SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 31, 2003, or
☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____.

Commission File Number
1-9645

CLEAR CHANNEL COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

Texas	74-1787539
(State of Incorporation)	(I.R.S. Employer Identification No.)

200 East Basse Road
San Antonio, Texas 78209
Telephone (210) 822-2828
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act: Common Stock, $.10 par value per share.

Securities registered pursuant to Section 12(g) of the Act: None.

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

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 definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). YES ☒ NO ☐

On June 30, 2003, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the Common Stock beneficially held by non-affiliates of the Company was approximately $19.1 billion. (For purposes hereof, directors, executive officers and 10% or greater shareholders have been deemed affiliates).

On March 8, 2004, there were 616,657,745 outstanding shares of Common Stock, excluding 310,790 shares held in treasury.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Definitive Proxy Statement for the 2004 Annual Meeting, expected to be filed within 120 days of our fiscal year end, are incorporated by reference into Part III.

CLEAR CHANNEL COMMUNICATIONS, INC.
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PART I

ITEM 1. Business

The Company

Clear Channel Communications, Inc. is a diversified media company with three reportable business segments: radio broadcasting, outdoor advertising and live entertainment. We were incorporated in Texas in 1974. As of December 31, 2003, we owned 1,182 domestic radio stations and a leading national radio network. In addition, we had equity interests in various international radio broadcasting companies. For the year ended December 31, 2003, the radio broadcasting segment represented 41% of our total revenue. We also owned or operated 145,895 domestic outdoor advertising display faces and 641,680 international outdoor advertising display faces. For the year ended December 31, 2003, the outdoor advertising segment represented 24% of our total revenue. In addition, we operate as promoters, producers and venue operators for live entertainment events. As of December 31, 2003, we owned or operated 74 live entertainment venues domestically and 29 live entertainment venues internationally, which excludes 23 domestic venues and two international venues where we either own a non-controlling interest or have booking, promotions or consulting agreements. For the year ended December 31, 2003, the live entertainment segment represented 30% of our total revenue. We also own or program 39 television stations, own a media representation firm and represent professional athletes, all of which are within the category "other". This segment represented 5% of our total revenue for the year ended December 31, 2003.

Our principal executive offices are located at 200 East Basse Road, San Antonio, Texas 78209 (telephone: 210-822-2828).

Radio Broadcasting

Radio Stations

As of December 31, 2003, we owned 366 AM and 816 FM domestic radio stations, of which 492 radio stations were in the top 100 markets according to the Arbitron fall 2003 ranking of U.S. markets. In addition, we currently own equity interests in various international radio broadcasting companies, which we account for under the equity method of accounting. Our radio stations employ various formats for their programming. A station's format can be important in determining the size and characteristics of its listening audience. Advertisers often tailor their advertisements to appeal to selected population or demographic segments.

Radio Networks

As of December 31, 2003, we owned a national radio network, which has a total audience of over 180 million weekly listeners. The network syndicates talk programming including such talent as *Rush Limbaugh, Bob and Tom, John Boy and Billy, Glen Beck* and *Jim Rome*, and music programming including such talent as *Rick Dees* and *Casey Kasem*. We also operated several news and agricultural radio networks serving Georgia, Ohio, Oklahoma, Texas, Iowa, Kentucky, Virginia, Alabama, Tennessee, Florida and Pennsylvania.

Most of our radio broadcasting revenue is generated from the sale of local and national advertising. Additional revenue is generated from network compensation and event payments, barter and other miscellaneous transactions. Advertising rates charged by a radio station are based primarily on the station's ability to attract audiences having certain demographic characteristics in the market area that advertisers want to reach, as well as the number of stations and other advertising media competing in the market and the relative demand for radio in any given market.

Advertising rates generally are the highest during morning and evening drive-time hours. Depending on the format of a particular station, there are certain numbers of advertisements that are broadcast each hour. We determine the number of advertisements broadcast hourly that can maximize available revenue dollars without jeopardizing listening levels. Although the number of advertisements broadcast during a given time period may vary, the total number of advertisements broadcast on a particular station generally does not vary significantly from year to year.

Our radio broadcasting results are dependent on a number of factors, including the general strength of the economy, ability to provide popular programming, relative efficiency of radio broadcasting compared to other advertising media, signal strength, technological capabilities and governmental regulations and policies.

Outdoor Advertising

As of December 31, 2003, we owned or operated a total of 787,575 advertising display faces. We currently provide outdoor advertising services concentrated in over 40 domestic markets and over 63 foreign countries. Our display faces include billboards of various sizes, wallscapes, transit displays and street furniture displays. Additionally, we currently own equity interests in various outdoor advertising companies, which we account for under the equity method of accounting.

Revenue is generated from both local and national sales. Local advertisers tend to have smaller advertising budgets and require greater assistance from our production and creative personnel to design and produce advertising copy. In local sales, we often expend more sales efforts on educating customers regarding the benefits of outdoor media and helping potential clients develop an advertising strategy using outdoor advertising. While price and availability are important competitive factors, service and customer relationships are also critical components of local sales.

Advertising rates are based on a particular display's exposure, or number of "impressions" delivered, in relation to the demographics of the particular market and its location within that market. The number of "impressions" delivered by a display is measured by the number of vehicles or pedestrians passing the site during a defined period and is weighted to give effect to such factors as its proximity to other displays, the speed and viewing angle of approaching traffic, the national average of adults riding in vehicles and whether the display is illuminated. Independent auditing companies verify the number of impressions delivered by a display.

Our billboards consist of various sized panels on which advertising copy is displayed. Bulletin and poster advertising copy is either printed with computer-generated graphics on a single sheet of vinyl that is "wrapped" around an outdoor advertising structure or placed on lithographed or silk-screened paper sheets supplied by the advertiser that are pasted and applied like wallpaper to the face of the display. Billboards are generally mounted on structures we own and are located on sites that are either owned or leased by us or on a site for which we have acquired a permanent easement. Lease contracts are negotiated with both public and private landlords.

Wallscapes are essentially billboards painted on vinyl surfaces or directly on the sides of buildings. Because of their greater impact and higher cost, larger billboards are usually located on major highways and freeways. Some of our billboards are illuminated, and located at busy traffic interchanges to offer maximum visual impact to vehicular audiences. Wallscapes are located on major freeways, commuter and tourist routes and in downtown business districts. Smaller billboards are concentrated on city streets targeting pedestrian traffic.

