limit given evolving market conditions; and whether the minority-controlled allowance remains an effective way to promote minority participation in the cable industry. Registrant is unable to predict the ultimate outcome of these proceedings or the impact upon its operations of various FCC regulations still being formulated and/or interpreted.

As previously noted, under the broad statutory scheme, cable operators are subject to a two-level system of regulation with some matters under federal jurisdiction, others subject strictly to local regulation, and still others subject to both federal and local regulation. Following are descriptions of some of the more significant regulatory areas of concern to cable operators.

Franchises

The 1984 Cable Act affirmed the right of franchising authorities to award one or more franchises within their jurisdictions and prohibited future cable television systems from operating without a franchise. The 1992 Cable Act provided that franchising authorities may not grant an exclusive franchise or unreasonably deny award of a competing franchise. The 1984 Cable Act also provided that in granting or renewing franchises, franchising authorities may establish requirements for cable-related facilities and equipment but may not specify requirements for video programming or information services other than in broad categories.

Under the 1992 Cable Act, franchising authorities are now exempt from money damages in cases involving their exercise of regulatory authority, including the award, renewal, or transfer of a franchise, except for cases involving discrimination on race, sex, or similar impermissible grounds. Remedies are limited exclusively to injunctive or declaratory relief. Franchising authorities may also build and operate their own cable systems without a franchise. The 1996 Act modified the definition of a "cable system" by expanding the so-called "private cable" exemption so that a system serving subscribers without using any public rights-of-way is not a cable system, and need not obtain a local franchise.

The 1984 Cable Act permitted local franchising authorities to require cable operators to set aside certain channels for PEG access programming and to impose a franchise fee of up to 5% of gross annual system revenues. The 1984 Cable Act further required cable television systems with 36 or more channels to designate a portion of their channel capacity for commercially leased access by third parties, which generally is available to commercial and non-commercial parties to provide programming (including programming supported by advertising). As required by the 1992 Cable Act, the FCC adopted rules setting maximum reasonable rates and other terms for the use of such leased channels. In January 1997, the FCC released an order that established a new formula for setting leased access rates. It is anticipated that the new formula will lower the rates programmers must pay to lease capacity on cable systems. The FCC has jurisdiction to resolve disputes over the provision of leased access.

In 1992, the FCC permitted local exchange carriers to engage in so-called "video dialtone" operations in their local telephone exchange areas pursuant to which neither they nor the programming entities they serve are required to obtain a local cable franchise. As discussed more fully below, the 1996 Act repealed the FCC's video dialtone rules and, among other things, enacted a related "open video system" regulation regime.

Rate Regulation

Under the 1992 Cable Act, cable systems' rates for service and related subscriber equipment are subject to regulation by the FCC and local franchising authorities. However, only the rates of cable systems that are not subject to "effective competition" may be regulated. A cable system is subject to effective competition if one of the following conditions is met: (1) fewer than 30% of the households in the franchise area subscribe to the system; (2) at least 50% of the households in the franchise area are served by two MVPDs and at least 15% of the households in the franchise area subscribe to any MVPD other than the dominant cable system; or (3) a franchising authority for that franchise area itself serves as an MVPD offering service to at least 50% of the households in the franchise area. The 1996 Act added a fourth condition: the mere offering (regardless of penetration) by a local exchange carrier, or an entity using the local exchange carrier's ("LEC") facilities, of video programming services (including 12 or more channels of programming, at least some of which are television broadcasting signals) directly to subscribers by any means (other than direct-to-home satellite services) in the franchise area of an unaffiliated cable operator.

Pursuant to FCC rules, the Telecommunications Regulatory Board of Puerto Rico (the "Board") filed for certification to regulate the rates of the cable system operated by the Venture. The cable system operator contested the certification, claiming that it was subject to effective competition, and therefore exempt from rate regulation, because fewer that 30 percent of the households in the system's franchise area subscribe to the system. The FCC's Cable Services Bureau upheld the certification and in November 1998 the Commission denied the operator's application for review of the decision, as well as a request for stay. The cable operator filed a petition for reconsideration of the FCC's denial of the application for review. The petition for reconsideration is pending. Under FCC rules, a cable system remains subject to rate regulation until the FCC finds that effective competition exists. The franchising authority for the San Juan Cable System in Puerto Rico has been authorized by the FCC to regulate the basic cable service and equipment rates and charges of the system. The franchising authority has not yet sent a notice to the system to initiate rate regulation. Regulation may result in reduced revenues going forward and in refunds to customers for charges above those allowed by the FCC's rate regulations for up to 12 months retroactively from when the new rates are initiated or the franchising authority issues a potential refund accounting order. Registrant is currently assessing the impact of this regulation.

Under the 1992 Cable Act, a local franchising authority may certify with the FCC to regulate the Basic Service Tier ("BST") and associated subscriber equipment of a cable system within its jurisdiction. By law, the BST must include all broadcast signals (with the exception of national "superstations"), including those required to be carried under the mandatory carriage provisions of the 1992 Cable Act, as well as PEG access channels required by the franchise. The FCC has jurisdiction over the cable programming service tier ("CPST"), which generally includes programming other than that carried on the BST or offered on a per-channel or per-program basis. The 1996 Act, however, confines rate regulation to the BST after three years: on March 31, 1999, the CPST will be exempted from regulation. The 1996 Act also modified the rules governing the filing of complaints for rate increases on the CPST. Under the former procedures, mandated by the 1992 Cable Act, subscribers were allowed to file complaints directly with the FCC. Under the new procedure, only a local franchising authority may file an FCC complaint, and then only if the franchising authority receives "subscriber complaints" within 90 days of the effective date of a rate increase. The FCC must issue a final order within 90 days after receiving a franchising authority's complaint.

The FCC's rate regulations generally required regulated cable systems to use an FCC-prescribed "benchmark" approach to set initial rates for BSTs and CPSTs. Cable systems ultimately were required to reduce their rates by approximately 17% from the rates in effect on September 30, 1992. Certain modifications of the rules were made for low-price cable systems and systems owned by small operators (operators with a total subscriber base of 15,000 or less and not affiliated with or controlled by another operator). The United States Court of Appeals has upheld these regulations, but these and other rate regulations may be subject to further judicial review, and may be altered by ongoing FCC rulemaking and case-by-case review.

Alternatively, cable operators may seek to have their rates regulated under a "cost-of-service" approach, which, much like the method historically used to regulate the rates of local exchange carriers, allows cable system operators to recover through regulated rates their normal operating expenses, and a reasonable return on investment. The final cost-of-service rules ultimately adopted by the FCC: (1) establish an industry-wide 11.25% rate of return, (but the Commission has proposed to use a cable system's actual debt cost and capital structure to determine its final rate of return); (2) establish a rebuttable presumption that 34% of the purchase price of cable systems purchased prior to May 15, 1994 (and not just the portion of the price allocable to intangibles) must be excluded from the rate base; and (3) replaced the presumption of a two-year period for accumulated start-up losses with a case-by-case determination of the appropriate period. The 1996 Act restricted the FCC from disallowing certain operator losses for cost-of-service filings. There are no threshold requirements limiting the cable systems eligible for a cost-of-service showing except that, once rates have been set pursuant to a cost-of-service approach, cable systems may not file a new cost-of-service showing to justify new rates for a period of two years.

Having set an initial permitted rate for regulated service using one of the above methodologies, a cable system may adjust its rate going forward either quarterly or annually under the FCC's "price cap" mechanism, which accounts for inflation, changes in "external costs," and changes in the number of regulated channels. External costs include state and local taxes applicable to the provision of cable television service, franchise fees, the costs of complying with certain franchise requirements, annual FCC regulatory fees and retransmission consent fees and copyright fees incurred for the carriage of broadcast signals. In addition, a cable system may treat as external (and thus pass through to its subscribers) the costs, plus a 20 cent per channel mark-up, for channels newly added to a CPST. Through 1997, each cable system was subject to an aggregate cap on the amount it may increase CPST rates due to channel additions. The FCC has also adopted "tier flexibility" rules that allow cable operators to reduce BST rates and take a corresponding, revenue neutral, increase in CPST rates.

Under the 1992 Cable Act, per-channel and per-program offerings ("a la carte" channels) are exempt from rate regulation. In implementing rules pursuant to the 1992 Cable Act, the FCC likewise exempted from rate regulation packages of a la carte channels if certain conditions were met. Upon reconsideration, however, the FCC tightened its regulatory treatment of these a la carte packages by supplementing its initial conditions with a number of additional criteria designed to ensure that cable systems creating collective a la carte offerings do not improperly evade rate regulation. The FCC later reversed its approach to a la carte packages by ruling that all non-premium packages of channels -- even if also available on an a la carte basis -- would be treated as a regulated tier. To ease the negative effect of these policy shifts on cable systems (and to further mitigate the rate regulations' disincentive for adding new program services) the FCC at the same time adopted rules allowing systems to create currently unregulated "new products tiers", provided that the fundamental nature of preexisting regulated tiers is preserved.

The charges for subscriber equipment and installation also are regulated by the FCC and local franchising authorities. FCC rules require that charges for converter boxes, remote control units, connections for additional television receivers, and cable installations must be based on a cable system's actual costs, plus an 11.25% rate of return. The regulations further dictate that the charges for each variety of subscriber equipment or installation charge be listed individually and "unbundled" from the charges for cable service. Pursuant to the 1996 Act, the FCC revised its rules to permit cable operators to aggregate, on a franchise, system, regional, or company level, their equipment costs into broad categories (except for equipment used only to receive a rate regulated basic service tier).

Beginning in late 1995, the FCC demonstrated an increased willingness to settle some or all of the rate cases pending against a multiple system operator ("MSO") by entering into a "social contract" or rate settlement (collectively "social contract/settlement"). While the terms of each social contract/settlement vary according to the underlying facts unique to the relevant cable systems, the common elements include an agreement by an MSO to make a specified subscriber refund (generally in the form of in-kind service or a billing credit) in exchange for the dismissal, with prejudice, of pending complaints and rate proceedings. In addition, the FCC has adopted or proposed measures that may mitigate the negative effect of the Commission's rate regulations on cable systems' revenues and profits, and allow systems to more efficiently market cable service. The FCC implemented an abbreviated cost-of-service mechanism for cable systems of all sizes that permits systems to recover the costs of "significant" upgrades (e.g., expansion of system bandwidth capacity) that provide benefits to subscribers to regulated cable service. This mechanism could make it easier for cable systems to raise rates to cover the costs of an upgrade. The Commission also has proposed an optional rate-setting methodology under which a cable operator serving multiple franchise areas could establish uniform rates for uniform cable service tiers offered in multiple franchise areas.

The 1996 Act also provided operator flexibility for subscriber notification of rate and service changes, permitting cable operators to use "reasonable" written means to notify subscribers of rate and service changes; notice need not be inserted in subscriber bills. Prior notice of a rate change is not required for any rate change that is the result of regulatory fee, franchise fee, or any other fee, tax, assessment, or change of any kind imposed by a regulator or on the transaction between a cable operator and a subscriber. The FCC has adopted rules implementing a number of provisions of the 1996 Act and is considering the adoption of others.

The FCC has found that competition has been and continues to be very slow in the MVPD marketplace - where cable continues to occupy a dominant position. The Commission's Annual Assessment on the Status of Competition in Markets for the Delivery of Video Programming ("Annual Report"), released in December 1998, reported that cable rates rose more than four times the rate of inflation from June 1997 to June 1998, making rates significantly higher than they were two and three years ago. The FCC attributed a portion of these rate increases to capital expenditures for the upgrading of cable facilities, an increase in the number of video and nonvideo services offered, and increased programming costs. In its Annual Report, the Commission noted that, where direct competition exists, it affected the pricing decisions of cable operators, constraining rates below regulated levels. Accordingly, the FCC urged the removal of barriers to competition and encouraged a more competitive MVPD marketplace. Long pending before the Commission is a petition to freeze cable rates and increase rate regulation. The Chairman of the FCC, who has previously expressed concern that the March 31, 1999 sunset for regulation of CPST rates may be unrealistic given the slow growth in competition in the MVPD marketplace, recently stated that the Commission will continue to take aggressive actions to promote competition and urged Congress to do the same. Certain members of Congress have also continued to express concern about cable rates and there can be no assurance that either the FCC or Congress will not take action in the future with regard to cable rates.

Renewal and Transfer

The 1984 Cable Act established procedures for the renewal of cable television franchises. The procedures were designed to provide incumbent franchisees with a fair hearing on past performances, an opportunity to present a renewal proposal and to have it fairly and carefully considered, and a right of appeal if the franchising authority either fails to follow the procedures or denies renewal unfairly. These procedures were intended to provide an incumbent franchisee with substantially greater protection than previously available against the denial of its franchise renewal application. A federal district court in Kentucky, however, upheld a city's denial of franchise renewal because the incumbent cable operator's renewal proposal failed to meet community needs and interests, which the court gave city officials broad discretion in determining. On February 24, 1997, the United States Court of Appeals for the Sixth Circuit upheld the denial of the franchise.

The 1992 Cable Act sought to address some of the issues left unresolved by the 1984 Cable Act. It established a more definite timetable in which the franchising authority is to act on a renewal request. It also narrowed the range of circumstances in which a franchised operator might contend that the franchising authority had constructively waived non-compliance with its franchise.

Cable system operators are sometimes confronted by challenges in the form of proposals for competing cable franchises in the same geographic area, challenges which may arise in the context of renewal proceedings. In Rolla Cable Systems v. City of Rolla, a federal district court in Missouri in 1991 upheld a city's denial of franchise renewal to an operator whose level of technical services was found deficient under the renewal standards of the 1984 Cable Act. Local franchising authorities also have, in some circumstances, proposed to construct their own cable systems or decided to invite other private interests to compete with the incumbent cable operator. Judicial challenges to such actions by incumbent system operators have, to date, generally been unsuccessful. Registrant cannot predict the outcome or ultimate impact of these or similar franchising and judicial actions.

Pursuant to the 1992 Cable Act, where local consent to a transfer is required, the franchise authority must act within 120 days of submission of a transfer request or the transfer is deemed approved. The 120-day period commences upon the submission to local franchising authorities of information now required on a new standardized FCC transfer form. The franchise authority may request additional information beyond that required under FCC rules. Further, the 1992 Cable Act gave local franchising officials the authority to prohibit the sale of a cable system if the proposed buyer operates another cable system in the jurisdiction or if such sale would reduce competition in cable service.

Cable/Telephone Competition and Cross-Ownership Restrictions

Prior to the passage of the 1996 Act, an LEC was generally prohibited from owning a cable television system or offering video programming directly to subscribers in the LEC's local telephone service area. This cross-ownership ban had been the subject of a number of successful judicial challenges brought by LECs claiming that the ban violated their constitutional right of free speech. The 1996 Act completely revised the law governing cable and telephone company competition and cross-ownership: the 1996 Act eliminated the cable/telco cross-ownership ban, 214 certification requirement, and all of the FCC's video dialtone ("VDT") rules, but retained (in modified form) the prohibitions on cable/telco buy-outs.

In place of these repealed regulations, the 1996 Act gave telephone companies four options for entering into the MVPD market, all four of which are subject to the buy-out provisions: (1) wireless entry (which is not subject to cable regulation); (2) common carrier entry (which is subject to Title II common carrier regulation, but not subject to cable regulation); (3) cable system entry (which is subject to cable regulation); and (4) "open video system" entry, which is a new mode of entry established by the 1996 Act that allows a common carrier to program 33% of its video distribution system, while making the rest of its capacity available to unaffiliated program providers. The open video system rules generally subject open video system operators to reduced regulation. For example, such operators are not subject to rate regulation. In City of Dallas v. FCC, Case No. 60502 (5th Cir. Jan. 19, 1999), however, the Fifth Circuit reversed the Commission's rule "preempting local franchise requirements for [open video systems]." The 1996 Act also limited fees that open video system operators may have to pay to local franchises and clarifies that such operators are not subject to Title II common carrier requirements. Open video system operators, which may include entities other than LECs, are required, however, to comply with certain cable regulations, including the must-carry/retransmission consent requirements and the rules governing carriage of PEG channels. Cable companies are, in certain circumstances, also permitted to operate open video systems.

Although telephone companies may now provide video programming to their telephone subscribers, the 1996 Act maintains the general prohibition on cable/telco buy-outs. A LEC or any affiliate may not acquire more than a 10% financial interest, or any management interest, in a cable operator serving the LEC's telephone service area. Similarly, a cable operator may not acquire a 10% financial interest, or any management interest, in a LEC providing telephone exchange service within the cable operator's franchise area. Joint ventures between LECs and cable operators to provide video or telecommunications in the same market are also prohibited. The 1996 Act provided for a number of limited exceptions to the buy-out and joint venture prohibitions. These exceptions generally relate to systems in rural areas and small cable systems and LECs. The 1996 Act also authorized the FCC to waive the buy-out and joint venture prohibitions only: (1) if the cable operator or LEC would otherwise be subject to undue economic distress or if benefits to the community clearly outweigh the anticompetitive effects of the proposed transaction; and (2) if the local franchising authority approves of the waiver.

The 1996 Act also cleared the way for cable provision of telephony. For example, the 1996 Act preempted cable franchising authority regulation of telecommunications services. Moreover, under the 1996 Act, Title VI (which governs cable operators) does not apply to cable operators' provision of telecommunications services. The 1996 Act also clarified that franchise fees do not include gross revenue derived from the provision of telecommunications services. State regulations that may prohibit the ability to provide telecommunications services are preempted.

Concentration of Ownership: The 1992 Cable Act directed the FCC to establish reasonable limits on the number of cable subscribers a single company may reach through cable systems it owns (horizontal concentration) and the number of system channels that a cable operator could use to carry programming services in which it holds an ownership interest (vertical concentration). The horizontal ownership restrictions of the 1992 Cable Act were struck down by a federal district court as an unconstitutional restriction on speech. Pending final judicial resolution of this issue, the FCC stayed the effective date of its horizontal ownership limitations, which would place a 30% nationwide limit on subscribers served by any one entity. Thereafter, a Motion to lift the Stay and Petitions for Reconsideration were filed. A challenge was also brought against the rules in federal court. In August 1996, the United States Court of Appeals for the District of Columbia Circuit decided to hold court proceedings in abeyance pending the Commission's reconsideration of the rules. In June 1998, the Commission issued a Notice of Proposed Rulemaking seeking comment on whether 30% remains the appropriate horizontal ownership limit in light of evolving market conditions. The FCC's vertical ownership restriction consists of a "channel occupancy" standard which places a 40% limit on the number of channels (up to 75 channels) that may be occupied by services from programmers in which the cable operator has an attributable ownership interest. Further, the 1992 Cable Act and FCC rules restrict the ability of programmers to enter into exclusive contracts with cable operators.

Video Marketplace: As required by the 1992 Cable Act, the Commission has issued a series of annual reports assessing the status of competition in the market for the delivery of video programming. The Commission has found that cable television continues to dominate the MVPD market in most localities and that cable rates are increasing. However, the Commission has concluded that cable's large share of the MVPD market is of concern only to the extent it reflects an inability of consumers to switch to some comparable, alternative video programming source. It also has noted that competing distribution technologies have continued to make substantial strides, in particular DBS (see below). The Commission identified several steps it has taken to eliminate or minimize obstacles to competition and will continue to monitor competition in this area.

Cable Ownership and Cross-Ownership: The 1996 Act repealed or curtailed several cable-related ownership and cross-ownership restrictions. In addition to the repeal of the anti-trafficking rules (discussed above), the 1996 Act eliminated the broadcast network/cable cross-ownership ban. Although the FCC is allowed to adopt regulations necessary to ensure carriage, channel positioning, and nondiscriminatory treatment of nonaffiliated broadcast stations, it has opted not to impose any such rules at this time. The 1996 Act also eliminated the statutory prohibition on broadcast/cable cross-ownership, but left in place the FCC's rules which continue to restrict the common ownership of cable and television properties in the same market area. When a cable operator faces effective competition, the 1996 Act also eliminates the cable/MMDS and cable/satellite master antenna television facilities ("SMATV") cross-ownership prohibitions.