Transit advertising incorporates all advertising on or in transit systems, including the interiors and exteriors of buses, trains, trams and taxis, and advertising at rail stations and airports. Transit advertising posters include vinyl sheets, which are applied directly to transit vehicles or to billboards and panels mounted in station or airport locations. Transit advertising contracts are negotiated with public transit authorities and private transit operators, typically on a revenue-share basis with a minimum fixed rental guarantee.

Street furniture panels are developed and marketed under our global Clear Channel Adshel brand. Street furniture panels include bus shelters, free standing units, pillars and columns. The most numerous are bus shelters, which are back illuminated and reach vehicular and pedestrian audiences. Street furniture is growing in popularity with local authorities, especially internationally and in the larger domestic markets. Bus shelters are usually constructed, owned and maintained by the outdoor service provider. Many of our bus shelter contracts include revenue-sharing arrangements with a municipality or transit authority. Large street furniture contracts are usually won in a competitive tender and last between 10 and 20 years. Tenders are won on the basis of revenues and community-related products offered to municipalities, including bus shelters, public toilets and information kiosks.

Live Entertainment

During 2003, we promoted or produced over 32,000 events, including music concerts, theatrical shows and specialized sporting events. We reached 69 million people through all of these activities during 2003. As of December 31, 2003, we owned or operated a total of 74 domestic venues and 29 international venues. Additionally, we currently own equity interests in various live entertainment companies, which we account for under the equity method of accounting.

As a promoter, we typically book talent or tours, sell tickets and advertise the event to attract ticket buyers. For the event, we either provide our controlled venue or we rent a venue, arrange for production services, and sell sponsorships. When we provide our owned venue, we generally receive a percentage of revenues from concessions, merchandising, parking and premium box seats.

As a producer, we generally develop event content, hire artistic talent, schedule performances in select venues, promote tours and sell sponsorships. We do not have control over the actual ticket price charged to the consumer. We derive revenue from a percentage of the promoters' ticket sales. We also derive revenues from guarantees and from profit sharing agreements related to co-promotion, merchandising, sponsorships and concessions.

We derive revenues from our venue operations primarily from ticket sales, rental income, corporate sponsorships, concessions, and merchandise. A venue operator typically receives, for each event it hosts, a fixed fee or all of the ticket sales for use of the venue, as well as fees representing a percentage of total concession sales from the vendors and total merchandise sales from the performer or tour producer. We generally receive 100% of sponsorship revenues and a portion of the ticket handling charges.

Corporate sponsorship includes the naming rights of venues. We also designate providers of concessions and "official" event or tour sponsors such as credit card companies, phone companies and beverage companies, among others. Sponsorship arrangements can provide significant additional revenues. We believe that the national venue network we have assembled will likely attract major corporate sponsors and enable us to sell national sponsorship rights at a premium over local or regional sponsorship rights. We also believe that our relationships with advertisers will enable us to better utilize available advertising space, and that the aggregation of our audiences nationwide will create the opportunity for advertisers to access a nationwide market.

Our outdoor entertainment venues are primarily used in the summer months and do not generate substantial revenue in the late fall, winter and early spring. The theatrical presenting season generally runs from September through May. Our motor sports business operates primarily in the winter.

Other

Television
As of December 31, 2003, we owned, programmed or sold airtime for 39 television stations. Our television stations are affiliated with various television networks, including ABC, CBS, NBC, FOX, UPN, PAX and WB. Television revenue is generated primarily from the sale of local and national advertising. Advertising rates depend primarily on the quantitative and qualitative characteristics of the audience we can deliver to the advertiser. Our sales personnel sell local advertising, while national sales representatives sell national advertising.

The primary sources of programming for our ABC, NBC, CBS and FOX affiliated television stations are their respective networks, which produce and distribute programming in exchange for each station's commitment to air the programming at specified times and for commercial announcement time during the programming. We supply the majority of programming to our UPN, PAX and WB affiliates by selecting and purchasing syndicated television programs. We compete with other television stations within each market for these broadcast rights.

We also provide local news programming for the certain affiliate stations in Jacksonville, Florida; Harrisburg, Pennsylvania; Memphis, Tennessee; Mobile, Alabama; Cincinnati, Ohio; Albany, New York; San Antonio, Texas; and Salt Lake City, Utah. Local news programming traditionally has appealed to a target audience of adults 25 to 54 years of age. Because these viewers generally have increased buying power relative to viewers in

other demographic groups, they are one of the most sought-after target audiences for advertisers. With such programming, these stations are able to attract advertisers that would not otherwise use them.

Media Representation

We own the Katz Media Group, a full-service media representation firm that sells national spot advertising time for clients in the radio and television industries throughout the United States. Katz Media represents over 2,700 radio stations and 390 television stations.

Katz Media generates revenues primarily through contractual commissions realized from the sale of national spot advertising airtime. National spot advertising is commercial airtime sold to advertisers on behalf of radio and television stations. Katz Media represents its media clients pursuant to media representation contracts, which typically have terms of up to ten years in length.

Sports Representation

We operate in the sports representation business. Our full-service sports marketing and management operations specialize in the representation of professional athletes, integrated event management and marketing consulting services. Among our clients are many professional athletes, including Michael Jordan (basketball), Tracy McGrady (basketball), Barry Zito (baseball), Mike Messina (baseball), Greg Norman (golf), Andre Agassi (tennis), Andy Roddick (tennis) and Jerry Rice (football).

Our sports representation business generates revenue primarily through the negotiation of professional sports contracts and endorsement contracts for clients. The amount of endorsement and other revenues that our clients generate is a function of, among other things, the clients' professional performances and public appeal. The sports marketing businesses primarily earn revenue ratably over the year.

Company Strategy

Our strategy is to focus our efforts at the local level, where we work within each of our markets to contribute to the needs of our communities. We believe this strategy will help us grow shareholder value by distributing our products to our audiences within each of our segments.

In radio and television we are trusted with the public airwaves. This trust requires constant focus and determination to deliver the best product in order to attract listeners and viewers. We attract listeners and viewers by providing musical, news and information content on our stations. We conduct research to determine what listeners and viewers want and deliver it to them on a continuous basis. We strive to maintain compelling programming to create listener and viewer loyalty. In addition, we bring content to our outdoor business to make our products interesting and informative for consumers. In our live entertainment segment, we bring diverse entertainment to the communities in which we operate by delivering musical tours, Broadway shows, family entertainment, motor sports, museum exhibits and sporting events. Our ability to package and deliver entertainment events across our markets contributes to the arts, culture and the quality of lifestyle in many of our communities.