Alternative Video Programming Services

Direct Broadcast Satellites: The FCC has authorized the provision of video programming directly to home subscribers through high-powered direct broadcast satellites ("DBS"). Currently, several entities, including DirecTV, Inc., an affiliate of Hughes Communications Galaxy, PrimeStar (a medium-power DBS provider), and EchoStar Satellite Corporation ("EchoStar"), provide DBS service to consumers throughout the country. There are, however, two major transactions pending Commission approval which would: (1) result in a significant consolidation of the market; and (2) provide the remaining DBS providers with the increased capacity necessary to offer consumers as many as 500 channels. First, EchoStar has announced its intention to purchase the DBS authorization currently held by MCI Telecommunications Corporation. EchoStar has stated that it intends to use this additional capacity in order to offer consumers a total of 500 hundred channels, including the signal of local television broadcast stations ("local-into-local"). Second, DirecTV has announced its plans to purchase United States Satellite Broadcasting Company, the subscriber base of PrimeStar, and the DBS authorization of TEMPO Satellite, Inc.

The Satellite Home Viewer Act ("SHVA") established a copyright license for limited distribution of network television programming to direct broadcast satellite viewers who lived in "unserved areas." The FCC recently rejected a proposal by EchoStar to modify the standard for determining whether or not a particular viewer resides in an "unserved area". Congress is currently considering legislation to address the issue. In addition, it is expected that legislation will be introduced in Congress this term that would allow DBS providers to broadcast local-into-local network signals, and which also could address the related issue of whether DBS providers will be subject to the same must-carry/retransmission consent requirements that currently apply to cable operators.

In a recent rulemaking proceeding, the FCC issued new rules imposing public interest obligations on DBS operators, including a requirement to set aside 4% of channel capacity for educational and informational programming. In a rulemaking proceeding still pending, the Commission is considering other possible service obligations, as well as imposing cross-ownership limitations on DBS operators.

Digital Television: On April 3, 1997, the FCC announced that it had adopted rules that will allow television broadcasters to provide digital television ("DTV") to consumers. The Commission also adopted a table of allotments for DTV, which provide eligible existing broadcasters with a second channel on which to provide DTV service. The allotment plan is based on the use of channels 2-51. Television broadcasters will be allowed to use their channels according to their best business judgment. Such uses can include data transfer, subscription video, interactive materials, and audio signals, although broadcasters will be required to provide a free digital video programming service that is at least comparable to today's analog service. Broadcasters will not be required to air "high definition" programming or to simulcast their analog programming on the digital channel.

Certain stations already have begun to broadcast a digital signal. Affiliates of the top four networks (ABC, CBS, FOX, and NBC) in the top ten markets are required to be on the air with a digital signal by May 1, 1999. Affiliates of those networks in markets 11-30 will be required to be on the air with a digital signal by November 1, 1999. All other commercial stations are required to construct their digital facilities by May 1, 2002. The FCC hopes to complete the full transition to DTV by 2006. Although the FCC has targeted December 1, 2006, as the date by which all broadcasters must return their analog licenses, the Balanced Budget Act of 1997 allows broadcasters to keep both their analog and digital licenses until at least 85 percent of television households in their respective markets can receive a digital signal. Local zoning laws and the lack of qualified tall-tower builders to construct the facilities needed for DTV operations, among other factors, may cause delays in this transition. The FCC is currently considering a rule which would set strict time limits within which local zoning authorities must act on zoning petitions by local television stations. The Commission has announced that it will review the progress of DTV every two years and make adjustments to the 2006 target date, if necessary.

At the end of the transition period, analog television transmissions will cease, and DTV channels will be reassigned to a smaller segment of the broadcasting spectrum. It is likely that some of the vacated spectrum will be allocated to public safety, while the remainder will be auctioned for use by other telecommunications services. The FCC has already reallocated the spectrum comprising channels 60-69 to public safety agencies and other voice and data services.

The Commission is currently considering whether cable television system operators should be required to carry stations' DTV signals in addition to the currently required carriage of stations' analog signals. In July 1998 the Commission issued a Notice of Proposed Rulemaking posing seven different options for the carriage of digital signals and solicited comments from all interested parties. The Commission has yet to issue a decision on this matter.

In December 1998, the Advisory Committee on Public Interest Obligations of Digital Television Broadcasters, established by the President, released its findings. The Commission has indicated that it will initiate a rulemaking proceeding in the future to consider what, if any, public interest obligations will apply to digital broadcasters .

Wireless Cable: The FCC has expanded the authorization of MMDS services to provide "wireless cable" via multiple microwave transmissions to home subscribers. In 1990, the FCC increased the availability of channels for use in wireless cable systems by eliminating MMDS ownership restrictions and simplifying various processing and administrative rules. The FCC also modified equipment and technical standards to increase service capabilities and improve service quality. Since then, the FCC has resolved certain additional wireless cable issues, including channel allocations for MMDS, Operational Fixed Service and Instructional Television Fixed Service ("ITFS") facilities, direct application by wireless operators for use of certain ITFS channels, and restrictions on ownership or operation of wireless facilities by cable entities. The Commission has also amended its rules to facilitate the ability of MMDS operators to provide two-way transmission of Internet and other digital high-speed data services.

Local Multipoint Distribution Service: The FCC has allocated a total of 1300 MHZ of spectrum for LMDS, with one 1150 MHz license and one 150 MHz license available in each of the 493 Rand McNally-defined Basic Trading Areas ("BTAs"). LMDS licensees are permitted to offer a wide variety of services, although most LMDS licensees are expected to concentrate on providing fixed, point-to-multipoint broadband data and video offerings.

Personal Communications Service: The FCC has allocated a total of 120 MHz of spectrum for the personal communications service ("PCS"). There are a total of six PCS licenses, three 30 MHz licenses and three 10 MHz licenses. Two of the 20 MHz blocks are licensed over the 49 Rand-McNally defined Major Trading Areas and the remaining blocks are licensed over BTAs. The FCC has now auctioned off virtually all of the PCS markets, and is in the midst of reauctioning some authorizations that were defaulted on or returned. PCS is now available in many markets through several facilities-based carriers, and PCS licensees generally compete with cellular and specialized mobile radio carriers for wireless handheld and mobile two-way voice and data customers.

Other Multichannel Video Programming Technologies: Several additional technologies exist or have been proposed that also have the potential to increase competition in the provision of video programming. Currently, many cable subscribers can receive programming received by C-band home satellite dishes or via SMATV.

Programming Issues

Mandatory Carriage and Retransmission Consent: The 1992 Cable Act required cable operators to carry the signals of local commercial and non-commercial television stations and certain low power television stations. The 1992 Cable Act also included a retransmission consent provision that prohibits cable operators and other multichannel video programming distributors from carrying broadcast stations without obtaining their consent in certain circumstances.

The "must carry" and retransmission consent provisions are related in that television broadcasters, on a cable system-by-cable system basis, must make a choice once every three years whether or not to proceed under the must carry rules or to waive that right to mandatory but uncompensated carriage and negotiate a grant of retransmission consent to permit the cable system to carry the station's signal. The most recent required election date was October 1, 1996 with elections taking effect on January 1, 1997. The next required election date is October 1, 1999 with elections taking effect on January 1, 2000.

While monetary compensation is possible in return for stations granting retransmission consent, many broadcast station operators have accepted arrangements that do not require payment but involve other types of consideration, such as use of a second cable channel, advertising time, and joint programming efforts.

On March 31, 1997, the Supreme Court, in a 5-4 decision, upheld the constitutionality of the must carry provisions of the 1992 Cable Act. As a result, the regulations promulgated by the FCC to implement the must carry provisions remain in effect.

Program Content Regulation: In contrast to its deregulatory approach to media ownership, the 1996 Act contained a number of new regulations affecting program content. For example, a cable operator is required to fully scramble or block the audio and video programming of each channel primarily dedicated to the carriage of sexually explicit adult programming or to permit the carriage of such programming to the hours between 10 p.m. and 6 a.m. After the court order staying the FCC rules implementing these provisions was lifted, the FCC, in May 1997, notified cable operators of their obligation to begin complying with the provision and its rules. Recently, a federal district court found the scrambling provision to be unconstitutional.

Also, the FCC has adopted regulations requiring the "closed captioning" of programming. The closed captioning rules went into effect January 1, 1998, although a transition period has been established to enable cable operators and programmers to achieve full compliance with the rules. The FCC has requested comment and is considering the appropriate methods and schedules for phasing in video description. Last, the FCC has adopted an order finding acceptable the voluntary video programming rating system developed by distributors of video programming - - including cable operators - - to identify programming that contains sexual, violent or other indecent material. The Commission has also established technical requirements for consumer electronic equipment to enable the blocking of such video programming. Distributors of rated programs are required to transmit these ratings, thereby permitting parents to block the programs.

Copyright: Cable television systems are subject to the Copyright Act which, among other things, covers the carriage of television broadcast signals. Pursuant to the Copyright Act, cable operators obtain a compulsory license to retransmit copyrighted programming broadcast by local and distant stations in exchange for contributing a percentage of their revenues as statutory royalties to the Copyright Office. The amount of this royalty payment varies depending on the amount of system revenues from certain sources, the number of distant signals carried, and the locations of the cable television system with respect to off-air television stations and markets. Copyright royalty arbitration panels, to be convened by the Librarian of Congress as necessary, are responsible for distributing the royalty payments among copyright owners and for periodically adjusting the royalty rates.

Recently, several types of multichannel video distributors that compete with cable television systems were successful in gaining compulsory license coverage of their retransmission of television broadcast signals. Legislation enacted in 1988 and extended in 1994 provided an alternative compulsory license for satellite distributors through January 1, 2000 and extended permanent coverage of the cable copyright license to "wireless cable" systems (MMDS). It is anticipated that legislation to extend the satellite compulsory license will be introduced this year. Such legislation could also provide satellite distributors greater flexibility to deliver broadcast network programming to areas served by broadcast affiliates of those networks. The Copyright Office also has ruled that some SMATV systems are eligible for the cable compulsory license. Pursuant to a request by the Chairman of the Senate Judiciary Committee, the Copyright Office examined the compulsory license scheme and submitted a report to the Committee in August 1997. The Copyright Office concluded that the statutorily imposed licensing schemes could not be eliminated at this time, suggested harmonizing the cable and satellite licenses, and amending the statute to allow satellite distributors to retransmit local broadcast signals. These recommendations may serve as the basis for legislation to modify the Copyright Act with respect to these compulsory licensing schemes.

The FCC has, in the past, recommended that Congress eliminate the compulsory copyright license for cable retransmission of both local and distant broadcast programming. In addition, legislative proposals have been and may continue to be made to simplify or eliminate the compulsory license. As noted, the 1992 Cable Act required cable systems to obtain permission of certain broadcast licensees in order to carry their signals ("retransmission consent") should such stations so elect. (See "Mandatory Carriage and Retransmission Consent" above). This permission is needed in addition to the copyright permission inherent in the compulsory license. Without the compulsory license, cable operators would need to negotiate rights for the copyright ownership of each program carried on each broadcast station transmitted by the system. Registrant cannot predict whether Congress will act on the FCC or Copyright Office recommendations or similar proposals.

Exclusivity: Except for retransmission consent, the FCC imposes no restriction on the number or type of distant (or "non-local") television signals a system may carry. FCC regulations, however, require cable television systems serving more than 1,000 subscribers, at the request of a local network affiliate, to protect the local affiliate's broadcast of network programs by blacking out duplicated programs of any distant network-affiliated stations carried by the system. Similar rules require cable television systems to black out the broadcast on distant stations of certain local sporting events not broadcast locally.

The FCC rules also provide exclusivity protection for syndicated programs. Under these rules, television stations may compel cable operators to black out syndicated programming broadcast from distant signals where the local broadcaster has negotiated exclusive local rights to such programming. Syndicated program suppliers are afforded similar rights for a period of one year from the first sale of that program to any television broadcast station in the United States. The FCC rules allow any broadcaster to bargain for and enforce exclusivity rights. However, exclusivity protection may not be granted against a station that is generally available over-the-air in the cable system's market. Cable systems with fewer than 1,000 subscribers are exempt from compliance with the rules. Although broadcasters generally may, under certain circumstances, acquire exclusivity only within 35 miles of their community of license, they may acquire national rights to syndicated programming. The ability to secure national rights is intended to assist so-called "superstations" whose local broadcast signals are then distributed nationally via satellite. The 35-mile limitation has been subject to possible re-examination by the FCC the past several years.

Cable Origination Programming: The FCC also requires that cable origination programming meet certain standards similar to those imposed on broadcasters. These standards include regulations governing political advertising and programming, advertising during children's programming, rules on lottery information, and sponsorship identification requirements.

Customer Service: Pursuant to the 1992 Cable Act, the FCC has promulgated rules on customer service standards. The standards govern cable system office hours, telephone availability, installations, outages, service calls, and communications between the cable operator and subscriber, including billing and refund policies. Although the FCC has stated that its standards are "self effectuating," it has also provided that a franchising authority wishing to enforce particular customer service standards must give the system at least 90 days advance written notice. Franchise authorities also may agree with cable operators to adopt stricter standards and may enact any state or municipal law or regulation which imposes a stricter or different customer service standard than that set by the FCC. Enforcement of customer service standards, including those set by the FCC, is entrusted to local franchising authorities.

Pole Attachment Rates, Inside Wiring, and Technical Standards

The FCC currently regulates the rates and conditions imposed by public utilities for use of their poles, unless, under the Federal Pole Attachments Act, a state public service commission demonstrates that it is entitled to regulate the pole attachment rates. The FCC has adopted a specific formula to administer pole attachment rates under this scheme. The validity of this FCC function was upheld by the United States Supreme Court. The 1996 Act revised the pole attachment rules in a number of ways to encourage competition in the provision of telecommunications services and to address inequity in the current pole attachment rates. The FCC, in a Report and Order released on February 6, 1998, revised its pole attachment rules; there are Petitions for Reconsideration of these changes currently before the Commission. A second proceeding addressing possible changes to the general pole attachment fee calculations is still pending.

The FCC also has established procedures for the orderly disposition of multiple dwelling unit ("MDU") wiring, making it easier for the owners and residents of a MDU to change video service providers. Petitions seeking reconsideration of certain aspects of these rules remain pending at the FCC, and at least one judicial challenge to these rules has been filed in the U.S. Court of Appeals for the Eighth Circuit.

The FCC also has set forth standards on signal leakage. Like all systems, Registrant's cable television systems are subject to yearly reporting requirements regarding compliance with these standards. Further, the FCC has instituted on-site inspections of cable systems to monitor compliance. Any failure by Registrant's cable television systems to maintain compliance with these standards could adversely affect the ability of Registrant's cable television systems to provide certain services.

The 1992 Cable Act empowered the FCC to set certain technical standards governing the quality of cable signals and to preempt local authorities from imposing more stringent technical standards. The FCC's preemptive authority over technical standards for channels carrying broadcast signals has been affirmed by the United States Supreme Court. In 1992, the FCC adopted mandatory technical standards for cable carriage of all video programming, including retransmitted broadcast material, cable originated programs and pay channels. The 1992 Cable Act included a provision requiring the FCC to prescribe regulations establishing minimum technical standards. The FCC has determined that its 1992 rulemaking proceeding satisfied the mandate of the 1992 Cable Act. Those standards focus primarily on the quality of the signal delivered to the cable subscriber's television. In a related vein, the 1996 Act provided that no local franchising authority may prohibit, condition, or restrict a cable system's use of any type of subscriber equipment or any transmission technology.

As part of the 1996 Act, the FCC adopted regulations to ensure the commercial availability of equipment (such as converter boxes and interactive equipment) used to access services offered over multichannel video programming distribution systems, from sources that are unaffiliated with any MVPD. These regulations require that all MVPDs, including cable operators (1) allow customers to attach their own equipment to their systems, (2) not prevent equipment from being offered by retailers, manufacturers or other unaffiliated vendors, (3) separate out security functions from non-security functions of equipment by July 1, 2000 (not applicable to DBS or other systems that operate throughout the U.S. if equipment is available from independent sources), (4) not offer equipment with integrated security and non-security functions after January 1, 2005, and (5) provide, upon request, technical information concerning interface parameters needed to permit equipment to operate with their systems. MVPDs are allowed to protect the security of their systems and programming from unauthorized reception. The rules are subject to sunset after the markets for MVPDs and equipment become fully competitive in a particular geographic market. The FCC refused to adopt specific requirements that equipment be made interoperable between different types of MVPDs. These rules are subject to petitions for reconsideration, which remain pending at the FCC.

State and Local Regulation

Local Authority: Cable television systems are generally operated pursuant to non-exclusive franchises, permits or licenses issued by a municipality or other local governmental entity. The franchises are generally in the nature of a contract between the cable television system owner and the issuing authority and typically cover a broad range of provisions and obligations directly affecting the business of the systems in question. Except as otherwise specified in the Communications Act or limited by specific FCC rules and regulations, the Communications Act permits state and local officials to retain their primary responsibility for selecting franchisees to serve their communities and to continue regulating other essentially local aspects of cable television. The constitutionality of franchising cable television systems by local governments has been challenged as a burden on First Amendment rights but the United States Supreme Court has declared that while cable activities "plainly implicate First Amendment interest" they must be balanced against competing societal interests. The applicability of this broad judicial standard to specific local franchising activities is subject to continuing interpretation by the federal courts.

Cable television franchises generally contain provisions governing the fees to be paid to the franchising authority, the length of the franchise term, renewal and sale or transfer of the franchise, design and technical performance of the system, use and occupancy of public streets, and the number and types of cable services provided. The specific terms and conditions of the franchise directly affect the profitability of the cable television system. Franchises are generally issued for fixed terms and must be renewed periodically. There can be no assurance that such renewals will be granted or that renewals will be made on similar terms and conditions.

Various proposals have been introduced at state and local levels with regard to the regulation of cable television systems and a number of states have adopted legislation subjecting cable television systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a public utility character. Increased state and local regulations may increase cable television system expenses.

Radio Industry

The radio industry is also subject to extensive regulation by the FCC, which, among other things, is authorized to issue, renew, revoke and modify broadcasting licenses; assign frequency bands; determine stations' frequencies, locations, and power; regulate the equipment used by stations; adopt other regulations to carry out the provisions of the Communications Act; impose penalties for violation of such regulations; and impose fees for processing applications and other administrative functions. The Communications Act prohibits the assignment of a license or the transfer of control of a licensee without prior approval of the FCC.

The 1996 Act completely eliminated the national radio ownership restriction. Any number of AM or FM broadcast stations may be owned or controlled by one entity nationally. The 1996 Act also greatly eased local radio ownership restrictions. As with the old rules, the maximum varies depending on the number of radio stations within the market. In markets with more than 45 stations, one company may own, operate, or control eight stations, with no more than five in any one service (AM or FM). In markets of 30-44 stations, one company may own seven stations, with no more than four in any one service; in markets with 15-29 stations, one entity may own six stations, with no more than four in any one service. In markets with 14 commercial stations or less, one company may own up to five stations or 50% of all of the stations, whichever is less, with no more than three in any one service.

This new regulatory flexibility has engendered aggressive local, regional, and/or national acquisition campaigns. Removal of previous station ownership limitations on leading major station groups has increased the competition for and the prices of attractive stations. In 1992, the FCC placed limitations on local marketing agreements ("LMAs") through which the licensee of one radio station provides the programming for another licensee's station in the same market. Stations operating in the same service (e.g., where both stations are AM) and in the same market are prohibited from simulcasting more than 25% of their programming. Moreover, in determining the number of stations that a single entity may control, an entity programming a station pursuant to an LMA is required, under certain circumstances, to count that station toward its maximum even though it does not own the station.

The 1996 Act did not alter the FCC's newspaper/broadcast cross-ownership restrictions. However, the FCC is considering whether to change the policy pursuant to which it considers waivers of the radio/newspaper cross-ownership rule.

License Grant and Renewal

Prior to the passage of the 1996 Act, radio broadcasting licenses generally were granted or renewed for a period of seven years, upon a finding by the FCC that the "public interest, convenience, and necessity" would be served thereby. At the time an application is made for renewal of a radio license, parties in interest may file petitions to deny the application, and such parties, including members of the public, may comment upon the service the station has providing during the preceding license term.

Under the 1996 Act, the statutory restriction on the length of broadcast licenses has been amended to allow the FCC to grant radio broadcast licenses for terms of up to eight years. The 1996 Act also requires renewal of a broadcast license if the FCC finds that (1) the station has served the public interest, convenience, and necessity; (2) there have been no serious violations of either the Communications Act or the FCC's rules and regulations by the licensee; and (3) there have been no other serious violations which taken together constitute a pattern of abuse. In making its determination, the FCC may consider petitions to deny but cannot consider whether the public interest would be better served by a person other than the renewal applicant. Instead, under the 1996 Act, competing applications for the same frequency may be accepted only after the Commission has denied an incumbent's application for renewal of license. Registrant's ability to continue to operate its radio stations remains subject to its ability to maintain its FCC authorizations.

Alien Ownership Restrictions

The Communications Act restricts the ability of foreign entities or individuals to own or hold certain interests in broadcast licenses. Foreign governments, representatives of foreign governments, non-U.S. citizens, representatives of non-U.S. citizens, and corporations or partnerships organized under the laws of a foreign nation are barred from holding broadcast licenses. Non-U.S. citizens, collectively, may directly or indirectly own or vote up to twenty percent of the capital stock of a licensee. In addition, a broadcast license may not be granted to or held by any corporation that is controlled, directly or indirectly, by any other corporation more than one-fourth of whose capital stock is owned or voted by non-U.S. citizens or their representatives, by foreign governments or their representatives, or by non-U.S. corporations , if the FCC finds that the public interest will be served by the refusal or revocation of such license. The FCC has interpreted this provision of the Communications Act to require an affirmative public interest finding before a broadcast license may be granted to or held by any such corporation, and the FCC has made such an affirmative finding only in limited circumstances.

Alternative Radio Services

In January 1995, the FCC adopted rules to allocate spectrum for satellite digital audio radio service ("DARS"). Satellite DARS systems potentially could provide for regional or nationwide distribution of radio programming with fidelity comparable to compact disks. An auction for satellite DARS spectrum was held in April 1998, and the Commission has issued two authorizations to launch and operate satellite DARS service. More recently, a third company has applied to the FCC to provide satellite DARS. The FCC also has undertaken an inquiry into the terrestrial broadcast of DARS signals, addressing, among other things, the need for spectrum outside the existing FM band and the role of existing broadcasters. Registrant cannot predict the impact of either satellite DARS service or terrestrial DARS service on its business.

Impact of Legislation and Regulation

As detailed above, the cable and radio industries are subject to significant regulation. The foregoing, however, does not purport to be a complete summary of all the provisions of the Communications Act, the 1996 Act, or the 1992 Cable Act, nor of the regulations and policies of the FCC thereunder. Because regulation of the broadcast and cable industries is subject to the political process, it continues to change. Proposals for additional or revised regulations and requirements are pending before and are being considered by Congress and federal regulatory agencies and will continue to be generated. Also, various of the foregoing matters are now, or may become, the subject of court litigation. Registrant cannot predict the outcome of pending regulatory proposals, any future proposals, or any such litigation. Nor can Registrant predict the impact of these on its business.

Item 2. Properties.

A description of the media properties of Registrant is contained in Item 1 above. Registrant owns or leases real estate for certain transmitting equipment along with space for studios and offices. Registrant believes that the properties owned by the stations and the other equipment and furniture and fixtures owned are in reasonably good condition and are adequate for the operations of the stations.

In addition, the offices of RPMM and MLMM are located at 350 Park Avenue - 16th Floor, New York, New York 10022 and at The World Financial Center, South Tower - 14th Floor, New York, New York, 10080-6114; respectively.

Item 3. Legal Proceedings.

On August 29, 1997, a purported class action was commenced in New York Supreme Court, New York County, on behalf of the limited partners of Registrant, against Registrant, Registrant's general partner, Media Management Partners (the "General Partner"), the General Partner's two partners, RP Media Management ("RPMM") and ML Media Management Inc. ("MLMM"), Merrill Lynch & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"). The action concerns Registrant's payment of certain management fees and expenses to the General Partner and the payment of certain purported fees to an affiliate of RPMM.

Specifically, the plaintiffs allege breach of the Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), breach of fiduciary duties, and unjust enrichment by the General Partner in that the General Partner allegedly: (1) improperly deferred and accrued certain management fees and expenses in an amount in excess of $14.0 million, (2) improperly paid itself such fees and expenses out of proceeds from sales of Registrant assets, and (3) improperly paid MultiVision Cable TV Corp., an affiliate of RPMM, supposedly duplicative fees in an amount in excess of $14.4 million.

With respect to Merrill Lynch & Co., Inc., Merrill Lynch, MLMM and RPMM, plaintiffs claim that these defendants aided and abetted the General Partner in the alleged breach of the Partnership Agreement and in the alleged breach of the General Partner's fiduciary duties. Plaintiffs seek, among other things, an injunction barring defendants from paying themselves management fees or expenses not expressly authorized by the Partnership Agreement, an accounting, disgorgement of the alleged improperly paid fees and expenses, and compensatory and punitive damages. Defendants believe that they have good and meritorious defenses to the action, and vigorously deny any wrongdoing with respect to the alleged claims. Defendants moved to dismiss the complaint and each claim for relief therein. On March 3, 1999, the New York Supreme Court issued an order granting Registrant's and co-defendants' motion and dismissing plaintiffs' complaint in its entirety, principally on the ground that the claims are derivative and plaintiffs lack standing to bring suit because they failed to make a pre-litigation demand on the General Partner. Plaintiffs' time to appeal has not yet expired.

The Partnership Agreement provides for indemnification, to the fullest extent provided by law, for any person or entity named as a party to any threatened, pending or completed lawsuit by reason of any alleged act or omission arising out of such person's activities as a General Partner or as an officer, director or affiliate of either RPMM, MLMM or the General Partner, subject to specified conditions. In connection with the purported class action filed on August 29, 1997, Registrant has received notices of requests for indemnification from the following defendants named therein: the General Partner, RPMM, MLMM, Merrill Lynch & Co., Inc. and Merrill Lynch. For the years ended December 25, 1998 and December 26, 1997, Registrant incurred approximately $223,000 and $280,000, respectively, for legal costs relating to such indemnification. Such cumulative costs amount to approximately $503,000 through December 25, 1998.

Registrant is not aware of any other material legal proceedings.

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

There were no matters which required a vote of the limited partners of Registrant during the fourth quarter of the fiscal year covered by this report.

Part II.

Item 5. Market for Registrant's Common Stock and Stockholder Matters.

An established public market for Registrant's Units does not now exist, and it is not anticipated that such a market will develop in the future. Accordingly, accurate information as to the market value of a Unit at any given date is not available.

As of March 5, 1999, the number of owners of Units was 13,745.

Merrill Lynch has implemented guidelines pursuant to which it reports estimated values for limited partnership interests originally sold by Merrill Lynch (such as Registrant's Units) two times per year. Such estimated values will be provided to Merrill Lynch by independent valuation services based on financial and other information available to the independent services on (1) the prior August 15th for reporting on December year-end and subsequent client account statements through the following May's month-end client account statements, and on (2) March 31st for reporting on June month-end and subsequent client account statements through the November month-end client account statements of the same year. The estimated values provided by the independent services and the Registrant's current net asset value are not market values and Unit holders may not be able to sell their Units or realize either amount upon a sale of their Units. In addition, Unit holders may not realize the independent estimated value or the Registrant's current net asset value amount upon the liquidation of Registrant.

Registrant does not distribute dividends, but rather distributes Distributable Cash From Operations, Distributable Refinancing Proceeds, and Distributable Sale Proceeds, to the extent available. In 1995, $7.5 million ($40 per Unit) was distributed to its limited partners and $75,957 to its General Partner from distributable sales proceeds from the sale of KATC-TV. In 1996, $108.1 million ($575 per Unit) was distributed to its limited partners and $1.1 million to its General Partner from distributable sales proceeds from the sale of California Cable Systems. In 1997, $18.8 million ($100 per Unit) was distributed to its limited partners and $189,893 accrued to its General Partner from the (i) discharge of certain proceeds that were deposited into escrow upon the sale of KATC-TV; (ii) discharge of certain proceeds that were deposited into escrow upon the sale of the California Cable Systems; and (iii) release of certain reserves previously established upon the sales of KATC-TV, WREX-TV and the California Cable Systems. In 1998, the $189,893, accrued in 1997, was distributed to its General Partners. In March 1999, $63.4 million ($337 per Unit) will be distributed to its limited partners and $639,939 to its General Partner from (i) distributable sales proceeds from the sale of the Anaheim Stations, (ii) distributable sales proceeds from the sale of the Cleveland Station and (iii) the release of certain reserves previously established upon the sale of the California Cable Systems.

Item 6. Selected Financial Data.

<TABLE>
<CAPTION>

<S>	<C> Year Ended December 25, 1998	<C> Year Ended December 26, 1997	<C> Year Ended December 27, 1996
Operating revenues	$ 54,431,493	$ 53,223,983	$ 71,831,996
Gain on sale of the California Cable Systems	$ -	$ -	$ 185,609,191
Gain on sale of television stations	$ -	$ 3,702,725	$ -
Gain on sale of C-ML Radio	$ 2,752,975	$ -	$ -
Write-off of fixed assets	$ 859,078	$ -	$ -
Net Income	$ 14,169,444	$ 19,467,688	$ 189,711,304

Net Income per Unit of Limited Partnership Interest	$ 74.62	$ 102.52	$ 999.04
Number of Units	187,994	187,994	187,994
	As of December 25, 1998	As of December 26, 1997	As of December 27, 1996
Total Assets	$ 161,792,619	$ 156,646,178	$ 160,994,824
Borrowings	$ 41,993,137	$ 54,244,038	$ 60,348,428

</TABLE>

<TABLE>
<CAPTION>

<S>	<C> Year Ended December 29, 1995	<C> Year Ended December 30, 1994
Operating revenues	$ 109,214,031	$ 105,910,208
Gain on sale of television stations	$ 22,796,454	$ -
Net Income/(Loss)	$ 21,490,240	$ (1,450,756)
Net Income/(Loss) per Unit of Limited Partnership Interest	$ 113.17	$ (7.64)
Number of Units	187,994	187,994
	As of December 29, 1995	As of December 30, 1994
Total Assets	$ 210,198,496	$ 238,330,358
Borrowings	$ 182,821,928	$ 218,170,968

</TABLE>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Liquidity and Capital Resources.

As of December 25, 1998, Registrant had $101,394,305 in cash and cash equivalents. Of this amount, approximately $42.2 million is restricted for use at the operating level of the Venture (as defined below) to fund capital expenditure programs and satisfy future non-recourse debt service requirements (including annual principal payments of $20 million, $10 million of which is Registrant's share, which commenced November 30, 1998) and approximately $23.2 million ($6.1 million of which is being released for the March 1999 cash distribution; see below) is held in cash to cover operating liabilities, current litigation, and litigation contingencies relating to the California Cable Systems prior to and resulting from their sale. In addition, approximately $26.8 million is being held for use at the operating level of Registrant's other remaining media properties, and all remaining cash and cash equivalents are available to Registrant for uses as provided in the Partnership Agreement. As of December 25, 1998, the amount payable for accrued management fees and expenses owed to the General Partner amounted to approximately $1.4 million.

Registrant's ongoing cash needs will be to fund debt service, capital and operating expenditures and required working capital as well as to provide for costs and expenses related to the purported class action lawsuit (see below).

During the year ended December 25, 1998, interest paid was $5,070,031 and principal repayments of $12,250,901 were made. During 1999, Registrant is required by its various debt agreements to make scheduled principal repayments of $10.0 million under all its debt agreements after the repayment in full of the Wincom-WEBE-WICC Loan during the first quarter of 1999.

On March 1, 1999, Registrant declared a $337 per $1,000 limited partnership unit ("Unit") cash distribution (less applicable state and federal withholding taxes) totaling $63,353,978 that will be made to partners on March 30 and 31, 1999. In addition, a cash distribution of $636,939 will be paid to the General Partner representing its 1% share. The funds for this distribution have been derived from: (i) distributable sales proceeds from the sale of the Anaheim Stations; (ii) distributable sales proceeds from the sale of the Cleveland Station; and (iii) amounts released from certain reserves previously established upon the sale of the California Cable Systems. In accordance with the terms of the Partnership Agreement, funds from sales reserves are distributed to partners of record as of the date of their release (the date when Registrant determines such reserves are no longer necessary), rather than to partners of record on the date of such sale. Accordingly, the limited partners' portion of such distribution has been composed of the following: (a) $119 per Unit (totaling $22,371,286) from distributable sales proceeds from the January 4, 1999 sale of the Anaheim Stations, which will be paid to partners of record as of January 4, 1999; (b) $186 per Unit (totaling $34,966,884) from distributable sales proceeds from the January 28, 1999 sale of the Cleveland Station, which will be paid to partners of record as of January 28, 1999; and (c) $32 per Unit (totaling $6,015,810) from amounts released from reserves established in connection with the 1996 sale of the California Cable Systems (see above), which will be paid to partners of record on March 1, 1999.

As of December 25, 1998, Registrant's operating investments in media properties consisted of a 50% interest in a joint venture (the "Venture"), which owns 100% of the stock of Century-ML Cable Corporation ("C-ML Cable"), which owns and operates two cable television systems in Puerto Rico; an FM (WEBE-FM) and AM (WICC-AM) radio station combination in Bridgeport, Connecticut; an FM ("KEZY-FM") and AM ("KORG-AM") radio station combination in Anaheim, California; and Wincom Broadcasting Corporation ("Wincom"), a corporation that owns an FM radio station ("WQAL-FM") in Cleveland, Ohio. On January 4, 1999, Registrant consummated the sale of substantially all of the assets used in the operations of the KEZY-FM and KORG-AM radio station combination (see further discussion under KEZY-FM and KORG-AM below). On January 28, 1999, Registrant consummated the sale of the stock of the WQAL-FM radio station (see further discussion under Wincom below).

In June 1998, the Venture consummated the sale of an FM ("WFID-FM") and AM ("WUNO-AM") radio station, including Noti Uno News, combination and a background music service in San Juan, Puerto Rico ("C-ML Radio") (see further discussion under Puerto Rico Radio below).

On March 5, 1999, Century announced its pending acquisition by Adelphia Communications Corporation. The General Partner continues to explore the various sale alternatives for its interest in C-ML Cable.

Registrant continues its efforts to enter into agreements to sell its remaining investments in media properties; however, due to changing market conditions, it may not be prudent to enter into such agreements at the present time. Registrant will continue to monitor industry markets and proceed with its efforts to secure a timely sale of its remaining investments in a manner consistent with the overall goal of maximizing the properties' value to Registrant.

The General Partner currently anticipates that the pendency of certain litigation, as discussed below, the related claims against Registrant for indemnification, other costs and expenses related to such litigation, and the involvement of management, will adversely affect (i) the timing of the termination of Registrant, (ii) the amount of proceeds which may be available for distribution, and (iii) the timing of the distribution to the limited partners of the net proceeds from the liquidation of Registrant's assets.

In September 1998, much of Puerto Rico was devastated by Hurricane Georges. Although the final assessment of damage suffered at C-ML Cable is not complete, Registrant's share of damage to the distribution plant of approximately $859,000 was incurred. Since such repairs were not covered by insurance policies, such amount of net plant and equipment was written-off during the year ended December 25, 1998. During the year ended December 25, 1998, Registrant recorded, as revenue, approximately $1.9 million of anticipated insurance recoveries related to subscriber refunds. Registrant is in the process of finalizing an insurance claim related to such hurricane damage at C-ML Cable. The ultimate resolution of these claims is subject to further negotiations with the insurance carrier.

On August 29, 1997, a purported class action was commenced in New York Supreme Court, New York County, on behalf of the limited partners of Registrant, against Registrant, Registrant's general partner, Media Management Partners (the "General Partner"), the General Partner's two partners, RP Media Management ("RPMM") and ML Media Management Inc. ("MLMM"), Merrill Lynch & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"). The action concerns Registrant's payment of certain management fees and expenses to the General Partner and the payment of certain purported fees to an affiliate of RPMM.

Specifically, the plaintiffs allege breach of the Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), breach of fiduciary duties, and unjust enrichment by the General Partner in that the General Partner allegedly: (1) improperly deferred and accrued certain management fees and expenses in an amount in excess of $14.0 million; (2) improperly paid itself such fees and expenses out of proceeds from sales of Registrant assets; and (3) improperly paid MultiVision Cable TV Corp., an affiliate of RPMM, supposedly duplicative fees in an amount in excess of $14.4 million.

With respect to Merrill Lynch & Co., Inc., Merrill Lynch, MLMM and RPMM, plaintiffs claim that these defendants aided and abetted the General Partner in the alleged breach of the Partnership Agreement and in the alleged breach of the General Partner's fiduciary duties. Plaintiffs seek, among other things, an injunction barring defendants from paying themselves management fees or expenses not expressly authorized by the Partnership Agreement, an accounting, disgorgement of the alleged improperly paid fees and expenses, and compensatory and punitive damages. Defendants believe that they have good and meritorious defenses to the action, and vigorously deny any wrongdoing with respect to the alleged claims. Defendants moved to dismiss the complaint and each claim for relief therein. On March 3, 1999, the New York Supreme Court issued an order granting Registrant's and co-defendants' motion and dismissing plaintiffs' complaint in its entirety, principally on the ground that the claims are derivative and plaintiffs lack standing to bring suit because they failed to make a pre-litigation demand on the General Partner. Plaintiffs' time to appeal has not yet expired.

The Partnership Agreement provides for indemnification, to the fullest extent provided by law, for any person or entity named as a party to any threatened, pending or completed lawsuit by reason of any alleged act or omission arising out of such person's activities as a General Partner or as an officer, director or affiliate of either RPMM, MLMM or the General Partner, subject to specified conditions. In connection with the purported class action filed on August 29, 1997, Registrant has received notices of requests for indemnification from the following defendants named therein: the General Partner, RPMM, MLMM, Merrill Lynch & Co., Inc. and Merrill Lynch. For the years ended December 25, 1998 and December 26, 1997, Registrant incurred approximately $223,000 and $280,000, respectively, for legal costs relating to such indemnification. Such cumulative costs amount to approximately $503,000 through December 25, 1998.

KEZY-FM and KORG-AM

On January 4, 1999, Registrant consummated a sale to Citicasters Co., a subsidiary of Jacor Communications, Inc. ("Citicasters") of substantially all of the assets, other than cash and accounts receivable, used in the operations of Registrant's radio stations, KORG-AM and KEZY-FM, serving Anaheim, California (the "Anaheim Stations"), pursuant to the asset purchase agreement (the "Anaheim Agreement") dated September 14, 1998, as amended.

The base sales price for the Anaheim Stations was $30,100,000, subject to certain adjustments for the apportionment of income and liabilities as of the closing date, as provided for in the Anaheim Agreement, resulting in a reduction of the base sales price of approximately $20,000.