We focus on helping our clients distribute their marketing messages in the most efficient ways possible. We believe one measure of our success is how well we assist our clients in selling their products and services. To this end, we offer advertisers a geographically diverse platform of media assets designed to provide the most efficient and cost-effective ways for our clients to reach consumers. Our entrepreneurial managers work creatively and expertly to help their customers, at all levels, market their goods and services. If we are successful helping advertisers and sponsors reach their consumers, we will gain their continued business and long-term commitments. Those commitments build our revenue and ultimately build value for our shareholders.

A portion of our growth has been achieved by mobilizing the radio and television broadcasting, outdoor advertising and live entertainment segments for the advertisers' benefit. Additionally, we seek to create situations in which we own more than one type of media in the same market. We have found that access to multiple media assets gives our clients more flexibility in the distribution of their messages. Aside from the added flexibility to our clients, this allows us ancillary benefits, such as the use of otherwise vacant advertising space to cross promote our other media assets, or the sharing of on-air talent and news and information across our radio and televisions stations.

To support our strategy, we have decentralized our operating structure in order to place authority, autonomy and accountability at the market level. We believe that local management is best able to respond to local customers' needs. We provide local managers with significant resources and tools to allow them to better serve their clients and their local communities. We believe that one of our strongest assets is our unique blend of highly experienced corporate and local market management.

Radio Broadcasting

Our radio strategy centers on providing programming that is relevant to our communities. We operate in a competitive marketplace and compete with all advertising media including television, newspaper, outdoor advertising, direct mail, cable, yellow pages, Internet, satellite radio and other forms of advertisement. Therefore, our radio strategy entails improving the ongoing operations of our stations through effective programming, reduction of costs, and aggressive promotion, marketing, and sales. The effort spent on programming and content across our geographically diverse portfolio of radio stations allows us to deliver targeted messages for specific audiences to advertisers on a local, regional, and national basis. We believe owning multiple radio stations in a market allows us to provide our listeners with a more diverse programming selection and a more efficient means for our advertisers to reach those listeners. By owning multiple stations in a market, we are also able to operate our stations with more highly skilled local management teams and eliminate duplicative operating and overhead expenses.

Outdoor Advertising

Our outdoor advertising strategy involves expanding our market presence and improving the operating results of our existing operations to help us compete across all advertising media in the marketplace including radio, television, newspaper, direct mail, cable, yellow pages, Internet, satellite radio and other forms of advertisement. We do this by acquiring additional displays in our existing markets, expanding into new markets and helping our outdoor advertisers creatively use our outdoor advertising inventory. We focus on attracting new categories of advertisers to the outdoor medium through significant investments in sales, marketing, creative, and research services. We take advantage of technological advances and the growing and dynamic possibilities advertisers have to display unique, engaging, creative advertisements. Our talented management team is committed to sales force productivity, improved production department efficiency, and further developing the quality of our product. Finally, the fragmented outdoor advertising industry in our international markets presents us with opportunities to increase our profitability both from our existing operations and from future acquisitions.

Live Entertainment

Our strategy is to deliver quality entertainment products, from music concerts, Broadway and touring shows, specialized motor sports events, museum exhibitions, family shows, and venue operations. We then monetize this investment by increasing the utilization of our entertainment venues, the number of tickets sold per event and by effectively marketing the variety of sponsorship opportunities we offer. We strive to form strategic alliances with top brands for marketing opportunities. This connection builds brand loyalty and consumer affinities, thus helping our advertisers succeed with their marketing efforts and helping us compete with all advertising media including radio, television, newspaper, outdoor advertising, direct mail, cable, yellow pages, Internet, satellite radio and other forms of advertisement.

Recent Developments

We evaluate strategic opportunities both within and outside our existing lines of business and from time to time enter into letters of intent to purchase or sell assets. Although we have no definitive agreements with respect to significant acquisitions or dispositions not set forth in this report, we expect from time to time to pursue additional acquisitions and may decide to dispose of certain businesses. Such acquisitions or dispositions could be material.

Employees

At February 29, 2004, we had approximately 29,000 domestic employees and 7,500 international employees of which approximately 35,700 were in operations and approximately 800 were in corporate related

activities. In addition, our live entertainment operations hire approximately 25,000 seasonal employees during peak time periods.

Operating Segments

Clear Channel consists of three reportable operating segments: radio broadcasting, outdoor advertising and live entertainment. The radio broadcasting segment includes radio stations for which we are the licensee and for which we program and/or sell air time under local marketing agreements or joint sales agreements. The radio broadcasting segment also operates radio networks. The outdoor advertising segment includes advertising display faces for which we own or operate under lease management agreements. The live entertainment segment includes venues that we own or operate, the production of Broadway shows and theater operations.

Information relating to the operating segments of our radio broadcasting, outdoor advertising and live entertainment operations for 2003, 2002 and 2001 is included in “Note M — Segment Data” in the Notes to Consolidated Financial Statements in Item 8 included elsewhere in this Report.

The following table sets forth certain selected information with regard to our radio broadcasting stations, outdoor advertising display faces and live entertainment venues that we own or operate. At December 31, 2003, we owned 366 AM and 816 FM radio stations. At December 31, 2003, we owned or operated 145,895 domestic display faces and 641,680 international display faces. We also owned or operated 103 live entertainment venues at December 31, 2003.

Market	Market Rank*	Radio Broadcasting Stations	Outdoor Advertising Display Faces	Live Entertainment Venues
New York, NY	1	5	11,101	5
Los Angeles, CA	2	8	10,540	3
Chicago, IL	3	7	15,655	2
San Francisco, CA	4	6	5,881	5
Dallas, TX	5	6	5,520	
Philadelphia, PA	6	6	4,047	5
Houston, TX	7	8	5,579	2
Washington, DC	8	8	1,542	2
Boston, MA	9	4	5,728	6
Detroit, MI	10	7	363	3
Atlanta, GA	11	5	6,874	4
Miami, FL	12	7	5,279	
Seattle, WA	14	5	3,577	1
Phoenix, AZ	15	8	1,354	1
Minneapolis, MN	16	7	1,861	1
San Diego, CA	17	7	825	
Nassau/Suffolk, NY	18	2		
Baltimore, MD	19	3	1,286	2
St. Louis, MO	20	6	242	2
Tampa, FL	21	8	2,132	
Denver, CO	22	8	761	1
Pittsburgh, PA	23	6	420	1
Portland, OR	24	5	1,306	
Cleveland, OH	25	6	1,490	2
Cincinnati, OH	26	8	14	2
Sacramento, CA	27	4	1,023	2
Riverside, CA	28	4	107	