Pursuant to the Anaheim Agreement, Registrant deposited $1.0 million into an indemnity escrow account against which Citicasters may make indemnification claims for a period of one year after the closing. In addition, Registrant held approximately $5.2 million of the sales proceeds to pay (or to reserve for payment of) expenses and liabilities relating to the operations of the Anaheim Stations prior to the sale as well as wind-down expenses, sale-related expenses and contingent obligations of the Anaheim Stations. The remaining sales proceeds of $23,840,000 will be included in the cash distribution made to partners on March 30, 1999, after accounting for certain expenses of Registrant, in accordance with the terms of the Partnership Agreement. To the extent any amounts reserved or paid into escrow as described above are subsequently discharged, such amounts will be distributed to partners of record as of the date of such discharge from such escrow. In 1999, Registrant will recognize a gain on the sale of the Anaheim Stations.

Wincom

On January 28, 1999, Registrant consummated a sale to Chancellor Media Corporation of Los Angeles ("Chancellor") of the stock of Wincom, pursuant to a stock purchase agreement (the "Cleveland Agreement") dated August 11, 1998. Wincom owns all of the outstanding stock of Win Communications, Inc., which owns and operates the radio station WQAL-FM, serving Cleveland, Ohio (the "Cleveland Station").

The base sales price for the Cleveland Station was $51,250,000, subject to certain adjustments for the apportionment of current assets and liabilities as of the closing date, as provided for in the Cleveland Agreement, resulting in a reduction of the base sales price of approximately $1.6 million.

Pursuant to the Cleveland Agreement, Registrant deposited $2.5 million into an indemnity escrow account against which Chancellor may make indemnification claims for a period of up to two years after the closing; $1.5 million, less any claims previously asserted, will be discharged from such escrow on December 31, 1999. Approximately $2.0 million was used to repay in full the remaining outstanding balance of the Wincom-WEBE-WICC Loan and pursuant to the terms of the Wincom-WEBE-WICC Loan, an initial amount of approximately $7.3 million was paid to the Wincom Bank, pursuant to its 15% residual interest in the net sales proceeds from the sale of Wincom. In addition, Registrant held approximately $2.5 million of the sales proceeds to pay (or to reserve for payment of) wind-down expenses and sale-related expenses. The remaining sales proceeds of $35.4 million will be included in the cash distribution made to partners on March 30, 1999 in accordance with the terms of the Partnership Agreement. To the extent any amounts reserved or paid into escrow as described above are subsequently discharged, such amounts will be distributed to partners of record as of the date of such discharge from such escrow. In 1999, Registrant will recognize a gain on the sale of the Cleveland Station.

Additionally, in connection with the Cleveland Agreement, WIN and Chancellor entered into a Time Brokerage Agreement, pursuant to which WIN made substantially all of the time on the station available to Chancellor in exchange for a monthly payment by Chancellor to WIN. The Time Brokerage Agreement became effective on October 1, 1998.

On December 31, 1997, the Wincom-WEBE-WICC Loan matured and became due and payable in accordance with its terms. As of that date, $4,244,038 of such amount remained due and payable to the Wincom Bank. Although Registrant remained in default on the Wincom-WEBE-WICC Loan during 1998, it paid $2,250,901 of principal resulting in an outstanding balance of $1,993,137 as of December 25, 1998. In 1999, Registrant repaid the remaining outstanding balance of the Wincom-WEBE-WICC Loan in full, however, the default has not been waived by the Wincom Bank. Pursuant to the terms of the Wincom-WEBE-WICC Loan, an initial amount of approximately $7.3 million was paid to the Wincom Bank in 1999, pursuant to its 15% residual interest in the net sales proceeds from the sale of Wincom (see above).

Puerto Rico Radio

On June 3, 1998, the Venture consummated the sale of C-ML Radio pursuant to a sales agreement entered into in October 1997 between the Venture and Madifide, Inc. The base sales price for C-ML Radio was approximately $11.5 million, approximately $5.8 million of which is Registrant's share, subject to closing adjustments. Pursuant to a local marketing agreement ("LMA") entered into, effective as of October 1, 1997, the buyer was allowed to program the station from such date through the date of sale. C-ML Radio collected a monthly LMA fee from the buyer which was equal to the operating income for that month, provided however, that it not be less than $50,000 nor more than $105,000. The monthly fee was recognized as revenue during the LMA period and Registrant did not recognize any operating revenues nor incur any net operating expenses of C-ML Radio during the LMA period. At the closing, the Venture and Madifide, Inc. entered into escrow agreements pursuant to which the Venture deposited, in aggregate, $725,040, $362,520 of which is Registrant's share, into three separate escrow accounts with respect to which indemnification, benefit, and chattel mortgage claims may be made by Madifide, Inc. for a period of one year. The balance of these escrows, which is being classified on the accompanying Consolidated Balance Sheet as Investments held by escrow agents, was $321,023 as of December 25, 1998. In 1998, Registrant recognized a gain for financial reporting purposes of approximately $2.8 million on the sale of C-ML Radio.

Pursuant to the terms of the outstanding senior indebtedness that jointly finances C-ML Radio and C-ML Cable, the net proceeds, and escrow amounts when discharged, if any, from the resulting sale of C-ML Radio must be retained by the Venture and cannot be distributed to Registrant or its partners. During the year ended December 25, 1998, the Venture paid $20 million, $10 million of which is Registrant's share, of principal under the outstanding senior indebtedness. The outstanding balance as of December 25, 1998 was $80 million, $40 million of which is Registrant's share.

California Cable Systems

On November 28, 1994, Registrant entered into an agreement (the "Asset Purchase Agreement") with Century Communications Corp. ("Century") to sell to Century substantially all of the assets used in Registrant's California Cable Operation serving the Anaheim, Hermosa Beach/Manhattan Beach, Rohnert Park/Yountville and Fairfield communities (the "California Cable Systems"). On May 31, 1996, Registrant consummated such sale pursuant to the terms of the Asset Purchase Agreement. The base purchase price for the California Cable Systems was $286 million, subject to certain adjustments including an operating cash flow, as well as, a working capital adjustment, as provided in the Asset Purchase Agreement.

In addition, upon closing of the sale of the California Cable Systems, Registrant set aside approximately $40.7 million in a cash reserve to cover operating liabilities, current litigation, and litigation contingencies relating to the California Cable Systems' operations prior to and resulting from their sale, as well as a potential purchase price adjustment. In accordance with the terms of the Partnership Agreement, any amounts which may be available for distribution from any unused cash reserves, after accounting for certain other expenses of Registrant including certain expenses incurred after May 31, 1996, will be distributed to partners of record as of the date such unused reserves are released, when Registrant determines such reserves are no longer necessary, rather than to the partners of record on May 31, 1996, the date of the sale. As of December 25, 1998, Registrant had approximately $23.2 million remaining in such cash reserves. On March 1, 1999, reserves in the amount of approximately $6.1 million were released and, in accordance with the terms of the Partnership Agreement, have been included in the cash distribution to be made on March 31, 1999.

Year 2000 Compliance Initiative

The year 2000 ("Y2K") problem is the result of a widespread programming technique that causes computer systems to identify a date based on the last two numbers of a year, with the assumption that the first two numbers of the year are "19". As a result, the year 2000 would be stored as "00", causing computers to incorrectly interpret the year as 1900. Left uncorrected, the Y2K problem may cause information technology systems (e.g., computer databases) and non-information technology systems (e.g., elevators) to produce incorrect data or cease operating completely.

Overall, Registrant believes that it has identified and evaluated its internal Y2K problem and that it is devoting sufficient resources to renovating technology systems that are not already Y2K compliant. Registrant has been working with third-party software vendors to ensure that computer programs utilized by Registrant are Y2K compliant. In addition, Registrant has contacted third parties to ascertain whether these entities are addressing the Y2K issue within their own operation.

The Y2K compliance is required at both Registrant's parent level, as well as at Registrant's operating investments in media properties, which currently includes a cable television system and two radio systems (the "Media Properties").

Parent level
The General Partner, through MLMM is responsible for providing administrative and accounting services necessary to support Registrant's operations, including maintenance of the books and records, maintenance of the partner database, issuance of financial reports and tax information to partners and processing distribution payments to partners. In 1995, Merrill Lynch established the Year 2000 Compliance Initiative, which is an enterprisewide effort (of which MLMM is a part) to address the risks associated with the Y2K problem, both internal and external. The integration testing phase, which will occur throughout 1999, validates that a system can successfully interface with both internal and external systems. Merrill Lynch continues to survey and communicate with third parties whose Year 2000 readiness is important to the company. Based on the nature of the response and the importance of the product or service involved, Merrill Lynch determines if additional testing is needed.

Merrill Lynch will participate in further industrywide testing currently scheduled for March and April 1999, which will involve an expanded number of firms, transactions, and conditions.

Media Properties level
During 1998, the Media Properties began a review of their computer systems and related software to identify systems and software which might malfunction due to a misidentification of the year 2000. The Media Properties are utilizing both internal and external resources to identify, correct or reprogram, and test systems for Y2K compliance. Most of the Media Properties' customer-related computer systems and databases, including its billing systems, are managed by third parties under contractual arrangements. Those third parties have been requested to advise the Media Properties as to whether they anticipate difficulties in addressing Y2K problems and if so, the nature of such difficulties. The Media Properties are currently undertaking an inventory of all local equipment used in the transmission and reception of all signals to identify items that need to be upgraded or replaced. After evaluating its internal compliance efforts as well as the compliance of third parties, the Media Properties will develop, during 1999, appropriate contingency plans to address situations in which various systems of third parties are not Y2K compliant.

The Media Properties are also participating in an industry wide effort to address Y2K issues with similarly situated companies in order to monitor industry wide efforts and determine appropriate steps to address the anticipated difficulties and potential solutions; the ultimate goal of which is to develop contingency plans which address not only issues of the Media Properties, but also the industry as a whole.

Although Registrant has not finally determined the cost associated with its Year 2000 readiness efforts, Registrant does not anticipate the cost of the Y2K problem to be material to its business, financial condition or results of operations in any given year. However, there can be no guarantee that the systems of other companies on which Registrant's systems rely will be timely converted, or that a failure to convert by another company or a conversion that is incompatible with Registrant's systems would not have a material adverse effect on Registrant's business, financial condition or results of operations.

Recent Accounting Statements Not Yet Adopted

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities, requiring the recognition of all derivatives as either assets or liabilities and to measure those instruments at fair value, as well as to identify the conditions for which a derivative may be specifically designed as a hedge. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. Registrant is still evaluating what effect, if any, SFAS No. 133 will have on the results of operations and financial position of Registrant.

Impact of Legislation and Regulation

The information set forth in the Legislation and Regulation Section of Part I, Item 1. Business, is hereby incorporated by reference and made a part hereof.

Forward Looking Information

In addition to historical information contained or incorporated by reference in this report on Form 10-K, Registrant may make or publish forward-looking statements about management expectations, strategic objectives, business prospects, anticipated financial performance, and other similar matters. In order to comply with the terms of the safe harbor for such statements provided by the Private Securities Litigation Reform Act of 1995, Registrant notes that a variety of factors, many of which are beyond its control, affect its operations, performance, business strategy, and results and could cause actual results and experience to differ materially from the expectations expressed in these statements. These factors include, but are not limited to, the effect of changing economic and market conditions, trends in business and finance, trends in investor sentiment, the level of volatility of interest rates, the actions undertaken by both current and potential new competitors, the impact of current, pending, and future legislation and regulation both in the United States and throughout the world, and the other risks and uncertainties detailed in this Form 10-K. Registrant undertakes no responsibility to update publicly or revise any forward-looking statements.

Results of Operations.

For the years ended December 25, 1998 and December 26, 1997:

Net Income.

Registrant's net income for the year ended December 25, 1998 was approximately $14.2 million, as compared to net income of approximately $19.5 million for the 1997 period. The decrease in net income for the 1998 period resulted primarily from the approximate $3.7 million gain in connection with the sales of WREX and KATC which were recognized in the 1997 period, offset by the approximate $2.8 million gain in connection with the sale of C-ML Radio in 1998, as well as the effect on operations of such sales and other factors described below.

Operating Revenues.

During the years ended December 25, 1998 and December 26, 1997, Registrant had total operating revenues of approximately $54.4 million and $53.2 million, respectively. The approximate $1.2 million increase in operating revenues was primarily due to an increase of approximately $3.2 million in operating revenues at C-ML Cable partially offset by a decrease of approximately $1.9 million in operating revenues at C-ML Radio and a decrease of approximately $954,000 at Wincom. The increase in operating revenues at C-ML Cable reflects an increase in the number of basic subscribers from 123,990 as of December 26, 1997, to 130,518 as of December 25, 1998, an increase in premium revenues due to an increase in premium subscriptions, as well as an increase in advertising sales. The decrease in operating revenues at C-ML Radio is due to the recognition of a monthly fee instead of actual operating revenues and expenses, in accordance with the LMA entered into during the fourth quarter of 1997 as well as the effect of the sale of C-ML Radio on June 3, 1998. The remaining increases or decreases in operating revenues at Registrant's other properties were immaterial, either individually or in the aggregate.

Interest Income.

During the years ended December 25, 1998 and December 26, 1997, Registrant earned interest income of approximately $2.7 million and $3.4 million, respectively. The decrease is due primarily to interest earned on the lower average cash reserve balances that existed during 1998 resulting from the fourth quarter 1997 cash distribution.

Property Operating Expense.

During the years ended December 25, 1998 and December 26, 1997, Registrant incurred property operating expenses from year to year of approximately $18.4

million and $19.2 million, respectively. The approximate $757,000 decrease in property operating expenses from year to year was primarily due to a decrease of approximately $1.3 million at C-ML Radio, which resulted from the recognition of a monthly fee instead of actual operating revenues and expenses, in accordance with the LMA entered into during the fourth quarter of 1997, as well as the effect of the sale of C-ML Radio on June 3, 1998 and a decrease of approximately $648,000 at Wincom due to the entering into an LMA on October 1, 1998. This decrease was partially offset by an increase of approximately $1.2 million at C-ML Cable, which resulted from expenses directly related to an increase in operating revenues, increased maintenance costs, as well as an increase in overtime expenses due to Hurricane Georges. The remaining increases or decreases in property operating expenses at Registrant's other properties were immaterial, either individually or in the aggregate.

General and Administrative Expense.

During the years ended December 25, 1998 and December 26, 1997, Registrant incurred general and administrative expenses of approximately $12.8 million and $7.9 million, respectively. The approximate $4.9 million increase in total general and administrative expenses from year to year was primarily due to an increase of approximately $4.4 million at C-ML Cable and approximately $649,000 at C-ML Radio, both primarily due to an increase in the provision for income taxes for the 1998 period as the joint venture had used its remaining net operating loss carryforwards and is now a taxpayer, and by an increase of approximately $747,000 at Wincom due primarily to the forgiveness of a receivable. These increases were partially offset by a decrease of approximately $434,000 resulting from the receipt, in 1998, of tax assessment refunds related to the California Cable Systems and a decrease of approximately $375,000 at Wincom resulting from the recognition of a monthly fee instead of actual operating revenues and expenses, in accordance with the LMA entered into during the fourth quarter of 1998. The remaining increases or decreases in general and administrative expenses at Registrant's other properties were immaterial, either individually or in the aggregate.

Depreciation and Amortization Expense.

During the years ended December 25, 1998 and December 26, 1997, Registrant's depreciation and amortization expense totaled approximately $7.5 million. The depreciation and amortization expense remained flat from year to year primarily due to an increase of approximately $351,000 at C-ML Cable partially due to a net increase in the asset base resulting from the plant expansion, partially offset by a combined decrease of approximately $157,000 at the Wincom-WEBE-WICC Group due to certain assets becoming fully amortized at the end of 1997, a decrease of approximately $110,000 at C-ML Radio resulting from the sale of C-ML Radio on June 3, 1998 and a decrease of approximately $94,000 at the Anaheim Stations due to assets becoming fully depreciated in 1997 and early 1998. The remaining increases or decreases in depreciation and amortization expense at Registrant's other properties were immaterial, either individually or in the aggregate.

For the years ended December 26, 1997 and December 27, 1996:

Net Income.

Registrant's net income for the year ended December 26, 1997 was approximately $19.5 million, as compared to net income of approximately $189.7 million for the 1996 period. The decrease in net income for the 1997 period resulted primarily from the gain recognized in connection with the sale of the California Cable Systems during the second quarter of 1996, as well as the effect on operations of such sale and other factors described below.

Operating Revenues.

During the years ended December 26, 1997 and December 27, 1996, Registrant had total operating revenues of approximately $53.2 million and $71.8 million, respectively. The approximate $18.6 million decrease in operating revenues was primarily due to a decrease of approximately $24.1 million in operating revenues resulting from the sale of the California Cable Systems during the second quarter of 1996, partially offset by an increase in operating revenues at C-ML Cable of approximately $2.2 million as well as a combined increase of approximately $3.4 at the Wincom-WEBE-WICC Group. The increase in operating revenues at C-ML Cable reflects an increase in the number of basic subscribers during 1997, and implementation of rate increases. The average level of basic subscribers at C-ML Cable increased to 120,664 in 1997 from 116,497 in 1996, and the total number of basic subscribers increased to 123,990 at the end of 1997 from 117,338 at the end of 1996. Total premium subscriptions decreased to 68,445 at the end of 1997 from 75,760 at the end of 1996 at C-ML Cable due to the Disney Channel being switched to the basic channel line-up. The combined increase in operating revenues at the Wincom-WEBE-WICC Group is due to stronger market conditions at all three stations, including higher advertising rates arising from increased ratings. The remaining increases or decreases in operating revenues were immaterial, either individually or in the aggregate.

Interest Income.

During the years ended December 26, 1997 and December 27, 1996, Registrant earned interest income of approximately $3.4 million and $3.7 million, respectively. The decrease is due primarily to interest earned on the lower average cash balances that existed during 1997 and the interest earned on the higher cash balances that existed during 1996 related to the sale of KATC, WREX and the California Cable Systems.

Property Operating Expense.

During the years ended December 26, 1997 and December 27, 1996, Registrant incurred property operating expenses of approximately $19.2 million and $25.4 million, respectively. The approximate $6.2 million decrease in total property operating expenses from year to year was primarily due to the sale of the California Cable Systems during the second quarter of 1996, offset by an increase of approximately $1.2 million at C-ML Cable due to expenses directly related to the increase in operating revenues, as well as increased marketing costs and $1.2 million increase at the combined Wincom-WEBE-WICC Group due to increased sales compensation resulting from higher revenues as well as increased advertising, marketing, and programming expense incurred to combat increased competition. The remaining increases or decreases in property operating expenses at Registrant's other properties were immaterial, either individually or in the aggregate.

General and Administrative Expense.

During the years ended December 26, 1997 and December 27, 1996, Registrant incurred general and administrative expenses of approximately $7.9 million and $14.1 million, respectively. The approximate $6.2 million decrease in total general and administrative expenses from year to year was primarily due to the sale of the California Cable Systems during the second quarter of 1996 as well as a $1.1 million decrease at C-ML Cable due to the recognition of tax benefit items in 1997. The remaining increases or decreases in general and administrative expenses at Registrant's other properties were immaterial, either individually or in the aggregate.

Depreciation and Amortization Expense.

During the years ended December 26, 1997 and December 27, 1996, Registrant's depreciation and amortization expense totaled approximately $7.5 million and $20.2 million, respectively. The approximate $12.7 million decrease in total depreciation and amortization expense from year to year was primarily due to the sale of the California Cable Systems during the second quarter of 1996 as well as a decrease at C-ML Cable which primarily resulted from the write-off of certain fixed assets during 1996. The remaining increases or decreases in depreciation and amortization expense at Registrant's other properties were immaterial, either individually or in the aggregate.

Additional Operating Information

Registrant holds a 50% interest in the Venture, which in turn, through C-ML Cable, passed 293,670 homes, provided basic cable television service to 130,518 subscribers and accounted for 80,072 pay subscriptions as of December 25, 1998. The following table shows the numbers of basic subscribers and pay subscriptions at C-ML Cable:

<TABLE>
<CAPTION>

<S>	<C> As of December 25, 1998	<C> As of December 26, 1997	<C> As of December 27, 1996
Homes Passed	293,670	284,450	276,858
Basic Subscribers	130,518	123,990	117,338
Pay Subscriptions	80,072	68,445	75,760

</TABLE>

The overall number of homes passed by C-ML Cable increased from the end of 1996 to the end of 1998 due primarily to the extension of cable plant to pass incremental homes, and the number of basic subscribers increased during the same period. This is due to the extension of cable service to pass additional homes, as well as to an increased level of marketing. The number of pay subscriptions at C-ML Cable decreased from the end of 1996 to the end of 1997, primarily due to the Disney channel being switched to the basic channel line-up, and increased from the end of 1997 to the end of 1998 due to marketing promotions for Showtime and The Movie Channel during the first half of 1998.

As of December 25, 1998, Registrant operated five radio stations in three cities in the continental United States. Each of Registrant's broadcast properties competes with numerous other outlets in its area, with the number of competing outlets varying from location to location. Stations are rated in each market versus competitors based on the number of viewers or listeners tuned to the various outlets in that market.

The information set forth below briefly describes, for each station owned by Registrant, the number of competitors that each station faces in its market and the station's ranking in that market, where applicable.

Registrant's radio station WQAL-FM in Cleveland, Ohio competed with approximately 25 other radio stations in the Cleveland market according to Arbitron, an accepted industry source. According to Arbitron, the station was ranked number four in the market in its key demographic of women 25-54 as of the Fall, 1998 rating period.

Registrant's radio stations WEBE-FM and WICC-AM in Fairfield County, Connecticut compete with approximately 45 other rated radio stations in the Fairfield County market according to Arbitron. According to Arbitron, WEBE-FM was ranked number one in Fairfield County and WICC-AM was ranked number two in Bridgeport, Connecticut in terms of listeners 12+ as of the Fall, 1998 rating period.

While reliable data is available from Arbitron for Registrant's radio stations in Anaheim, California, this information was not available to Registrant, since it did not subscribe to Arbitron or any other ratings service in the Anaheim market.

The above information on competition and ratings for Registrant's broadcast properties may give a distorted view of the success of, or competitive challenges to, each of the properties for a number of reasons. For example, the signals of stations listed as competitors may not be of equal strength throughout the market. In addition, the competitive threat posed by stations that serve essentially the same broadcast area is largely dependent upon factors (e.g., financial strength, format, programming, management, etc.) unknown to or outside the control of Registrant. Finally, rating information is segmented according to numerous demographic groups (e.g., listeners 12+, women 25-34, etc.), some of which are considered more attractive than others by advertisers. Consequently, a station may be ranked highly for one group but not another, with strength in different groups having substantially different impacts on financial performance. For purposes of the discussion above, the most general type of rating was used.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

As of December 25, 1998, Registrant maintains a portion of its cash equivalents in financial instruments with original maturities of three months or less. These financial instruments are subject to interest rate risk, and will decline in value if interest rates increase. A significant increase or decrease in interest rates would not have a material effect on Registrant's financial position.

Registrant's outstanding long-term debt as of December 25, 1998, bears interest at fixed rates, therefore, changes in interest rates would have no effect on Registrant's results of operations.

Item 8. Financial Statements and Supplementary Data.

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ML Media Partners, L.P.

No financial statement schedules are included because of the absence of the conditions under which they are required or because the information is included in the financial statements or the notes thereto.

INDEPENDENT AUDITORS' REPORT

ML Media Partners, L.P.:

We have audited the accompanying consolidated financial statements of ML Media Partners, L.P. (the "Partnership") and its affiliated entities, as listed in the accompanying table of contents. These consolidated financial statements are the responsibility of the Partnership's general partner. Our responsibility is to express an opinion on the 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 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 the general partner, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Partnership and its affiliated entities as of December 25, 1998 and December 26, 1997 and the results of their operations and their cash flows for each of the three years in the period ended December 25, 1998 in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

New York, New York
March 12, 1999

ML MEDIA PARTNERS, L.P.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 25, 1998 AND DECEMBER 26, 1997

<TABLE>
<CAPTION>

<S>	<C> 1998	<C> 1997
ASSETS:		
Cash and cash equivalents	$ 101,394,305	$ 92,872,891
Investments held by escrow agents	321,023	-
Accounts receivable (net of allowance for doubtful accounts of $540,407 and $328,702, respectively)	4,211,614	5,550,419
Prepaid expenses and deferred charges (net of accumulated amortization of $1,681,486 and $3,640,331, respectively)	478,957	1,355,810
Property, plant and equipment - net	26,286,171	23,564,815
Intangible assets - net	16,445,250	28,492,491
Assets held for sale	9,459,781	2,906,500
Other assets	3,195,518	1,903,252
TOTAL ASSETS	$ 161,792,619	$ 156,646,178
LIABILITIES AND PARTNERS' CAPITAL:		
Liabilities:		
Borrowings	$ 41,993,137	$ 54,244,038
Accounts payable and accrued liabilities	25,407,464	22,252,266
Subscriber advance payments	1,585,448	1,512,748
Total Liabilities	68,986,049	78,009,052

</TABLE>

(Continued on the following page.)

ML MEDIA PARTNERS, L.P.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 25, 1998 AND DECEMBER 26, 1997
(continued)

<TABLE>
<CAPTION>
<S>

	<C> Notes	<C> 1998	<C> 1997
Commitments and Contingencies	5,7		
Partners' Capital:			
General Partner:			
Capital contributions, net of offering expenses		1,708,299	1,708,299
Cumulative cash distributions		(1,357,734)	(1,357,734)
Cumulative income		640,418	498,724
		990,983	849,289
Limited Partners:			
Capital contributions, net of offering expenses (187,994 Units of Limited Partnership Interest)		169,121,150	169,121,150
Tax allowance cash distribution		(6,291,459)	(6,291,459)
Cumulative cash distributions		(134,415,710)	(134,415,710)
Cumulative income		63,401,606	49,373,856
		91,815,587	77,787,837
Total Partners' Capital		92,806,570	78,637,126
TOTAL LIABILITIES AND PARTNERS' CAPITAL		$161,792,619	$156,646,178

</TABLE>

See Notes to Consolidated Financial Statements.

ML MEDIA PARTNERS, L.P.
CONSOLIDATED INCOME STATEMENTS
FOR THE THREE YEARS ENDED DECEMBER 25, 1998

<TABLE>
<CAPTION>
<S>

	<C> 1998	<C> 1997	<C> 1996
REVENUES:			
Operating revenues	$ 54,431,493	$ 53,223,983	$ 71,831,996
Interest	2,737,050	3,352,983	3,692,033
Gain on sale of C-ML Radio	2,752,975	-	-
Gain on sale of the California Cable Systems	-	-	185,609,191
Gain on sale of WREX	-	2,005,498	-
Gain on sale of KATC	-	1,697,227	-
Total revenues	59,921,518	60,279,691	261,133,220
COSTS AND EXPENSES:			
Property operating	18,444,239	19,201,288	25,351,743
General and administrative	12,768,670	7,858,645	14,142,538
Depreciation and amortization	7,451,585	7,457,623	20,238,004
Interest expense	5,020,814	5,082,776	10,352,597
Management fees	1,207,688	1,211,671	1,337,034
Write-off of fixed assets	859,078	-	-
Total costs and expenses	45,752,074	40,812,003	71,421,916
NET INCOME	$ 14,169,444	$ 19,467,688	$ 189,711,304
PER UNIT OF LIMITED PARTNERSHIP INTEREST:			
NET INCOME	$ 74.62	$ 102.52	$ 999.04
Number of Units	187,994	187,994	187,994

</TABLE>

See Notes to Consolidated Financial Statements.

<TABLE>

ML MEDIA PARTNERS, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE YEARS ENDED DECEMBER 25, 1998

<S>	1998 <C>	1997 <C>	1996 <C>
Cash flows from operating activities:			
Net income	$ 14,169,444	$ 19,467,688	$ 189,711,304
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	7,451,585	7,457,623	20,238,004
Bad debt expense/ (recovery), net	318,676	(117,767)	360,989
Gain on sale of C-ML Radio	(2,752,975)	--	--
Gain on sale of the California Cable Systems	--	--	(185,609,191)
Gain on sale of WREX	--	(2,005,498)	--
Gain on sale of KATC	--	(1,697,227)	--
Write-off of fixed assets	859,078	--	--
Changes in operating assets and liabilities:			
(Increase)/Decrease:			
Investments held by escrow agents	(321,023)	6,244,252	(5,244,252)
Accounts receivable	1,487,818	683,226	4,387,235
Prepaid expenses and deferred charges	758,495	(536,204)	396,823
Other assets	(1,404,799)	(680,267)	(62,218)
Increase/(Decrease):			
Accounts payable and accrued liabilities	2,855,383	7,775,070	(10,445,177)
Subscriber advance payments	72,700	(33,087)	(101,592)
Net cash provided by operation activities	$ 23,494,382	$ 36,557,809	$ 13,631,925

</TABLE>
(Continued on the following page.)

<TABLE>

ML MEDIA PARTNERS, L.P.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE YEARS ENDED DECEMBER 25, 1998
(continued)

<S>	1998 <C>	1997 <C>	1996 <C>
Cash flows from investing activities:			
Proceeds from sale of C-ML Radio	5,768,750	--	--
Purchase of property, plant and equipment	(8,120,457)	(7,917,343)	(8,236,792)
Intangible assets	--	--	(10,000)
Proceeds from sale of the California Cable Systems	--	--	286,000,000
Payment of costs incurred related to sale of the California Cable Systems	(138,970)	(2,455,065)	(8,256,285)
Payment of costs incurred related to sale of C-ML Radio	(41,497)	--	--
Net cash (used in)/ provided by investing activities	(2,532,174)	(10,372,408)	269,496,923
Cash flows from financing activities:			
Principal payments on borrowings	(12,250,901)	(6,104,390)	(122,473,500)
Cash distributions	(189,893)	(18,799,400)	(109,188,434)
Net cash used in financing activities	(12,440,794)	(24,903,790)	(231,661,934)
Net increase in cash and cash equivalents	8,521,414	1,281,611	51,466,914
Cash and cash equivalents at beginning of year	92,872,891	91,591,280	40,124,366
Cash and cash equivalents at end of year	$ 101,394,305	$ 92,872,891	$ 91,591,280
Cash paid for interest	$ 5,070,031	$ 5,614,297	$ 10,772,817

</TABLE>

See Notes to Consolidated Financial Statements.

<TABLE>

ML MEDIA PARTNERS, L.P.

CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' CAPITAL/(DEFICIT)
FOR THE THREE YEARS ENDED DECEMBER 25, 1998

	General Partner	Limited Partners	Total
1996:			
Partners' Capital/(Deficit) as of December 30, 1995	$ 39,276	$ (2,403,415)	$ (2,364,139)
Net Income	1,897,113	187,814,191	189,711,304
Cash Distribution	(1,091,884)	(108,096,550)	(109,188,434)
Partners' Capital as of December 27, 1996	844,505	77,314,226	78,158,731
1997:			
Net Income	194,677	19,273,011	19,467,688
Cash Distribution	(189,893)	(18,799,400)	(18,989,293)
Partners' Capital as of December 26, 1997	849,289	77,787,837	78,637,126
1998:			
Net Income	141,694	14,027,750	14,169,444
Partners' Capital as of December 25, 1998	$ 990,983	$ 91,815,587	$ 92,806,570

See Notes to Consolidated Financial Statements.

ML MEDIA PARTNERS, L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE YEARS ENDED DECEMBER 25, 1998

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ML Media Partners, L.P. (the "Partnership") was formed and the Certificate of Limited Partnership was filed under the Delaware Revised Uniform Limited Partnership Act on February 1, 1985. Operations commenced on May 14, 1986 with the first closing of the sale of units of limited partnership interest ("Units"). Subscriptions for an aggregate of 187,994 Units were accepted and are now outstanding.

Media Management Partners (the "General Partner") is a joint venture, organized as a general partnership under the laws of the State of New York, between RP Media Management ("RPMM"), a joint venture organized as a general partnership under the laws of the State of New York, consisting of The Elton H. Rule Company and IMP Media Management, Inc., and ML Media Management Inc. ("MLMM"), a Delaware corporation and an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc. The General Partner was formed for the purpose of acting as general partner of the Partnership. The General Partner's total capital contribution amounted to $1,898,934 which represents 1% of the total Partnership capital contributions.

Pursuant to the terms of the Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), the General Partner is liable for all general obligations of the Partnership to the extent not paid by the Partnership. The limited partners are not liable for the obligations of the Partnership in excess of the amount of their contributed capital.

The Partnership was formed to acquire, finance, hold, develop, improve, maintain, operate, lease, sell, exchange, dispose of and otherwise invest in and deal with media businesses and direct and indirect interests therein.

As of December 25, 1998, the Partnership's operating investments in media properties consisted of:

a 50% interest in a joint venture (the "Venture"), which owns 100% of the stock of Century-ML Cable Corporation ("C-ML Cable Corp."), and all of the assets of Community Cable-Vision of Puerto Rico, Inc., Community Cablevision of Puerto Rico Associates, and Community Cablevision Incorporated.

an AM (WICC-AM) and FM (WEBE-FM) radio station combination in Bridgeport, Connecticut;

an AM (KORG-AM) and FM (KEZY-FM) radio station combination in Anaheim, California; and

Wincom Broadcasting Corporation ("Wincom"), a corporation that owns an FM radio station (WQAL-FM) in Cleveland, Ohio.

On January 4, 1999, the Partnership consummated the sale of substantially all of the assets used in the operations of the KORG-AM and KEZY-FM radio station combination. In addition, on January 28, 1999, the Partnership consummated the sale of the stock of the WQAL-FM radio station (see Note 12).

Reclassifications

Certain reclassifications were made to the 1996 consolidated income statement to conform with the current period's presentation.

Basis of Accounting and Fiscal Year

The Partnership's records are maintained on the accrual basis of accounting for financial reporting and tax purposes. Pursuant to generally accepted accounting principles, the Partnership recognizes revenue as various services are provided. The Partnership consolidates its 100% interest in Wincom; its 99.999% interests in WEBE-FM, WICC-AM, KEZY-FM and KORG-AM and its pro rata 50% interest in the Venture. In addition, the Partnership consolidated California Cable Systems, KATC-TV and WREX-TV prior to their respective dispositions (see Note 2). All intercompany accounts have been eliminated. The fiscal year of the Partnership ends on the last Friday of each calendar year.

Cash Equivalents

Short-term investments which have an original maturity of ninety days or less are considered cash equivalents.

Property and Depreciation

Property, plant and equipment is stated at cost, less accumulated depreciation. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<TABLE>

<S>	<C>
Machinery, Equipment and Distribution Systems	5-12 years
Buildings	15-30.5 years
Other	3-10 years

</TABLE>

Initial subscriber connection costs, as it relates to the cable television systems, are capitalized and included as part of the distribution systems. Costs related to disconnects and reconnects are expensed as incurred. Expenditures for maintenance and repairs are charged to operating expense as incurred. Betterments, replacement equipment and additions are capitalized and depreciated over the remaining life of the assets.

Intangible Assets and Deferred Charges

Intangible assets and deferred charges are being amortized on a straight-line basis over various periods as follows:

<TABLE>

<S>	<C>
Franchise	life of the franchise
Other Intangibles	various
Deferred Costs	4-10 years

</TABLE>

The excess of cost over fair value of net assets acquired ("Goodwill") in business combinations consummated since inception of the Partnership is being amortized over forty years using the straight-line method.

Asset Impairment

The Partnership assesses the impairment of assets on a regular basis or immediately upon the occurrence of a significant event in the marketplace or an event that directly impacts its assets. The methodology varies depending on the type of asset but typically consists of comparing the net book value of the asset to either: (1) the undiscounted expected future cash flows generated by the asset, and/or (2) the current market values obtained from industry sources.

If the net book value of a particular asset is materially higher than the estimated net realizable value, and the asset is considered to be permanently impaired, the Partnership will write down the net book value of the asset accordingly; however, the Partnership may not write its assets down to a value below the asset-related non-recourse debt. The Partnership relies on industry sources and its experience in the particular marketplace to determine whether an asset impairment is other than temporary.

Barter Transactions

As is customary in the broadcasting industry, the Partnership engages in the bartering of commercial air time for various goods and services. Barter transactions are recorded based on the fair market value of the products and/or services received. The goods and services are capitalized or expensed as appropriate when received or utilized. Revenues are recognized when the commercial spots are aired.

Revenue Recognition

Operating revenue, as it relates to the cable television systems, includes earned subscriber service revenues and charges for installation and connections. Subscriber services paid for in advance are recorded as income when earned. Operating revenue, as it relates to the radio broadcasting properties is net of commissions paid to advertising agencies.

Management 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 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.

Fair Value of Financial Instruments

Statement of Financial Accounting Standards ("SFAS") No. 107, "Disclosures about Fair Value of Financial Instruments", requires companies to report the fair value of certain on- and off-balance sheet assets and liabilities which are defined as financial instruments.

Considerable judgment is required in interpreting data to develop the estimates of fair value. Accordingly, the estimates presented herein are not indicative of the amounts that the Partnership could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Income Taxes

The Partnership accounts for income taxes pursuant to SFAS No. 109 "Accounting for Income Taxes". No provision for income taxes has been made for the Partnership because all income and losses are allocated to the partners for inclusion in their respective tax returns. However, the Partnership owns certain entities which are consolidated in the accompanying financial statements which are taxable entities.

For entities owned by the Partnership which are consolidated in the accompanying financial statements, SFAS No. 109 requires the recognition of deferred income taxes for the tax consequences of differences between the bases of assets and liabilities for income tax and financial statement reporting, based on enacted tax laws. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. For the Partnership, SFAS No. 109 requires the disclosure of the difference between the tax bases and the reported amounts of the Partnership's assets and liabilities (see Note 11).

Recent Accounting Statements Adopted

The Partnership adopted SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information", during the year ended December 25, 1998 which changes the way that the Partnership reports information about its operating segments (see Note 8).

Recent Accounting Statements Not Yet Adopted

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and for hedging activities, requiring the recognition of all derivatives as either assets or liabilities and to measure those instruments at fair value, as well as to identify the conditions for which a derivative may be specifically designed as a hedge. SFAS No. 133 is effective for fiscal years beginning after June 15, 1999. The Partnership is still evaluating what effect, if any, SFAS No. 133 will have on the results of operations and financial position of the Partnership.

2. DISPOSITION OF ASSETS

Puerto Rico Radio

On June 3, 1998, the Venture consummated the sale of an FM (WFID-FM) and an AM (WUNO-AM) radio station, including Noti Uno News, combination and a background music service in San Juan, Puerto Rico ("C-ML Radio") pursuant to a sales agreement entered into in October 1997 between the Venture and Madifide, Inc. The base sales price for C-ML Radio was approximately $11.5 million, approximately $5.8 million of which is the Partnership's share, subject to closing adjustments. Pursuant to a local marketing agreement ("LMA") entered into, effective as of October 1, 1997, the buyer was allowed to program the station from such date through the date of sale. C-ML Radio collected a monthly LMA fee from the buyer which was equal to the operating income for that month, provided however, that it not be less than $50,000 nor more than $105,000. The monthly fee was recognized as revenue during the LMA period and the Partnership did not recognize any operating revenues nor incur any net operating expenses of C-ML Radio during the LMA period. At the closing, the Venture and Madifide, Inc. entered into escrow agreements pursuant to which the Venture deposited, in aggregate, $725,040, $362,520 of which is the Partnership's share, into three separate escrow accounts with respect to which indemnification, benefit, and chattel mortgage claims may be made by Madifide, Inc. for a period of one year. The balance of these escrows, which is being classified on the accompanying Consolidated Balance Sheet as Investments held by escrow agents, was $321,023 as of December 25, 1998. In 1998, the Partnership recognized a gain for financial reporting purposes of approximately $2.8 million on the sale of C-ML Radio.