Market	Market Rank*	Radio Broadcasting Stations	Outdoor Advertising Display Faces	Live Entertainment Venues
Kansas City, KS/MO	29			1
San Antonio, TX	30	6	3,368	1
Salt Lake City, UT	31	4		
San Jose, CA	32	2	940	
Milwaukee, WI	33	6	1,857	1
Providence, RI	34	4		
Columbus, OH	35	6	1,113	1
Middlesex-Somerset-Union	36		2	
Charlotte, NC	37	5		1
Orlando, FL	38	7	2,563	
Las Vegas, NV	39	4	11,030	
Norfolk, VA	40	4	11	1
Indianapolis, IN	41	3	1,546	2
Austin, TX	42	6	6	
Greensboro, NC	43	4		
Raleigh, NC	44	5		1
Nashville, TN	45	5	14	1
New Orleans, LA	46	7	1,186	1
West Palm Beach, FL	47	7	209	2
Memphis, TN	48	6	1,997	
Hartford, CT	49	5		2
Jacksonville, FL	50	7	944	
Buffalo, NY	52			1
Oklahoma City, OK	53	5	12	
Rochester, NY	54	7		
Louisville, KY	55	8	6	1
Richmond, VA	56	6	12	
Birmingham, AL	57	6		
Dayton, OH	58	7	1	
Greenville, SC	59	5		
Tucson, AZ	61	6	1,923	
Brownsville & McAllen, TX	62	6		
Honolulu, HI	63	7		
Albany, NY	64	7		1
Tulsa, OK	65	6		
Grand Rapids, MI	66	7		1
Ft. Myers, FL	67	4	4	
Fresno, CA	68	9	10	
Wilkes Barre — Scranton, PA	69		16	
Allentown, PA	70	4	6	
Albuquerque, NM	71	8	1,169	1
Knoxville, TN	72			
Akron, OH	73	3	747	
Omaha, NE	74	5		
Monterey, CA	75	6	22	
El Paso, TX	76	5	1,373	
Wilmington, DE	77	4	1,019	

Market	Market Rank*	Radio Broadcasting Stations	Outdoor Advertising Display Faces	Live Entertainment Venues
Sarasota, FL	78	6	4	
Harrisburg, PA	79	6	8	
Syracuse, NY	80	7		
Springfield, MA	81	4		
Toledo, OH	82	5		
Baton Rouge, LA	83	6		
Greenville, NC	84		11	
Little Rock, AR	85	5		
Bakersfield, CA	86	6		
Stockton, CA	87	4		
Gainesville-Ocala, FL	88		1,361	
Charleston, SC	89	6		
Columbia, SC	90	6		
Daytona Beach, FL	91		474	
Des Moines, IA	92	5	668	
Mobile, AL	93	5		
Spokane, WA	94	6	5	
Colorado Springs, CO	95	3	7	
Wichita, KS	96	4	654	
Madison, WI	97	6		
Melbourne-Titusville-Cocoa, FL	99	4	132	
Various U.S. Cities	101-150	133	3,912	1
Various U.S. Cities	151-200	135	2,233	
Various U.S. Cities	201-250	131	51	1
Various U.S. Cities	251+	89	66	
Various U.S. Cities	unranked	202	8,696	
International:				
Africa (b)	n/a			
Australia — New Zealand (a)	n/a		13,029	
Baltics and Russia	n/a		8,432	
Belgium	n/a		14,565	
Brazil	n/a		6,745	
Canada	n/a		2,367	1
Chile	n/a		966	
China (b)	n/a			
Denmark	n/a		10,641	
Finland	n/a		6,033	
France	n/a		148,576	
Greece	n/a		735	
Holland	n/a		2,414	
Hong Kong (b)	n/a			
India	n/a		326	
Ireland	n/a		5,712	1
Italy (b)	n/a		17,086	
Korea (b)	n/a			
Mexico (a)	n/a		6,150	

Market	Market Rank*	Radio Broadcasting Stations	Outdoor Advertising Display Faces	Live Entertainment Venues
Netherlands	n/a			
Norway (a) (b)	n/a		10,075	
Peru	n/a		2,598	
Poland	n/a		12,348	
Singapore	n/a		2,801	
Spain	n/a		29,025	
Sweden	n/a		27,886	1
Switzerland	n/a		14,358	
Thailand (b)	n/a			
Turkey	n/a		4,037	
United Kingdom	n/a		62,697	26
Small transit displays (d)	n/a		232,078	
Total		1,182(a)	787,575(b)	103(c)

* Per Arbitron Rankings for Fall 2003

(a) Excluded from the 1,182 radio stations owned or operated by Clear Channel are 46 radio stations programmed pursuant to a local marketing agreement or a joint sales agreement (FCC licenses not owned by Clear Channel), 38 radio stations programmed by another party pursuant to a local marketing agreement or a joint sales agreement (FCC licenses owned by Clear Channel) and six Mexican radio stations that we provide programming to and sell airtime under exclusive sales agency arrangements. Also excluded are radio stations in Australia, New Zealand, Mexico and Norway. We own a 50%, 50%, 40% and 50% equity interest in companies that have radio broadcasting operations in these markets, respectively.

(b) Excluded from the 787,575 outdoor display faces owned or operated by Clear Channel are display faces in Africa, China, Hong Kong, Italy, Korea, Norway and Thailand. We own a 41%, 48%, 50%, 35%, 30%, 50%, and 49% equity interest in companies that have outdoor advertising operations in these markets, respectively.

(c) Venues include 53 theaters, 37 amphitheaters, nine clubs and four arenas. Of these 103 venues, we own 35, lease 47 with lease expiration dates from January 2004 to November 2058, lease four with lease terms in excess of 100 years and operate 17 under various operating agreements.

Excluded from the 103 live entertainment venues owned or operated by Clear Channel are eight venues in which we own a non-controlling interest and 17 venues with which we have a booking, promotions or consulting agreement.

(d) Small transit displays are small display faces on the interior and exterior of various public transportation vehicles.

Below is a discussion of our operations within each segment that are not presented in the above table.

Radio Broadcasting

In addition to the radio stations listed above, our radio broadcasting segment includes a national radio network that produces more than 100 syndicated radio programs and services for more than 5,000 radio stations including *Rush Limbaugh, Fox Sports Radio* and *American Top-40 Countdown with Casey Kasem,* which are three popular radio programs in the United States. We also own various sports, news and agriculture networks.

Live Entertainment

In addition to the live entertainment venues listed above, our live entertainment segment produces and presents touring and original Broadway & Family shows. Touring Broadway shows are typically revivals of previous commercial successes or new productions of theatrical shows currently playing on Broadway in New York City. We

invest in original Broadway productions as a lead producer or as a limited partner in productions produced by others. The investments frequently allow us to obtain favorable touring and scheduling rights for the production that enable distribution across the presenter's network.

Other

Television
As of December 31, 2003, we owned, programmed or sold airtime for 39 television stations. Our television stations are affiliated with various television networks, including ABC, CBS, NBC, FOX, UPN, PAX and WB.

Media Representation
We own the Katz Media Group, a full-service media representation firm that sells national spot advertising time for clients in the radio and television industries throughout the United States. Katz Media represents over 2,700 radio stations, 390 television stations and growing interests in the representation of cable television system operators.

Sports Representation
We operate in the sports representation business. Our full-service sports marketing and management operations specialize in the representation of professional athletes, integrated event management and marketing consulting services. Among our clients are many professional athletes, including Michael Jordan (basketball), Tracy McGrady (basketball), Barry Zito (baseball), Mike Messina (baseball), Greg Norman (golf), Andre Agassi (tennis), Andy Roddick (tennis) and Jerry Rice (football).

Regulation of Our Business

Existing Regulation and 1996 Legislation

Radio and television broadcasting are subject to the jurisdiction of the Federal Communications Commission under the Communications Act of 1934. The Communications Act prohibits the operation of a radio or television broadcasting station except under a license issued by the FCC and empowers the FCC, among other things, 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 Telecommunications Act of 1996 represented a comprehensive overhaul of the country's telecommunications laws. The 1996 Act changed both the process for renewal of broadcast station licenses and the broadcast ownership rules. The 1996 Act established a "two-step" renewal process that limited the FCC's discretion to consider applications filed in competition with an incumbent's renewal application. The 1996 Act also liberalized the national broadcast ownership rules, eliminating the national radio limits and easing the national restrictions on TV ownership. The 1996 Act also relaxed local radio ownership restrictions, but left local TV ownership restrictions in place pending further FCC review.

License Grant and Renewal

Under the 1996 Act, the FCC grants broadcast licenses to both radio and television stations for terms of up to eight years. The 1996 Act requires the FCC to renew a broadcast license if it finds that:

- the station has served the public interest, convenience and necessity;
- there have been no serious violations of either the Communications Act or the FCC's rules and regulations by the licensee; and
- 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 and informal objections, and may order a hearing if such petitions or objections raise sufficiently serious issues. The FCC, however, may not consider whether the public interest would be better served by a person or entity other than the renewal applicant. Instead, under the 1996 Act, competing applications for the incumbent's spectrum may be accepted only after the FCC has denied the incumbent's application for renewal of its license.

Although in the vast majority of cases broadcast licenses are renewed by the FCC, even when petitions to deny or informal objections are filed, there can be no assurance that any of our stations' licenses will be renewed at the expiration of their terms.

Current Multiple Ownership Restrictions

The FCC has promulgated rules that, among other things, limit the ability of individuals and entities to own or have an "attributable interest" in broadcast stations and other specified mass media entities.

The 1996 Act mandated significant revisions to the radio and television ownership rules. With respect to radio licensees, the 1996 Act directed the FCC to eliminate the national ownership restriction, allowing one entity to own nationally any number of AM or FM broadcast stations. Other FCC rules mandated by the 1996 Act greatly eased local radio ownership restrictions. The maximum allowable number of radio stations that may be commonly owned in a market varies depending on the total number of radio stations in that market, as determined using a method prescribed by the FCC. In markets with 45 or more stations, one company may own, operate or control eight stations, with no more than five in any one service (AM or FM). In markets with 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 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. These new rules permit common ownership of more stations in the same market than did the FCC's prior rules, which at most allowed ownership of no more than two AM stations and two FM stations even in the largest markets.

Irrespective of FCC rules governing radio ownership, however, the Antitrust Division of the United States Department of Justice and the Federal Trade Commission have the authority to determine that a particular transaction presents antitrust concerns. Following the passage of the 1996 Act, the Antitrust Division became more aggressive in reviewing proposed acquisitions of radio stations, particularly in instances where the proposed purchaser already owned one or more radio stations in a particular market and sought to acquire additional radio stations in the same market. The Antitrust Division has, in some cases, obtained consent decrees requiring radio station divestitures in a particular market based on allegations that acquisitions would lead to unacceptable concentration levels. The FCC generally will not approve radio acquisitions when antitrust authorities have expressed concentration concerns, even if the acquisition complies with the FCC's numerical station limits. Moreover, prior to its June 2003 decision modifying the media ownership rules, the FCC followed a policy under which it undertook additional ownership concentration analysis of certain radio transactions based on estimated advertising revenue shares or other criteria. The FCC ceased such concentration review following adoption of its June 2003 decision, but has recently resumed undertaking such review in certain circumstances pending the outcome of the modified radio ownership rules. Such review could delay or preclude approval of a number of our pending or planned radio transactions.

With respect to television, the 1996 Act directed the FCC to eliminate the then-existing 12-station national limit for station ownership and increase the national audience reach limitation from 25% to 35%. The 1996 Act left local TV ownership restrictions in place pending further FCC review, and in August 1999 the FCC modified its local television ownership rule. Under the current rule, permissible common ownership of television stations is dictated by Nielsen Designated Market Areas, or "DMAs." A company may own two television stations in a DMA if the stations' Grade B contours do not overlap. Conversely, a company may own television stations in separate DMAs even if the stations' service contours do overlap. Furthermore, a company may own two television stations in a DMA with overlapping Grade B contours if (i) at least eight independently owned and operating full-power television stations, the Grade B contours of which overlap with that of at least one of the commonly owned stations, will remain in the DMA after the combination; and (ii) at least one of the commonly owned stations is not among the top four stations in the market in terms of audience share. The FCC will presumptively waive these criteria and allow the acquisition of a second same-market television station where the station being acquired is shown to be "failed" or "failing" (under specific FCC definitions of those terms), or authorized but unbuilt. A buyer seeking such a waiver must also demonstrate, in most cases, that it is the only buyer ready, willing, and able to operate the station, and that sale to an out-of-market buyer would result in an artificially depressed price. Since the revision of the local

television ownership rule, we have acquired a second television station in each of five DMAs where we previously owned a television station.

The FCC has adopted rules with respect to so-called local marketing agreements, or "LMAs," by which the licensee of one radio or television station provides substantially all of the programming for another licensee's station in the same market and sells all of the advertising within that programming. Under these rules, an entity that owns one or more radio or television stations in a market and programs more than 15% of the broadcast time on another station in the same service (radio or television) in the same market pursuant to an LMA is generally required to count the LMA station toward its media ownership limits even though it does not own the station. As a result, in a market where we own one or more radio or television stations, we generally cannot provide programming under an LMA to another station in the same service (radio or television) if we cannot acquire that station under the various rules governing media ownership.