Pursuant to the terms of the outstanding senior indebtedness that jointly finances C-ML Radio and C-ML Cable, the net proceeds, and escrow amounts when discharged, if any, from the resulting sale of C-ML Radio must be retained by the Venture and cannot be distributed to the Partnership or its partners.

California Cable Systems

On November 28, 1994, the Partnership entered into an agreement (the "Asset Purchase Agreement") with Century Communications Corp. ("Century") to sell to Century substantially all of the assets used in the Partnership's California Cable Operation serving the Anaheim, Hermosa Beach/Manhattan Beach, Rohnert Park/Yountville and Fairfield communities (the "California Cable Systems"). On May 31, 1996, the Partnership consummated such sale pursuant to the terms of the Asset Purchase Agreement. The base purchase price for the California Cable Systems was $286 million, subject to certain adjustments including an operating cash flow, as well as, a working capital adjustment, as provided in the Asset Purchase Agreement. In 1996, the Partnership recognized a gain for financial reporting purposes of approximately $185.6 million on the sale of the California Cable Systems.

In addition, upon closing of the sale of the California Cable Systems, the Partnership set aside approximately $40.7 million in a cash reserve to cover operating liabilities, current litigation, and litigation contingencies relating to the California Cable Systems' operations prior to and resulting from their sale, as well as a potential purchase price adjustment. In accordance with the terms of the Partnership Agreement, any amounts which may be available for distribution from any unused cash reserves, after accounting for certain other expenses of the Partnership including certain expenses incurred after May 31, 1996, will be distributed to partners of record as of the date such unused reserves are released, when the Partnership determines such reserves are no longer necessary, rather than to the partners of record on May 31, 1996, the date of the sale. As of December 25, 1998, the Partnership had approximately $23.2 million ($6.1 million of which is being released for the March 1999 cash distribution; see Note 12) remaining in such cash reserves.

KATC

On June 24, 1997, the Partnership received the discharge of escrowed proceeds of $1.0 million (and approximately $100,000 of interest earned thereon) generated from the 1995 sale of KATC-TV, Lafayette, Louisiana ("KATC"). In addition, effective August 14, 1997, approximately $1.5 million, a portion of the reserve established at the time of the KATC sale, was released. In accordance with the terms of the Partnership Agreement, the amount of such released reserve and discharged escrowed proceeds, after accounting for certain expenses of the Partnership, were included in the cash distribution made to partners on November 25, 1997. In addition, effective December 26, 1997, the remaining reserve established at the time of the 1995 sale of KATC, of approximately $218,000 was released. Thus, during 1997, the Partnership recognized a gain on sale of KATC of approximately $1.7 million resulting from the release of reserves and reversal of previous accruals.

WREX

Effective August 14, 1997, approximately $1.8 million, a portion of the reserve established at the time of the 1995 sale of WREX-TV, Rockford, Illinois ("WREX"), was released. In accordance with the terms of the Partnership Agreement, such released reserve amount, after accounting for certain expenses of the Partnership, were included in the cash distribution made to partners on November 25, 1997. In addition, effective December 26, 1997, the remaining reserve established at the time of the 1995 sale of WREX of approximately $161,000 was released. Thus, during 1997, the Partnership recognized a gain on sale of WREX of approximately $2.0 million resulting from the release of reserves and reversal of previous accruals.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

<TABLE>

<S>	<C> As of December 25, 1998	<C> As of December 26, 1997
Land and Improvements	$ 171,728	$ 549,613
Buildings	1,778,352	2,070,652
Cable Distribution Systems and Equipment	38,339,159	34,773,035
Other	914,713	1,124,352
	41,203,952	38,517,652
Less accumulated depreciation	(14,917,781)	(14,952,837)
Property, plant and equipment, net	$ 26,286,171	$ 23,564,815

</TABLE>

4. INTANGIBLE ASSETS

Intangible assets consisted of the following:

<TABLE>

<S>	<C> As of December 25, 1998	<C> As of December 26, 1997
Goodwill	$ 17,701,805	$ 41,611,143
Franchises	35,315,562	35,315,562
Other	761,624	8,916,911
	53,778,991	85,843,616
Less accumulated amortization	(37,333,741)	(57,351,125)
Intangible assets, net	$ 16,445,250	$ 28,492,491

</TABLE>

5. BORROWINGS

The aggregate amount of borrowings as reflected on the Consolidated Balance Sheets of the Partnership is as follows:

<TABLE>

<S>	<C> As of December 25, 1998	<C> As of December 26, 1997
A) C-ML Notes/Credit Agreement	$ 40,000,000	$ 50,000,000
B) Restructuring Agreement/Wincom-WEBE-WICC Loan	1,993,137	4,244,038
	$ 41,993,137	$ 54,244,038

</TABLE>

A) Borrowings under the C-ML Notes bear semi-annual interest at a fixed annual rate of 9.47%. Beginning November 30, 1998, annual principal payments of $20 million, of which the Partnership's share is $10 million (see Note 9), commenced and will continue thereafter until November 30, 2002. The C-ML Notes require that C-ML Cable maintain certain ratios such as debt to operating cash flow, interest expense coverage and debt service coverage and restricts such items as cash distributions and certain additional indebtedness. Borrowings under the

C-ML Notes are nonrecourse to the Partnership and are collateralized with substantially all of the Venture's interest in C-ML Cable as well as by all of the assets of C-ML Cable.

As of December 25, 1998 and December 26, 1997, outstanding borrowings under the C-ML Notes totaled $80 million, of which the Partnership's share is $40 million, and $100 million, of which the Partnership's share is $50 million, respectively.

B) In 1993 the Partnership and Chemical Bank (the "Wincom Bank") executed an agreement amending the Wincom-WEBE-WICC Loan (the "Restructuring Agreement") into three notes as follows: a Series A Term Loan in the amount of $13.0 million; a Series B Term Loan in the amount of approximately $11.7 million; and a Series C Term Loan in the amount of approximately $2.0 million, which was forgiven by the Wincom Bank on October 1, 1993 pursuant to the terms of the Restructuring Agreement.

The Series A Term Loan bears interest, payable monthly, at the Wincom Bank's Alternate Base Rate plus 1-3/4% with principal payments due quarterly through final maturity.

The Series B Term Loan bears interest at a rate equal to the Wincom Bank's Alternate Base Rate plus 1-3/4% beginning on April 30, 1994, with interest payments accruing, and payable annually only from Excess Cash Flow through final maturity.

On December 31, 1997, the Wincom-WEBE-WICC Loan matured and became due and payable in accordance with its terms. As of that date, $4,244,038 of such amount remained due and payable to the Wincom Bank. Although the Partnership remained in default on the Wincom-WEBE-WICC Loan during 1998, it paid $2,250,901 of principal resulting in an outstanding balance of $1,993,137 as of December 25, 1998. In 1999, the Partnership repaid the remaining outstanding balance of the Wincom-WEBE-WICC Loan in full, however, the default has not been waived by the Wincom Bank.

Borrowings under the Wincom-WEBE-WICC Loan remain nonrecourse to the Partnership and remain collateralized with substantially all of the assets of the Wincom-WEBE-WICC group.

Any remaining Net Cash Proceeds (as defined in the Restructuring Agreement), from the sale of the stations in the Wincom-WEBE-WICC group, after the principal and interest of the Wincom-WEBE-WICC Loan is paid in full, will be divided between the Partnership and the Wincom Bank, with the Partnership receiving 85% and the Wincom Bank receiving 15%, respectively. Pursuant to the terms of the Wincom-WEBE-WICC Loan, an initial amount of approximately $7.3 million was paid to the Wincom Bank in 1999, pursuant to its 15% residual interest in the net sales proceeds from the sale of Wincom (see Note 12).

As of December 25, 1998, the annual aggregate amounts of principal payments (inclusive of defaulted principal payments totaling $1,993,137) required for the borrowings as reflected in the Consolidated Balance Sheet of the Partnership are as follows:

<TABLE>

Year Ending	Principal Amount
1999	$11,993,137
2000	10,000,000
2001	10,000,000
2002	10,000,000
Thereafter	0
	$41,993,137

</TABLE>

Based upon the restrictions of the borrowings as described above, approximately $100.0 million of assets are restricted from distribution by the entities in which the Partnership has an interest as of December 25, 1998.

6. TRANSACTIONS WITH THE GENERAL PARTNER AND ITS AFFILIATES

During the three years ended December 25, 1998, the Partnership incurred the following expenses in connection with services provided by the General Partner and its affiliates:

<TABLE>

	1998	1997	1996
Media Management Partners (General Partner):			

Partnership Mgmt. fee	$ 557,979	$ 557,979	$ 557,979
Property Mgmt. fee	649,709	653,692	779,055
Reimbursement of Operating Expenses	1,041,246	951,940	799,690
	$2,248,934	$2,163,611	$2,136,724

</TABLE>

In addition, the Partnership, through the California Cable Systems, was party to an agreement with MultiVision Cable TV Corp. ("MultiVision"), an affiliate of the General Partner, whereby MultiVision provided the California Cable Systems with certain administrative and day-to-day management services. The California Cable Systems paid for these services at cost. The reimbursed costs incurred by MultiVision on behalf of the California Cable Systems amounted to an aggregate of $1,512,955, $804,843, and $3,662,649 for 1998, 1997 and 1996, respectively. These costs did not include programming costs that were charged, without markup, to the California Cable Systems under an agreement to allocate certain management costs.

RP Radio Management Inc., an affiliate of the General Partner, provided certain administrative and day-to-day management services to the Partnership's radio station investments. The radio station investments paid for these services at cost. The reimbursed costs incurred by RP Radio Management Inc. on behalf of the Partnership's radio station investments totaled $693,929 and $143,536 during 1997 and 1996, respectively. On December 27, 1997, RP Radio Management Inc. was merged into RP Radio Management LLC, an entity wholly owned by the Partnership.

RP Television, an affiliate of the General Partner, provided certain administrative and accounting services to the Partnership's television stations. The television stations paid for these services at cost. The reimbursed cost incurred by RP Television on behalf of the Partnership's television stations totaled $101,371 and $82,066 for 1997 and 1996, respectively.

The reimbursed costs related to MultiVision, RP Radio Management Inc., and RP Television are included in the Consolidated Income Statements.

As of December 25, 1998, December 26, 1997 and December 27, 1996, the amounts payable to the General Partner for management fees and reimbursement of operating expenses were approximately $1.4 million, $4.5 million and $2.3 million, respectively. From the sale proceeds of the Anaheim and Cleveland Stations in 1999, the Partnership will remit accrued management fees and expenses owed to the General Partner of approximately $1.3 million (see Note 12).

7. COMMITMENTS AND CONTINGENCIES

Lease Commitments

C-ML Cable rents office and warehouse facilities under various operating lease agreements. In addition, Wincom, the Anaheim Stations, WEBE-FM and WICC-AM lease office space, broadcast facilities and certain other equipment under various operating lease agreements. Prior to its disposition, the California Cable Systems leased office space, equipment, and space on utility poles under operating leases with terms of less than one year, or under agreements which are generally terminable on short notice. Rental expense was incurred for the three years ended December 25, 1998 as follows:

<TABLE>

<S>	<C> 1998	<C> 1997	<C> 1996
California Cable Systems	$ -	$ -	$ 199,501
WICC-AM	78,862	62,457	72,898
Anaheim Stations	160,411	152,016	145,796
WEBE-FM	201,922	199,004	202,730
Wincom	194,670	158,931	148,296
C-ML Cable	15,825	45,075	30,000
	$651,690	$ 617,483	$ 799,221

</TABLE>

As of December 25, 1998, future minimum commitments under all of the above agreements (excluding Anaheim and Wincom due to their sales on January 4, 1999 and January 28, 1999, respectively) in excess of one year are as follows:

<TABLE>

<S> Year Ending	<C> Amount
1999	$ 282,340
2000	20,141
2001	19,500
2002	10,500
2003	10,500
Thereafter	152,250

$ 495,231
=========

</TABLE>
Litigation

On August 29, 1997, a purported class action was commenced in New York Supreme Court, New York County, on behalf of the limited partners of the Partnership, against the Partnership, the General Partner, RPMM, MLMM, Merrill Lynch & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"). The action concerns the Partnership's payment of certain management fees and expenses to the General Partner and the payment of certain purported fees to an affiliate of RPMM.

Specifically, the plaintiffs allege breach of the Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), breach of fiduciary duties, and unjust enrichment by the General Partner in that the General Partner allegedly: (1) improperly deferred and accrued certain management fees and expenses in an amount in excess of $14.0 million, (2) improperly paid itself such fees and expenses out of proceeds from sales of Partnership assets, and (3) improperly paid MultiVision Cable TV Corp., an affiliate of RPMM, supposedly duplicative fees in an amount in excess of $14.4 million.

With respect to Merrill Lynch & Co., Inc., Merrill Lynch, MLMM and RPMM, plaintiffs claim that these defendants aided and abetted the General Partner in the alleged breach of the Partnership Agreement and in the alleged breach of the General Partner's fiduciary duties. Plaintiffs seek, among other things, an injunction barring defendants from paying themselves management fees or expenses not expressly authorized by the Partnership Agreement, an accounting, disgorgement of the alleged improperly paid fees and expenses, and compensatory and punitive damages. Defendants believe that they have good and meritorious defenses to the action, and vigorously deny any wrongdoing with respect to the alleged claims. Defendants moved to dismiss the complaint and each claim for relief therein. On March 3, 1999, the New York Supreme Court issued an order granting the Partnership's and co-defendants' motion and dismissing plaintiffs' complaint in its entirety, principally on the ground that the claims are derivative and plaintiffs lack standing to bring suit because they failed to make a pre-litigation demand on the General Partner. Plaintiffs' time to appeal has not yet expired.

The Partnership Agreement provides for indemnification, to the fullest extent provided by law, for any person or entity named as a party to any threatened, pending or completed lawsuit by reason of any alleged act or omission arising out of such person's activities as a General Partner or as an officer, director or affiliate of either RPMM, MLMM or the General Partner, subject to specified conditions. In connection with the purported class action filed on August 29, 1997, the Partnership has received notices of requests for indemnification from the following defendants named therein: the General Partner, RPMM, MLMM, Merrill Lynch & Co., Inc. and Merrill Lynch. For the years ended December 25, 1998 and December 26, 1997, the Partnership incurred approximately $223,000 and $280,000, respectively, for legal costs relating to such indemnification. Such cumulative costs amount to approximately $503,000 through December 25, 1998.

8. SEGMENT INFORMATION

The Partnership adopted SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information", during the year ended December 25, 1998 which changes the way that the Partnership reports information about its operating segments. The information for years ended December 26, 1997 and December 27, 1996 has been restated from the prior year's presentation in order to conform to the current year's presentation.

The Partnership's operations have been aggregated into its main industries (Cable Television Systems and Radio Stations) in which the Partnership operates. The Cable Television Systems segment consists of the Partnership's 50% share of C-ML Cable and the California Cable Systems until its sale on May 31, 1996. The Radio Stations segment consists of the Partnership's 50% share of C-ML Radio until its sale on June 3, 1998, WEBE-FM, Wincom, WICC-AM and the Anaheim Stations.

The accounting policies of the reportable segments are the same as those described in Note 1. The Partnership evaluates the performance of its operating segments based on profit or loss from operations not including non-recurring gains and losses and interest income and expense. Inter-segment sales and transfers are not significant.

Summarized financial information concerning the Partnership's reportable segments is shown in the following table. The "Other" column includes parent related items and the residual operations of the Television segment which was disposed of in 1995.

<TABLE>
<S> <C> <C> <C> <C>

Year ended December 25, 1998	Cable Television Systems	Radio Stations	Other	Total
Operating revenues	$ 32,575,174	$ 22,727,541	$ -	$ 55,302,715
Interest income	1,994,529	66,287	676,234	2,737,050
Gain on sale of C-ML Radio	-	2,752,975	-	2,752,975
Interest expense	-	-	5,020,814	5,020,814
Depreciation and amortization	6,494,682	956,903	-	7,451,585
Operating expenses	23,132,327	17,898,780	7,760,745	48,791,852
Segment net income (loss)	11,437,376	9,816,579	(7,084,511)	14,169,444
Segment assets	110,266,280	42,349,652	9,176,687	161,792,619
Capital expenditures	8,081,109	39,348	-	8,120,457
Year ended December 26, 1997				
Operating revenues	29,404,870	23,819,113	-	53,223,983
Interest income	2,316,128	-	1,036,855	3,352,983
Gain on sale of KATC	-	-	1,697,227	1,697,227
Gain on sale of WREX	-	-	2,005,498	2,005,498
Interest expense	-	-	5,082,776	5,082,776
Depreciation and amortization	6,143,721	1,313,902	-	7,457,623
Operating expenses	16,723,091	18,927,571	7,761,845	43,412,507
Segment net income (loss)	14,997,907	11,510,797	(7,041,016)	19,467,688
Segment assets	103,606,224	39,334,158	13,705,796	156,646,178
Capital expenditures	7,731,495	185,848	-	7,917,343
Year ended December 27, 1996				
Operating revenues	50,428,590	21,143,717	259,689	71,831,996
Interest income	1,166,362	-	2,525,671	3,692,033
Gain on sale of the California Cable Systems	185,609,191	-	-	185,609,191
Interest expense	-	-	10,352,597	10,352,597
Depreciation and amortization	18,848,938	1,389,066	-	20,238,004
Operating expenses	42,826,364	17,154,921	12,815,319	72,796,604
Segment net income (loss)	194,907,463	5,180,337	(10,376,496)	189,711,304
Segment assets	107,467,339	44,693,750	8,833,735	160,994,824
Capital expenditures	7,833,870	402,922	-	8,236,792

The following tables represent reconciliations of reportable segment revenues and operating expenses to the consolidated income statements for the three years ended December 25, 1998.

	For the years ended December 25, 1998	December 26, 1997	December 27, 1996
Operating revenues			
Total operating revenues for reportable segments	$ 55,302,715	$ 53,223,983	$ 71,831,996
Elimination of intersegment Operating revenues	(871,222)	--	--
	$ 54,431,493	$ 53,223,983	$ 71,831,996
Operating expenses			
Total operating expenses for reportable segments	$ 48,791,852	$ 43,412,507	$ 72,796,604
Elimination of intersegment operating expenses	(871,222)	--	--
Elimination of management fee due to Other segment	(2,168,556)	(2,600,504)	(1,374,688)
	$ 45,752,074	$ 40,812,003	$ 71,421,916

</TABLE>

The Partnership did not derive 10% or more of its revenue from any single customer for each of the three years ended December 25, 1998.

9. JOINT VENTURES

Pursuant to a management agreement and joint venture agreement dated December

16, 1986 (the "Joint Venture Agreement"), as amended and restated, between the Partnership and Century (the "Venture"), the parties formed a joint venture in which each has a 50% ownership interest. The Venture, through its wholly-owned subsidiary, Century-ML Cable Corporation ("C-ML Cable Corp."), subsequently acquired Cable Television Company of Greater San Juan, Inc. ("San Juan Cable") and liquidated San Juan Cable into C-ML Cable Corp. The Venture also acquired all of the assets of Community Cable-Vision of Puerto Rico, Inc., Community Cablevision of Puerto Rico Associates, and Community Cablevision Incorporated (collectively, the "Community Companies"), which consisted of a cable television system serving the communities of Catano, Toa Baja and Toa Alta, Puerto Rico, which are contiguous to San Juan Cable. The Community Companies and C-ML Cable Corp. are collectively referred to as C-ML Cable.