In adopting its rules concerning television LMAs, however, the FCC provided "grandfathering" relief for LMAs that were in effect at the time of the rule change in August 1999. Television LMAs that were in place at the time of the new rules and were entered into before November 5, 1996, were allowed to continue at least through 2004. Such LMAs entered into after November 5, 1996 were allowed to continue until August 5, 2001, at which point they were required to be terminated unless they complied with the revised local television ownership rule.

We provide substantially all of the programming under LMAs to television stations in two markets where we also own a television station. Both of these television LMAs were entered into before November 5, 1996. Therefore, under the FCC's August 1999 decision, both of these television LMAs are permitted to continue through at least the year 2004. Moreover, we may seek permanent grandfathering of these television LMAs by demonstrating to the FCC, among other things, the public interest benefits the LMAs have produced and the extent to which the LMAs have enabled the stations involved to convert to digital operation.

A number of cross-ownership rules pertain to licensees of television and radio stations. FCC rules have generally prohibited an individual or entity from having an attributable interest in a radio or television station and a daily newspaper located in the same market.

Prior to August 1999, FCC rules also generally prohibited common ownership of a television station and one or more radio stations in the same market, although the FCC in many cases allowed such combinations under waivers of the rule. In August 1999, however, the FCC comprehensively revised its radio/television cross-ownership rule. The revised rule permits the common ownership of one television and up to seven same-market radio stations, or up to two television and six same-market radio stations, if the market will have at least twenty separately owned broadcast, newspaper and cable "voices" after the combination. Common ownership of up to two television and four radio stations is permissible when at least ten "voices" will remain, and common ownership of up to two television stations and one radio station is permissible in all markets regardless of voice count. The radio/television limits, moreover, are subject to the compliance of the television and radio components of the combination with the television duopoly rule and the local radio ownership limits, respectively. Waivers of the radio/television cross-ownership rule are available only where the station being acquired is "failed" (i.e., off the air for at least four months or involved in court-supervised involuntary bankruptcy or insolvency proceedings). A buyer seeking such a waiver must also demonstrate, in most cases, that it is the only buyer ready, willing, and able to operate the station, and that sale to an out-of-market buyer would result in an artificially depressed price.

There are more than 20 markets where we own both radio and television stations. In the majority of these markets, the number of radio stations we own complies with the limit imposed by the current rule. Our acquisition of television stations in five markets in our 2002 merger with The Ackerley Group resulted in our owning more radio stations in these markets than is permitted by the current rule. The FCC has given us a temporary period of time to divest the necessary radio or television stations to come into compliance with the rule. In the other markets where our number of radio stations exceeds the limit under the current rule, we are nonetheless authorized to retain our present television/radio combinations at least until 2004, when the FCC is scheduled to undertake another review of its broadcast ownership rules. As with grandfathered television LMAs, we may seek permanent authorization for our non-compliant radio/television combinations by demonstrating to the FCC, among other things, the public interest benefits the combinations have produced and the extent to which the combinations have enabled the television stations involved to convert to digital operation.

Under the FCC's ownership rules, an officer or director of our company or a direct or indirect purchaser of certain types of our securities could cause us to violate FCC regulations or policies if that purchaser owned or acquired an "attributable" interest in other media properties in the same areas as our stations or in a manner otherwise prohibited by the FCC. All officers and directors of a licensee and any direct or indirect parent, general partners, limited partners and limited liability company members who are not properly "insulated" from management activities, and stockholders who own five percent or more of the outstanding voting stock of a licensee or its parent, either directly or indirectly, generally will be deemed to have an attributable interest in the licensee. Certain institutional investors who exert no control or influence over a licensee may own up to twenty percent of a licensee's or its parent's outstanding voting stock before attribution occurs. Under current FCC regulations, debt instruments, non-voting stock, minority voting stock interests in corporations having a single majority shareholder, and properly insulated limited partnership and limited liability company interests as to which the licensee certifies that the interest holders are not "materially involved" in the management and operation of the subject media property generally are not subject to attribution unless such interests implicate the FCC's "equity/debt plus," or "EDP," rule. Under the EDP rule, an aggregate interest in excess of 33% of a licensee's total asset value (equity plus debt) is attributable if the interest holder is either a major program supplier (providing over 15% of the licensee's station's total weekly broadcast programming hours) or a same-market media owner (including broadcasters, cable operators, and newspapers). To the best of our knowledge at present, none of our officers, directors or five percent or greater stockholders holds an interest in another television station, radio station, cable television system or daily newspaper that is inconsistent with the FCC's ownership rules and policies.

Recent Developments and Future Actions Regarding Multiple Ownership Rules

Expansion of our broadcast operations in particular areas and nationwide will continue to be subject to the FCC's ownership rules and any further changes the FCC or Congress may adopt. Recent actions by and pending proceedings before the FCC, Congress and the courts may significantly affect our business.

The 1996 Act requires the FCC to review its remaining ownership rules biennially as part of its regulatory reform obligations (although, under recently enacted appropriations legislation, the FCC will be obligated to review the rules every four years rather than biennially). The first two biennial reviews did not result in any significant changes to the FCC's media ownership rules, although the first such review led to the commencement of several separate proceedings concerning specific rules. One such proceeding solicited public comment on a variety of possible changes in the methodology by which the FCC defines a radio "market" and counts stations for purposes of determining compliance with the local radio ownership restrictions. In that proceeding, the FCC announced a policy of deferring certain pending and future radio sale applications which raise "concerns" about how the FCC counts the number of stations a company may own in a market. This deferral policy has delayed FCC approval of our acquisition of two radio stations in one pending transaction, and may delay additional acquisitions for which we seek FCC approval in the future. In November 2001, the FCC subsumed its pending market definition/station counting rulemaking into a larger, more comprehensive proceeding to review all aspects of the agency's local radio multiple ownership rules.

In its third biennial review, which commenced in September 2002, the FCC undertook a comprehensive review and reevaluation of all of its media ownership rules. It incorporated into this omnibus review a number of its separate pending proceedings on various rules, including its previously commenced rulemakings concerning the local radio ownership rules and radio market definition/station counting methodology. This biennial review culminated in a decision adopted by the FCC in June 2003, in which the agency made significant changes to virtually all aspects of the existing media ownership rules. Among other things:

- The FCC relaxed the local television ownership rule, allowing common ownership of two television stations in any DMA with at least five operating commercial and non-commercial television stations. Under the modified rule, a company may own three television stations in a DMA with at least 18 television stations. In either case, no single entity may own more than one television station that is among the top four stations in a DMA based on audience ratings. In markets with eleven or fewer television stations, however, the FCC will allow parties to seek waivers of the "top four" restriction and will evaluate on a case-by-case basis whether joint ownership would serve the public interest, based on a liberalized set of waiver criteria.

- The FCC eliminated its rules prohibiting ownership of a daily newspaper and a broadcast station, and limiting ownership of television and radio stations, in the same market. In place of those rules, the FCC adopted new "cross-media limits" that would apply to certain markets depending on the number of television stations in the relevant television DMA. These limits would prohibit any cross-media ownership in markets with three or fewer television stations. In markets with between four and eight television stations, the cross-media limits would allow common ownership of one of the following three combinations: (1) one or more daily newspapers, one television station, and up to half of the radio stations that would be permissible under the local radio ownership limits; (2) one or more daily newspapers and as many radio stations as can be owned under the local radio ownership limits (but no television stations); and (3) two television stations (provided that such ownership would be permissible under the local television ownership rule) and as many radio stations as can be owned under the local radio ownership limits (but no daily newspapers). No cross-media ownership limits would exist in markets with nine or more television stations.

- The FCC relaxed the limitation on the nationwide percentage of television households a single entity is permitted to reach, raising the cap from 35% to 45%.

With respect to local radio ownership, the FCC's June 2003 decision left in place the existing tiered numerical limits on station ownership in a single market. The FCC, however, completely revised the manner of defining local radio markets, abandoning the existing definition based on station signal contours in favor of a definition based on "metro" markets as defined by Arbitron. Under the modified approach, commercial and non-commercial radio stations licensed to communities within an Arbitron metro market, as well as stations licensed to communities outside the metro market but considered "home" to that market, are counted as stations in the local radio market for the purposes of applying the ownership limits. For geographic areas outside defined Arbitron metro markets, the FCC adopted an interim market definition methodology based on a modified signal contour overlap approach and initiated a further rulemaking proceeding to determine a permanent market definition methodology for such areas. The further proceeding is still pending.

In addition, the FCC's June 2003 decision ruled for the first time that radio joint sales agreements, or "JSAs", by which the licensee of one radio station sells substantially all of the advertising for another licensee's station in the same market (but does not provide programming to that station), would be considered attributable to the selling party. Under the rules adopted in the June 2003 decision, in a market where we own one or more radio stations, we generally could not enter into a JSA with another radio station if we could not acquire that station under the modified rules. Furthermore, the FCC stated that where the newly attributable status of existing JSAs and LMAs resulted in combinations of stations that would not comply with the modified rules, termination of such JSAs and LMAs would be required within two years of the modified rules' effectiveness. The FCC grandfathered existing combinations of owned stations that would not comply with the modified rules. However, the FCC ruled that such noncompliant combinations could not be sold intact except to certain "eligible entities," which the agency defined as entities qualifying as a small business consistent with Small Business Administration standards.

Numerous parties, including us, have appealed the modified ownership rules adopted by the FCC in June 2003. These appeals have been consolidated before the United States Court of Appeals for the Third Circuit. In September 2003, shortly before the modified rules were scheduled to take effect, that court issued a stay preventing the rules' implementation pending the court's decision on appeal. As a result, the modified rules are not currently effective. Briefs in the appeals court case have been filed; oral argument in the case was held in February 2004; and a decision has not yet been issued. The modified rules are also subject to various petitions for reconsideration before the FCC and possible actions by Congress, which already has approved appropriations legislation overriding the FCC's modified national television ownership reach cap of 45% and setting it at 39%.

We cannot predict the impact of any of these developments on our business. In particular, we cannot predict the ultimate outcome of the FCC's most recent media ownership proceeding or its effect on our ability to acquire broadcast stations in the future, to complete acquisitions that we have agreed to make, to continue to own and freely transfer groups of stations that we have already acquired, or to continue our existing agreements to provide programming to or sell advertising on stations we do not own. Moreover, we cannot predict the impact of future reviews or any other agency or legislative initiatives upon the FCC's broadcast rules. Further, the 1996 Act's

relaxation of the FCC's ownership rules has increased the level of competition in many markets in which our stations are located.

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 own or vote up to twenty percent of the capital stock of a corporate licensee. A broadcast license may not be granted to or held by any entity that is controlled, directly or indirectly, by a 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. Since we serve as a holding company for subsidiaries that serve as licensees for our stations, we are effectively restricted from having more than one-fourth of our stock owned or voted directly or indirectly by non-U.S. citizens or their representatives, foreign governments, representatives of non-foreign governments or foreign corporations.

Other Regulations Affecting Broadcast Stations

General. The FCC has significantly reduced its past regulation of broadcast stations, including elimination of formal ascertainment requirements and guidelines concerning amounts of certain types of programming and commercial matter that may be broadcast. There are, however, statutes and rules and policies of the FCC and other federal agencies that regulate matters such as network-affiliate relations, the ability of stations to obtain exclusive rights to air syndicated programming, cable and satellite systems' carriage of syndicated and network programming on distant stations, political advertising practices, obscenity and indecency in broadcast programming, application procedures and other areas affecting the business or operations of broadcast stations.

Public Interest Programming. Broadcasters are required to air programming addressing the needs and interests of their communities of license, and to place "issues/programs lists" in their public inspection files to provide their communities with information on the level of "public interest" programming they air. In October 2000, the FCC commenced a proceeding seeking comment on whether it should adopt a standardized form for reporting information on a station's public interest programming and whether it should require television broadcasters to post the new form — as well as all other documents in their public inspection files — either on station websites or the websites of state broadcasters' associations. Moreover, in August 2003 the FCC introduced a "Localism in Broadcasting" initiative that, among other things, has resulted in localism hearings at various locations throughout the country and contemplates a future proceeding on FCC rules and procedures aimed at promoting localism.

Equal Employment Opportunity. The FCC's equal employment opportunity rules generally require broadcasters to engage in broad and inclusive recruitment efforts to fill job vacancies, keep a considerable amount of recruitment data and report much of this data to the FCC and the public via stations' public files and websites. The FCC is still considering whether to apply these rules to part-time employment positions. Broadcasters are also obligated not to engage in employment discrimination based on race, color, religion, national origin or sex.