On February 15, 1989, the Partnership and Century entered into a management agreement and joint venture agreement whereby a new joint venture, Century-ML Radio Venture ("C-ML Radio"), was formed under New York law. Responsibility for the management of radio stations acquired by C-ML Radio was assumed by the Partnership.

Effective January 1, 1994, all of the assets of C-ML Radio were transferred to the Venture, in exchange for the assumption by the Venture of all the obligations of C-ML Radio and the issuance to Century and the Partnership by the Venture of new certificates evidencing a partnership interest of 50% and 50%, respectively. The transfer was made pursuant to a Transfer of Assets and Assumption of Liabilities Agreement. At the time of this transfer, the Partnership and Century entered into an amended and restated management agreement and joint venture agreement (the "Revised Joint Venture Agreement") governing the affairs of the Venture as revised.

Under the terms of the Revised Joint Venture Agreement, Century is responsible for the day-to-day operations of C-ML Cable and until its sale on June 3, 1998, the Partnership was responsible for the day-to-day operations of C-ML Radio. For providing services of this kind, Century is entitled to receive annual compensation of 5% of C-ML Cable's net gross revenues (defined as gross revenues from all sources less monies paid to suppliers of pay TV product, e.g., HBO, Cinemax and Showtime) and the Partnership was entitled to receive annual compensation of 5% of C-ML Radio's gross revenues including the LMA revenue (after agency commissions, rebates or discounts and excluding revenues from barter transactions). All significant policy decisions relating to the Venture, the operation of C-ML Cable and the operation of C-ML Radio prior to its sale, however, are only made upon the concurrence of both the Partnership and Century. The Partnership may require a sale of such assets and business of C-ML Cable at any time. If the Partnership proposes such a sale, the Partnership must first offer Century the right to purchase the Partnership's 50% interest in such assets being sold at 50% of the total fair market value at such time as determined by independent appraisal. If Century elects to sell C-ML Cable, the Partnership may elect to purchase Century's interest in such assets being sold on similar terms.

On June 3, 1998, the Venture consummated the sale of C-ML Radio pursuant to a sales agreement entered into in October 1997 between the Venture and Madifide, Inc. (see Note 2).

The total assets, total liabilities, net capital, total revenues and net income of the Venture are as follows:

<TABLE>

<S>	<C> December 25, 1998	<C> December 26, 1997
Total Assets	$ 155,600,000	$ 152,300,000
Total Liabilities	$ 118,400,000	$ 127,300,000
Net Capital	$ 37,200,000	$ 25,000,000

</TABLE>
<TABLE>

<S>	<C> 1998	<C> 1997	<C> 1996
Total Operating Revenues	$65,500,000	$62,900,000	$58,600,000
Gain from Sale of C-ML Radio	$ 5,500,000	$ -	$ -
Net Income	$12,200,000	$16,400,000	$ 500,000

</TABLE>

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets, including cash and cash equivalents and accounts receivable and liabilities, such as trade payables, are carried at amounts which approximate fair value.

The General Partner has been able to determine the estimated fair value of the C-ML Notes based on a discounted cash flow analysis. As of December 25, 1998 and December 26, 1997, the estimated fair value of the C-ML Notes is approximately $84 million and $104 million, respectively, of which approximately 50% of the estimated fair value or $42 million and $52 million, respectively pertains to the carrying amount reflected on the Partnership's Consolidated Balance Sheet.

The General Partner has determined that the carrying value of the Restructuring Agreement relating to the Wincom-WEBE-WICC Loan approximates fair value due to the floating rate nature of the outstanding borrowings without giving effect to the 15% equity participation.

11. ACCOUNTING FOR INCOME TAXES

Certain entities owned by the Partnership are taxable entities and thus are required under SFAS No. 109 to recognize deferred income taxes. Income taxes consist of the following:

<TABLE>

<S>	<C>	<C> Years Ended December 31,	<C>
	1998	1997	1996
Current			
Federal	$ 2,358,726	$ 155,331	$ -
State	10,840	7,100	-
	2,369,566	162,431	-
Deferred			
Federal	1,660,878	(1,777,096)	-
State	-	-	-
	1,660,878	(1,777,096)	-
Recorded expense (benefit) for income taxes	$ 4,030,444	$ (1,614,665)	$ -

The components of the net deferred tax asset are as follows:
</TABLE>

<TABLE>

<S>	<C> As of December 25, 1998	<C> As of December 26, 1997
Deferred tax assets:		
Basis of intangible assets	$ -	$ 24,168
Net operating loss carryforward	5,922,662	7,857,921
Alternative minimum tax credit	120,655	301,096
Other	1,345,995	475,092
	7,389,312	8,658,277
Deferred tax liabilities:		
Basis of property, plant and equipment	(13,174)	(26,379)
Total	7,376,138	8,631,898
Less: valuation allowance	(7,259,920)	(6,854,802)
Net deferred tax asset	$ 116,218	$ 1,777,096

</TABLE>

The increase in the valuation allowance for the year ended December 25, 1998 of approximately $405,000 relates primarily to net operating loss carryforwards not anticipated to be realized before their expiration. Management believes that it is more likely than not that it will generate taxable income sufficient to realize a portion of the tax benefit associated with future temporary differences and net operating loss carryforwards prior to their expiration.

As of December 25, 1998, the taxable entities have available net operating loss carryforwards of approximately $16.9 million which may be applied against future taxable income of such entities. Such net operating loss carryforwards expire at various dates from 1999 through 2008.

For the Partnership, the differences between the tax basis of assets and liabilities and the reported amounts are as follows:

<TABLE>
<S> <C> <C>

	As of December 25, 1998	As of December 26, 1997
Partners' Capital - financial statements	$ 92,806,570	$ 78,637,126
Differences:		
Offering expenses	19,063,585	19,063,585
Basis of property, plant and equipment and intangible assets	3,108,723	2,481,101
Cumulative losses of stock investments (corporations)	54,273,267	62,196,213
Management fees	2,119,827	2,931,410
Other	7,626,906	2,844,149
Partners' Capital - income tax bases	$ 178,998,878	$ 168,153,584

</TABLE>

12. SUBSEQUENT EVENTS

Sale of KEZY-FM and KORG-AM

On January 4, 1999, the Partnership consummated a sale to Citicasters Co., a subsidiary of Jacor Communications, Inc. ("Citicasters") of substantially all of the assets, other than cash and accounts receivable, used in the operations of the Partnership's radio stations, KORG-AM and KEZY-FM, serving Anaheim, California (the "Anaheim Stations"), pursuant to the asset purchase agreement (the "Anaheim Agreement") dated September 14, 1998, as amended.

The base sales price for the Anaheim Stations was $30,100,000, subject to certain adjustments for the apportionment of income and liabilities as of the closing date, as provided for in the Anaheim Agreement, resulting in a reduction of the base sales price of approximately $20,000.

Pursuant to the Anaheim Agreement, the Partnership deposited $1.0 million into an indemnity escrow account against which Citicasters may make indemnification claims for a period of one year after the closing. In addition, the Partnership held approximately $5.2 million of the sales proceeds to pay (or to reserve for payment of) expenses and liabilities relating to the operations of the Anaheim Stations prior to the sale as well as wind-down expenses, sale-related expenses and contingent obligations of the Anaheim Stations. The remaining sales proceeds of $23,840,000 will be included in the cash distribution made to partners on March 30, 1999, after accounting for certain expenses of the Partnership, in accordance with the terms of the Partnership Agreement. To the extent any amounts reserved or paid into escrow as described above are subsequently released or discharged, such amounts will be distributed to partners of record as of the date of such discharge from such escrow. The net assets of the Anaheim Stations, which were sold pursuant to the Anaheim Agreement in 1999, have been included in assets held for sale on the accompanying Consolidated Balance Sheet as of December 25, 1998. In 1999, the Partnership will recognize a gain on the sale of the Anaheim Stations.

Sale of Stock of Wincom

On January 28, 1999, the Partnership consummated a sale to Chancellor Media Corporation of Los Angeles ("Chancellor") of the stock of Wincom, pursuant to a stock purchase agreement (the "Cleveland Agreement") dated August 11, 1998. Wincom owns all of the outstanding stock of Win Communications, Inc., which owns and operates the radio station WQAL-FM, serving Cleveland, Ohio (the "Cleveland Station").

The base sales price for the Cleveland Station was $51,250,000, subject to certain adjustments for the apportionment of current assets and liabilities as of the closing date, as provided for in the Cleveland Agreement, resulting in a reduction of the base sales price of approximately $1.6 million.

Pursuant to the Cleveland Agreement, the Partnership deposited $2.5 million into an indemnity escrow account against which Chancellor may make indemnification claims for a period of up to two years after the closing; $1.5 million, less any claims previously asserted, will be discharged from such escrow on December 31, 1999. Approximately $2.0 million was used to repay in full the remaining outstanding balance of the Wincom-WEBE-WICC Loan and pursuant to the terms of the Wincom-WEBE-WICC Loan, an initial amount of approximately $7.3 million was paid to the Wincom Bank, pursuant to its 15% residual interest in the net sales proceeds resulting from the sale of Wincom. In addition, the Partnership held approximately $2.5 million of the sales proceeds to pay (or to reserve for payment of) wind-down expenses and sale-related expenses. The remaining sales proceeds of $35.4 million will be included in the cash distribution made to partners on March 30, 1999, in accordance with the terms of the Partnership Agreement. To the extent any amounts reserved or paid into escrow as described above are subsequently discharged, such amounts will be distributed to partners of record as of the date of such discharge from such escrow. The net asset value of the Cleveland Station, which was sold pursuant to the Cleveland Agreement in

1999, has been included in assets held for sale on the accompanying Consolidated Balance Sheet as of December 25, 1998. In 1999, the Partnership will recognize a gain on the sale of the Cleveland Station.

Cash Distributions

On March 1, 1999, the Partnership declared a cash distribution that will be made to partners on March 30 and 31, 1999. Distributable proceeds from the sales of the Anaheim Stations, Cleveland Station, and release of approximately $6.1 million of the reserve established at the time of the California Cable Systems sale, after accounting for certain expenses of the Partnership, will be included in the total cash distribution of $64.0 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Part III.

Item 10. Directors and Executive Officers of the Registrant.

Registrant has no executive officers or directors. The General Partner manages Registrant's affairs and has general responsibility and authority in all matters affecting its business. The responsibilities of the General Partner are carried out either by executive officers of RP Media Management or ML Media Management Inc. acting on behalf of the General Partner. The executive officers and directors of RP Media Management and ML Media Management Inc. are:

RP Media Management (the "Management Company")

<TABLE>

Name	Served in Present Capacity Since (1)	Position Held
I. Martin Pompadur	1/01/86	President, Chief Executive Officer, Chief Operating Officer, Secretary, Director
Elizabeth McNey Yates	4/01/88	Executive Vice President

</TABLE>

(1) The Director holds office until a successor is elected and qualified. All executive officers serve at the pleasure of the Director.

ML Media Management Inc. ("MLMM")

<TABLE>

Name	Served in Present Capacity Since (1)	Position Held
Kevin K. Albert	02/19/91	President
	12/16/85	Director
James V. Caruso	11/20/98	Executive Vice President
	11/20/98	Director
David G. Cohen	08/11/95	Vice President
	11/20/98	Director
Rosalie Y. Goldberg	11/20/98	Director
Diane T. Herte (2)	11/20/98	Vice President
Kevin T. Seltzer	11/20/98	Vice President
	11/20/98	Treasurer

(1) Directors hold office until their successors are elected and qualified. All executive officers serve at the pleasure of the Board of Directors.

(2) Ms. Herte held the position of Treasurer from August 11, 1995 through November 19, 1998.

</TABLE>

I. Martin Pompadur, 63, Director and President of RP Media Management. Mr. Pompadur is an Executive Vice President of News Corporation and President of News Corporation-Eastern and Central Europe. Mr. Pompadur is also the Chairman and Chief Executive Officer of GP Station Partners which is the General Partner of Television Station Partners, L.P., a private limited partnership that owned and operated four network affiliated television stations. These stations were sold in January 1996 and this partnership is currently in its liquidation phase. Mr. Pompadur is the Chairman and Chief Executive Officer of PBTV, Inc., the Managing General Partner of Northeastern Television Investors Limited Partnership, a private limited partnership which owned and operated WBRE-TV, a network affiliated station in Wilkes-Barre/Scranton, Pennsylvania. This station was sold in January 1998, and is currently in its liquidating phase. Mr. Pompadur is also the President and a Director of RP Opportunity Management, L.P. ("RPOM"), a limited partnership organized under the laws of Delaware, which is indirectly owned and controlled by Mr. Pompadur. RPOM is a partner in Media Opportunity Management Partners, an affiliate of the General Partner, and the general partner of ML Media Opportunity Partners, L.P. which was formed to invest in under performing and turnaround media businesses. Mr. Pompadur is the Principal Executive Officer of ML Media Opportunity Partners, L.P. Mr. Pompadur is also Chief Executive Officer of MultiVision Cable TV Corp. ("MultiVision"), a cable television multiple system operator ("MSO") organized in January 1988 and owned principally by Mr. Pompadur and the estate of Elton H. Rule to provide MSO services to cable television systems acquired by entities under his control. Mr. Pompadur was the Principal Executive Officer and principal owner of RP Radio Management Inc. ("RP Radio"), a company owned principally by Mr. Pompadur to provide administrative and day-to-day management services to Registrant's radio properties. On December 27, 1997, RP Radio Management Inc. was merged into RP Radio Management LLC, an entity wholly owned by Registrant. Mr. Pompadur is a principal owner, member of the Board of Directors and Secretary of Caribbean International News Corporation ("Caribbean"). Caribbean owns and publishes EL Vocero, the largest Spanish language daily newspaper in the United States.

Elizabeth McNey Yates, 35, Executive Vice President of RP Media Management, joined RP Companies Inc., an entity controlled by Mr. Pompadur, in March 1988 and has senior executive responsibilities in the areas of finance, operations, administration, acquisitions and dispositions. Ms. Yates is Chief Operating Officer and Executive Vice President of RP Companies, Inc., Executive Vice President of RPOM, Chief Operating Officer and Executive Vice President of RP Radio. In addition, Ms. Yates is the President and Chief Operating Officer of MultiVision.

Kevin K. Albert, 46, a Managing Director of Merrill Lynch Investment Banking Group ("ML Investment Banking"), joined Merrill Lynch in 1981. Mr. Albert works in the Equity Private Placement Group and is involved in structuring and placing a diversified array of private equity financings including common stock, preferred stock, limited partnership interests and other equity-related securities. Mr. Albert is also a director of ML Opportunity Management Inc. ("ML Opportunity"), an affiliate of MLMM and a joint venturer in Media Opportunity Management Partners, the general partner of ML Media Opportunity Partners, L.P.; a director of ML Mezzanine II Inc. ("ML Mezzanine II"), an affiliate of MLMM and sole general partner of the managing general partner of ML-Lee Acquisition Fund II, L.P. and ML-Lee Acquisition Fund (Retirement Accounts) II, L.P.; a director of ML Mezzanine Inc. ("ML Mezzanine"), an affiliate of MLMM and the sole general partner of the managing general partner of ML-Lee Acquisition Fund, L.P.; a director of Merrill Lynch Venture Capital Inc. ("ML Venture"), an affiliate of MLMM and the general partner of the Managing General Partner of ML Venture Partners II, L.P. ("Venture II") and ML Oklahoma Venture Partners Limited Partnership ("Oklahoma") and a director of Merrill Lynch R&D Management Inc. ("ML R&D"), an affiliate of MLMM and the general partner of the General Partner of ML Technology Ventures, L.P. Mr. Albert also serves as an independent general partner of Venture II.

James V. Caruso, 47, a Director of ML Investment Banking, joined Merrill Lynch in 1975. Mr. Caruso manages the Investment Banking Group Corporate Accounting, Master Lease and off Balance Sheet accounting functions as well as the Controller's area of the Partnership Analysis and Finance Group. Mr. Caruso is also a director of ML Opportunity, ML Venture, ML R&D, ML Mezzanine, ML Mezzanine II and MLH Property Managers Inc., an affiliate of MLMM and the general partner of MLH Income Realty Partnership VI.

David G. Cohen, 36, a Vice President of ML Investment Banking, joined Merrill Lynch in 1987. Mr. Cohen shares responsibility for the ongoing management of the operations of various project related limited partnerships for which subsidiaries of ML Leasing Equipment Corp., an affiliate of Merrill Lynch, are general partners. Mr. Cohen is also a director of ML Opportunity, ML Venture and ML R&D.

Rosalie Y. Goldberg, 61, a First Vice President and Senior Director of Merrill Lynch's Private Client Group and the Director of its Special Investments Group. Ms. Goldberg joined Merrill Lynch in 1975, and has held a number of management positions in the Special Investments area, including the position of Manager for Product Development and Origination from 1983 to 1989. Ms. Goldberg is also a Director of ML Mezzanine, ML Mezzanine II, and ML Opportunity.

Diane T. Herte, 38, a Vice President of ML Investment Banking since 1996 and previously an Assistant Vice President of Merrill Lynch & Co. Corporate Credit Group since 1992, joined Merrill Lynch in 1984. Ms. Herte's responsibilities include controllership and financial management functions for certain partnerships and other entities for which subsidiaries of Merrill Lynch are the general partner, manager or administrator.

Kevin T. Seltzer, 32, an Assistant Vice President of ML Investment Banking since 1999, joined Merrill Lynch in 1995. Mr. Seltzer's responsibilities include financial management functions for certain partnerships and other entities for which subsidiaries of Merrill Lynch are the general partner or administrator.

Mr. Pompadur and Ms. Yates were each executive officers of Maryland Cable Corp. and Maryland Cable Holdings Corp. at and during the two years prior to the filing by both companies on March 10, 1994 of a consolidated plan of reorganization under Chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. Maryland Cable Holdings Corp. was at the time of such filings a subsidiary of ML Media Opportunity Partners, L.P.

An Investment Committee of Registrant was established to have the responsibility and authority for developing, in conjunction with the Management Company, diversification objectives for the investments to be made by Registrant, for reviewing and approving each investment proposed by the Management Company for Registrant and for evaluating and approving dispositions of investments of Registrant. The Investment Committee will also establish reserves for Registrant for such purposes and in such amounts as it deems appropriate. A simple majority vote shall be required for any proposed investment or disposition. The Investment Committee also has the responsibility and authority for monitoring the management of the investments of Registrant by the Management Company. The current members of the Investment Committee are as follows:

RPMM Representative	MLMM Representatives
I. Martin Pompadur	Kevin K. Albert
	James V. Caruso

Item 11. Executive Compensation.

Registrant does not pay the executive officers or directors of the General Partner any remuneration. The General Partner does not presently pay any remuneration to any of its executive officers or directors. See Note 6 to the Financial Statements included in Item 8 hereof, however, for amounts paid by Registrant to the General Partner and its affiliates for the three years ended December 25, 1998.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

As of March 15, 1999, Smithtown Bay, LLC, having the mailing address 601 Carlson Parkway, Suite 200, Minnetonka, Minnesota, 55305, is the owner of 11,775 Units, representing approximately 6.3% of all such Units. As of March 15, 1999, no person or entity, other than Smithtown Bay, LLC, was known by Registrant to be the beneficial owner of more than five percent of the Units.

To the knowledge of the General Partner, as of February 1, 1999, the officers and directors of the General Partner in aggregate own less than 1% of the outstanding common stock of Merrill Lynch & Co., Inc.

RP Media Management is owned 50% by IMP Media Management, Inc. and 50% by the Elton H. Rule Company. IMP Media Management, Inc. is wholly-owned by Mr. I. Martin Pompadur and The Elton H. Rule Company is wholly-owned by the Rule Trust.

Item 13. Certain Relationships and Related Transactions.

Refer to Note 6 to the Financial Statements included in Item 8 hereof, and in Item 1 for a description of the relationship of the General Partner and its affiliates to Registrant and its subsidiaries.

Part IV.

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) Financial Statements, Financial Statement Schedules and Exhibits.

(1) Financial Statements

See Item 8. "Financial Statements and Supplementary Data."

(2) Financial Statement Schedules

No financial statement schedules are included because of the absence of the conditions which require their inclusion or because the required information is included in the financial statements or set forth herein the notes thereto.

<TABLE>
<CAPTION>

(3)	Exhibits	Incorporated by Reference to
<S>	<C>	<C>
3.1	Amended and Restated Certificate of Limited Partnership	Exhibit 3.1 to Registrant's Form S-1 the Registration Statement (File No. 33-2290)
3.2.1	Second Amended and Restated Agreement of Limited Partnership dated May 14, 1986	Exhibit 3.2.1 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1986 (File No. 0-14871)
3.2.2	Amendment No. 1 dated February 27, 1987 to Second Amended and Restated Agreement of Limited Partnership	Exhibit 3.2.2 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1986 (File No. 0-14871)
10.1.1	Joint Venture Agreement dated July 2, 1986 between Registrant and Century Communications Corp.("CCC")	Exhibit 10.1.1 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1986 (File No. 0-14871)
10.1.2	Management Agreement and Joint Venture Agreement dated December 16, 1986 between Registrant and CCC (attached as Exhibit 1 to Exhibit 10.3)	Exhibit 10.1.2 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1986 (File No. 0-14871)
10.1.3	Management Agreement and Joint Venture Agreement dated as of February 15, 1989 between Registrant and CCC	Exhibit 10.1.3 t Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
10.1.4	Amended and Restated Management Agreement and Joint Venture Agreement of Century/ML Cable Venture dated January 1, 1994 between Century Communications Corp. and Registrant	Exhibit 10.1.4 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 (File No. 0-14871)
10.2.1	Stock Purchase Agreement dated July 2, 1986 between Registrant and the sellers of shares of Cable Television Company of Greater San Juan, Inc.	Exhibit 28.1 to Registrant's Form 8-K Report dated December 16, 1986 (File No. 33-2290)
10.2.2	Assignment dated July 2, 1986 between Registrant and Century-ML Cable Corporation ("C-ML")	Exhibit 10.2.2 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1986 (File No. 0-14871)
<S>	<C>	<C>
10.2.3	Transfer of Assets and Assumption of Liabilities Agreement dated January 1, 1994 between Century-ML Radio Venture, Century/ML Cable Venture, Century Communications Corp. and Registrant	Exhibit 10.2.3 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 (File No. 0-14871)
10.3	Amended and Restated Credit Agreement dated as of March 8, 1989 between Citibank, N.A., Agent, and C-ML	Exhibit 10.3.5 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
10.3.1	Note Agreement dated as of December 1, 1992 between Century-ML Cable Corporation, Century/ML Cable Venture, Jackson National Life Insurance Company, The Lincoln National Life Insurance Company and Massachusetts Mutual Life Insurance Company	Exhibit 10.3.1 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 25, 1992 (File No. 0-14871)
10.3.2	Second Restated Credit Agreement dated	Exhibit 10.3.2 to Registrant's

	December 1, 1992 among Century-ML Cable Corporation, Century/ML Cable Venture and Citibank	Annual Report on Form 10-K for the fiscal year ended December 25, 1992 (File No. 0-14871)
10.3.3	Amendment dated as of September 30, 1993 among Century-ML Cable Corporation, the banks parties to the Credit Agreement, and Citibank, N.A. and Century/ML Cable Venture	Exhibit 10.3.3 to Registrant's Quarterly Report on Form 10-Q for September 24, 1993 (File No. 0-14871)
10.3.4	Amendment dated as of December 15, 1993 among Century-ML Cable Corporation, the banks parties to the Credit Agreement, and Citibank, N.A. and Century/ML Cable Venture	Exhibit 10.3.4 to Registrant's Annual Report on Form 10-K for the quarter fiscal year ended December 31, 1993 (File No. 0-14871)
10.4	Pledge Agreement dated December 16, 1986 among Registrant, CCC, and Citibank, N.A., Agent	Exhibit 10.4 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1986 (File No. 0-14871)
10.5	Guarantee dated as of December 16, 1986 among Registrant, CCC and Citibank, N.A., Agent	Exhibit 10.5 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 25, 1987 (File No. 0-14871)
10.6	Assignment of Accounts Receivable dated as of December 16, 1986 among Registrant, CCC and Citibank, N.A., Agent	Exhibit 10.6 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 25, 1987 (File No. 0-14871)
<S>		<C>
10.7	Real Property Mortgage dated as of December 16, 1986 among Registrant, CCC and Citibank, N.A., Agent	Exhibit 10.7 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
10.8	Stock Sale and Purchase Agreement dated as of December 5, 1986 between SCIPSCO, Inc. and ML California Cable Corp. ("ML California")	Exhibit 28.1 to Registrant's Form 8-K Report dated December 23, 1986 (File No. 33-2290)
10.8.1	Asset Purchase Agreement dated as of November 28, 1994 among Registrant and Century Communications Corp.	Exhibit 2 to Registrant's Form 8-K Report dated November 28, 1994 (File No. 0-14871)
10.9	Security Agreement dated as of December 22, 1986 among Registrant, ML California and BA	Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1987 (File No. 0-14871)
10.10	Assets Purchased Agreement dated as of September 17, 1986 between Registrant and Loyola University	Exhibit 28.1 to Registrant's Form 8-K Report dated February 2, 1987 (File No. 33-2290)
10.11	Asset Acquisition Agreement dated April 22, 1987 between Community Cable-Vision of Puerto Rico Associates, Community Cable-Vision of Puerto Rico, Inc., Community Cable-Vision Incorporated and Century Communications Corp., as assigned	Exhibit 28.1 to Registrant's Form 8-K Report dated October 14, 1987 (File No. 33-2290)
10.12	Asset Purchase Agreement dated April 29, 1987 between Registrant and Gilmore Broadcasting Corporation	Exhibit 2.1 to Registrant's Form 8-K Report dated September 16, 1987 (File No. 33-2290)
10.13	License Holder Pledge Agreement dated August 27, 1987 by Registrant and Media Management Partners in favor of Manufacturers Hanover	Exhibit 2.5 to Registrant's Form 8-K Report dated September 15, 1987 (File No. 33-2290)
10.14	Asset Purchase Agreement dated August 20, 1987 between 108 Radio Company Limited Partnership and Registrant	Exhibit 28.1 to Registrant's Form 8-K Report dated January 15, 1988 (File No. 33-2290)

<S>	<C>	<C>
10.15	Security Agreement dated as of December 16, 1987 between Registrant and CNB	Exhibit 28.3 to Registrant's Form 8-K Report dated January 15, 1988 (File No. 33-2290)
10.16	Asset Purchase Agreement dated as of January 9, 1989 between Registrant and Connecticut Broadcasting Company, Inc. ("WICC")	Exhibit 10.25 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
10.17.1	Stock Purchase Agreement dated June 17, 1988 between Registrant and the certain sellers referred to therein relating to shares of capital stock of Universal Cable Holdings, Inc. ("Universal")	Exhibit 28.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 24, 1988 (File No. 0-14871)
10.17.2	Amendment and Consent dated July 29, 1988 between Russell V. Keltner, Larry G. Wiersig and Donald L. Benson, Universal Cable Midwest, Inc. and Registrant	Exhibit 2.2 to Registrant's Form 8-K Report dated September 19, 1988 (File No. 0-14871)
10.17.3	Amendment and Consent dated July 29, 1988 between Ellsworth Cable, Inc., Universal Cable Midwest, Inc. and Registrant	Exhibit 2.3 to Registrant's Form 8-K Report dated September 19, 1988 (File No. 0-14871)
10.17.4	Amendment and Consent dated August 29, 1988 between ST Enterprises, Ltd., Universal Cable Communications, Inc. and Registrant	Exhibit 2.4 to Registrant's Form 8-K Report dated September 19, 1988 (File No. 0-14871)
10.17.5	Amendment and Consent dated September 19, 1988 between Dennis Wudtke, Universal Cable Midwest, Inc., Universal Cable Communications, Inc. and Registrant	Exhibit 2.5 to Registrant's Form 8-K Report dated September 19, 1988 (File No. 0-14871)
10.17.6	Amendment and Consent dated October 14, 1988 between Down's Cable, Inc., Universal Cable Midwest, Inc. and Registrant	Exhibit 10.26.6 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
10.17.7	Amendment and Consent dated October 14, 1988 between SJM Cablevision, Inc., Universal Cable Midwest, Inc. and Registrant	Exhibit 10.26.7 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
10.17.8	Bill of Sale and Transfer of Assets dated as of September 19, 1988 between Registrant and Universal Cable Communications Inc.	Exhibit 2.6 to Registrant's Form 8-K Report dated September 19, 1988 (File No. 0-14871)
10.18	Credit Agreement dated as of September 19, 1988 among Registrant, Universal, certain subsidiaries of Universal, and Manufacturers Hanover Trust Company, as Agent	Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
<S>	<C>	<C>
10.19	Stock Purchase Agreement dated October 6, 1988 between Registrant and the certain sellers referred to therein relating to shares of capital stock of Acosta Broadcasting Corp.	Exhibit 10.28 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
10.20	Stock Purchase Agreement dated April 19, 1988 between Registrant and the certain sellers referred to therein relating to shares of capital stock of Wincom Broadcasting Corporation	Exhibit 28.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 24, 1988 (File No. 0-14871)
10.21	Subordination Agreement dated as of August 15, 1988 among Wincom, the Subsidiaries, Registrant and Chemical Bank	Exhibit 2.3 to Registrant's Form 8-K Report dated August 26, 1988 (File No. 0-14871)
10.22	Management Agreement dated August 26, 1988 between Registrant and Wincom	Exhibit A to Exhibit 10.30.2 above
10.22.1	Management Agreement by and between Fairfield Communications, Inc. and	Exhibit 10.22.1 to Registrant's Quarterly Report on Form 10-Q

	Registrant and ML Media Opportunity Partners, L.P. dated May 12, 1993		for the quarter ended June 25, 1993 (File No. 0-14871)
10.22.2	Sharing Agreement by and among Registrant, ML Media Opportunity Partners, L.P., RP Companies, Inc., Radio Equity Partners, Limited Partnership and Fairfield Communications, Inc.		Exhibit 10.22.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 25, 1993 (File No. 0-14871)
10.23	Amended and Restated Credit, Security and Pledge Agreement dated as of August 15, 1988, as amended and restated as of July 19, 1989 among Registrant, Wincom Broadcasting Corporation, Win Communications Inc., Win Communications of Florida, Inc., Win Communications Inc. of Indiana, WEBE Associates, WICC Associates, Media Management Partners, and Chemical Bank and Chemical Bank, as Agent		Exhibit 10.33 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989 (File No. 0-14871)
<S>		<C>	<C>
10.23.1	Second Amendment dated as of July 30, 1993 to the Amended and Restated Credit, Security and Pledge Agreement dated as of August 15, 1988, as amended and restated as of July 19, 1989 and as amended by the First Amendment thereto dated as of August 14, 1989 among Registrant, Wincom Broadcasting Corporation, Win Communications Inc., Win Communications Inc. of Indiana, WEBE Associates, WICC Associates, Media Management Partners, and Chemical Bank and Chemical Bank, as Agent		Exhibit 10.23.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 25, 1993 (File No. 0-14871)
10.24	Agreement of Consolidation, Extension, Amendment and Restatement of the WREX Credit Agreement and KATC Credit Agreement between Registrant and Manufacturers Hanover Trust Company dated as of June 21, 1989		Exhibit 10.34 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989 (File No. 0-14871)
10.25	Asset Purchase Agreement between ML Media Partners, L.P. and Anaheim Broadcasting Corporation dated July 11, 1989		Exhibit 10.35 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 29, 1989 (File No. 0-14871)
10.26	Asset Purchase Agreement between WIN Communications Inc. of Indiana, and WIN Communications of Florida, Inc. and Renda Broadcasting Corp. dated November 27, 1989		Exhibit 10.36 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 28, 1990 (File No. 0-14871)
10.26.1	Asset Purchase Agreement between WIN Communications of Indiana, Inc. and Broadcast Alchemy, L.P. dated April 30, 1993		Exhibit 10.26.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 25, 1993 (File No. 0-14871)
10.26.2	Joint Sales Agreement between WIN Communications of Indiana, Inc. and Broadcast Alchemy, L.P. dated May 1, 1993		Exhibit 10.26.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 25, 1993 (File No. 0-14871)
10.27	Credit Agreement dated as of November 15, 1989 between ML Media Partners, L.P. and Bank of America National Trust and Savings Association		Exhibit 10.39 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 29, 1990 (File No. 0-14871)
10.27.1	First Amendment and Limited Waiver dated as of February 23, 1995 to the Amended and Restated Credit Agreement dated as of May 15, 1990 among ML Media Partners, L.P. and Bank of America National Trust and Saving Association, individually and as Agent		Exhibit 10.27.1 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1994 (File 0-14871)
10.28	Asset Purchase Agreement dated November 27, 1989 between Win Communications and Renda Broadcasting Corp.		Exhibit 10.38 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 29, 1990

		(File No. 0-14871)
10.29	Amended and Restated Credit Agreement dated as of May 15, 1990 among ML Media Partners, L.P. and Bank of America National Trust and Saving Association, individually and as Agent	Exhibit 10.39 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 29, 1990 (File No. 0-14871)
10.30	Stock Purchase Agreement between Registrant and Ponca/Universal Holdings, Inc. dated as of April 3, 1992	Exhibit 10.40.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 27, 1992 (File No. 0-14871)
10.30.1	Earnest Money Escrow Agreement between Registrant and Ponca/Universal Holdings, Inc. dated as of April 3, 1992	Exhibit 10.40.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 27, 1992 (File No. 0-14871)
10.30.2	Indemnity Escrow Agreement between Registrant and Ponca/Universal Holdings, Inc. dated as of July 8, 1992	Exhibit 10.40.2 to Registrant's Form 8-K Report dated July 8, 1992 (File No. 0-14871)
<S>	<C>	<C>
10.30.3	Assignment by Registrant in favor of Chemical Bank, in its capacity as agent for itself and the other banks party to the credit agreement dated as of September 19, 1988, among Registrant, Universal, certain subsidiaries of Universal, and Manufacturers Hanover Trust Company, as agent	Exhibit 10.40.3 to Registrant's Form 8-K Report dated July 8, 1992 (File No. 0-14871)
10.30.4	Confirmation of final Universal agreements between Registrant and Manufacturers Hanover Trust Company, dated April 3, 1992	Exhibit 10.40.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 25, 1992 (File No. 0-14871)
10.30.5	Letter regarding discharge and release of the Universal Companies and Registrant dated July 8, 1992 between Registrant and Chemical Bank (as successor, by merger, to Manufacturers Hanover Trust Company)	Exhibit 10.40.5 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 25, 1992 (File No. 0-14871)
10.31.1	Asset Purchase Agreement dated May 25, 1995 with Quincy Newspapers, Inc. to sell substantially all of the assets used in the operations of the Registrant's television station WREX-TV, Rockford, Illinois	Exhibit 10.1 to Registrant's Form 8-K dated May 25, 1995 (File No. 0-14871)
10.31.3	Asset Purchase Agreement dated June 1, 1995 with KATC Communications, Inc., to sell substantially all of the assets used in the operations of Registrant's television station KATC-TV, Lafayette, Louisiana	Exhibit 10.1 to Registrant's Form 8-K dated May 25, 1995 (File No. 0-14871)
10.32	Asset Purchase Agreement dated November 28, 1994 with Century Communications Corp., to sell substantially all of the assets used in Registrant's California Cable Systems.	Exhibit to Registrant's Form 8-K Report dated November 28, 1994 (File No. 0-14871)
10.33	Letter Agreement dated May 31, 1996 between Registrant and Century Communications Corp.	Exhibit to Registrant's Form 8-K Report dated May 31, 1996 (File No. 0-14871)
10.34	Asset Purchase Agreement dated October 9, 1997 with Madifide, Inc., to sell substantially all of the assets used in the operations of Registrant's C-ML Radio.	Exhibit 10.34 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 26, 1997 (File 0-14871)
10.35	Asset Purchase Agreement dated September 14, 1998, between Registrant and Citicasters Co., to sell substantially all of the assets used in the operations of Registrant's Anaheim Stations	Exhibit 1 to Registrant's Form 8-K/A Report dated January 4, 1999 (File No. 0-14871)

<S> <C>

10.36	Stock Purchase Agreement dated August 11, 1998, between Registrant and Chancellor Media Corporation of Los Angeles, to sell the stock of Wincom.	Exhibit 1 to Registrant's Form 8-K Report dated January 28, 1999 (File No. 0-14871)
18.1	Letter from Deloitte, Haskins & Sells regarding the change in accounting method, dated March 30, 1989	Exhibit 18.1 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988 (File No. 0-14871)
27.0	Financial Data Schedule to Form 10-K Report for the fiscal year ended December 25, 1998	
99	Pages 12 through 19 and 38 through 46 of Prospectus dated February 4, 1986, filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended	Prospectus dated February 4, 1986, filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended (File No. 33-2290)

(b) Reports on Form 8-K.

During the period covered by this report, on November 25, 1998, Registrant filed with the Securities and Exchange Commission (the "SEC") a Current Report on Form 8-K/A dated August 11, 1998. This Current Report contained details regarding the stock purchase agreement entered into with Chancellor Media Corporation of Los Angeles to sell the stock of Wincom.

In addition, on January 20, 1999, Registrant filed with the SEC a Current Report on Form 8-K/A dated January 4, 1999. This Current Report contained details regarding the consummation of the sale of substantially all of the assets used in the operations of the KEZY-FM and KORG-AM radio stations.

On January 29, 1999, Registrant filed with the SEC a Current Report on Form 8-K dated January 28, 1999. This Current Report contained details regarding the consummation of the sale of the stock of Wincom.

On February 12, 1999, Registrant filed with the SEC a Current Report on Form 8-K/A dated January 28, 1999. This Current Report contains pro forma consolidated financial statements which give effect to the sale of Wincom and the KEZY-FM and KORG-AM radio stations.

(c) Exhibits.

See (a) (3) above.

(d) Financial Statement Schedules.

See (a) (2) above.

</TABLE>

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ML MEDIA PARTNERS, L.P.
By: Media Management Partners
General Partner

By: ML Media Management Inc.

Dated: March 26, 1999

/s/ Kevin K. Albert

Kevin K. Albert
Director and President

<TABLE>

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Registrant in the capacities and on the dates indicated.

RP MEDIA MANAGEMENT

<S> <C>

Signature	Title	Date
/s/ I. Martin Pompadur (I. Martin Pompadur)	President, Secretary and Director (principal executive officer of the Registrant)	March 26, 1999
/s/Elizabeth McNey Yates (Elizabeth McNey Yates)	Executive Vice President	March 26, 1999

</TABLE>

<TABLE>

ML MEDIA MANAGEMENT INC.

<S> <C>

Signature	Title	Date
/s/ Kevin K. Albert (Kevin K. Albert)	Director and President	March 26, 1999
/s/ James V. Caruso (James V. Caruso)	Director and Executive Vice President	March 26, 1999
/s/ David G. Cohen (David G. Cohen)	Director and Vice President	March 26, 1999
/s/ Kevin T. Seltzer (Kevin T. Seltzer)	Vice President and Treasurer (principal financial officer and principal accounting officer of the Registrant)	March 26, 1999

</TABLE>

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This schedule contains summary financial information extracted from the year end 1998 Form 10K Consolidated Balance Sheets and Consolidated Statements of Operations as of December 25, 1998, and is qualified in its entirety by reference to such financial statements.
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