Digital Audio Radio Service. The FCC has adopted spectrum allocation and service rules for satellite digital audio radio service. Satellite digital audio radio service systems can provide regional or nationwide distribution of radio programming with fidelity comparable to compact discs. Two companies-Sirius Satellite Radio Inc. and XM Radio-have launched satellite digital audio radio service systems and are currently providing nationwide service. The FCC is currently considering what rules to impose on both licensees' operation of terrestrial repeaters that support their satellite services. The FCC also has approved a technical standard for the provision of "in band, on channel" terrestrial digital radio broadcasting by existing radio broadcasters (except for nighttime broadcasting by AM stations, which is undergoing further testing), and has allowed radio broadcasters to convert to a hybrid mode of digital/analog operation on their existing frequencies. The FCC plans to address formal standards and related licensing and service rule changes for digital audio broadcasting in a later rulemaking. We cannot predict the impact of either satellite or terrestrial digital audio radio service on our business.

Low Power FM Radio Service. In January 2000, the FCC created two new classes of noncommercial low power FM radio stations ("LPFM"). One class (LP100) will operate with a maximum power of 100 watts and a service radius of about 3.5 miles. The other class (LP10) will operate with a maximum power of 10 watts and a service radius of about 1 to 2 miles. In establishing the new LPFM service, the FCC said that its goal is to create a class of radio stations designed "to serve very localized communities or underrepresented groups within communities." The FCC has begun accepting applications for LPFM stations and has granted some of these applications. In December 2000, Congress passed the Radio Broadcasting Preservation Act of 2000. This legislation requires the FCC to maintain interference protection requirements between LPFM stations and full-power radio stations on third-adjacent channels. It also requires the FCC to conduct field tests to determine the impact of eliminating such requirements. The FCC has commissioned a preliminary report on such impact and on the basis of that report, has recommended to Congress that such requirements be eliminated. We cannot predict the number of LPFM stations that eventually will be authorized to operate or the impact of such stations on our business.

Other. Congress currently has under consideration legislation that addresses the FCC's enforcement of its rules concerning the broadcast of obscene, indecent, or profane material. Potential changes to enhance the FCC's authority in this area include the ability to impose substantially higher monetary forfeiture penalties, consider violations to be "serious" offenses in the context of license renewal applications, and, under certain circumstances, designate a license for hearing to determine whether such license should be revoked. We cannot predict the likelihood that this, or similar legislation, will ultimately be enacted into law.

In addition, the FCC has adopted rules on children's television programming pursuant to the Children's Television Act of 1990 and rules requiring closed captioning of television programming. The FCC has also taken steps to implement digital television broadcasting in the U.S. Furthermore, the 1996 Act contains a number of provisions related to television violence. We cannot predict the effect of the FCC's present rules or future actions on our television broadcasting operations.

Finally, Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of other matters that could affect, directly or indirectly, the operation and ownership of our broadcast properties. In addition to the changes and proposed changes noted above, such matters include, for example, spectrum use fees, political advertising rates, and potential restrictions on the advertising of certain products such as beer and wine. Other matters that could affect our broadcast properties include technological innovations and developments generally affecting competition in the mass communications industry, such as direct broadcast satellite service, the continued establishment of wireless cable systems and low power television stations, "streaming" of audio and video programming via the Internet, digital television and radio technologies, the establishment of a low power FM radio service, and possible telephone company participation in the provision of video programming service.

The foregoing is a brief summary of certain provisions of the Communications Act, the 1996 Act, and specific regulations and policies of the FCC thereunder. This description does not purport to be comprehensive and reference should be made to the Communications Act, the 1996 Act, the FCC's rules and the public notices and rulings of the FCC for further information concerning the nature and extent of federal regulation of broadcast stations. Proposals for additional or revised regulations and requirements are pending before and are being considered by Congress and federal regulatory agencies from time to time. Also, various of the foregoing matters are now, or may become, the subject of court litigation, and we cannot predict the outcome of any such litigation or its impact on our broadcasting business.

Risk Factors

We Have a Large Amount of Indebtedness

We currently use a significant portion of our operating income for debt service. Our leverage could make us vulnerable to an increase in interest rates or a downturn in the operating performance of our businesses or a decline in general economic conditions. At December 31, 2003, we had debt outstanding of $7.1 billion and shareholders' equity of $15.6 billion. We may continue to borrow funds to finance acquisitions of radio broadcasting, outdoor advertising and live entertainment properties, as well as for other purposes. Our debt obligations could increase substantially because of the debt levels of companies that we may acquire in the future.

Such a large amount of indebtedness could have negative consequences for us, including without limitation:

- limitations on our ability to obtain financing in the future;
- much of our cash flow will be dedicated to interest obligations and unavailable for other purposes;
- the high level of indebtedness limits our flexibility to deal with changing economic, business and competitive conditions; and
- the high level of indebtedness could make us more vulnerable to an increase in interest rates, a downturn in our operating performance or a decline in general economic conditions.

The failure to comply with the covenants in the agreements governing the terms of our or our subsidiaries' indebtedness could be an event of default and could accelerate the payment obligations and, in some cases, could affect other obligations with cross-default and cross-acceleration provisions.

Our Business is Dependent Upon the Performance of Key Employees, On-Air Talent and Program Hosts

Our business is dependent upon the performance of certain key employees. We employ or independently contract with several on-air personalities and hosts of syndicated radio programs with significant loyal audiences in their respective markets. Although we have entered into long-term agreements with some of our executive officers, key on-air talent and program hosts to protect our interests in those relationships, we can give no assurance that all or any of these key employees will remain with us or will retain their audiences. Competition for these individuals is intense and many of our key employees are at-will employees who are under no legal obligation to remain with us. Our competitors may choose to extend offers to any of these individuals on terms, which we may be unwilling to meet. In addition, any or all of our key employees may decide to leave for a variety of personal or other reasons beyond our control. Furthermore, the popularity and audience loyalty of our key on-air talent and program hosts is highly sensitive to rapidly changing public tastes. A loss of such popularity or audience loyalty is beyond our control and could limit our ability to generate revenues.

Doing Business in Foreign Countries Creates Certain Risks Not Found in Doing Business in the United States

Doing business in foreign countries carries with it certain risks that are not found in doing business in the United States. We currently derive a portion of our revenues from international radio broadcasting, outdoor advertising and live entertainment operations in countries around the world and a key element of our business strategy is to expand our international operations. The risks of doing business in foreign countries that could result in losses against which we are not insured include:

- exposure to local economic conditions;
- potential adverse changes in the diplomatic relations of foreign countries with the United States;
- hostility from local populations;
- the adverse effect of currency exchange controls;
- restrictions on the withdrawal of foreign investment and earnings;
- government policies against businesses owned by foreigners;
- investment restrictions or requirements;
- expropriations of property;
- the potential instability of foreign governments;
- the risk of insurrections;
- risks of renegotiation or modification of existing agreements with governmental authorities;
- foreign exchange restrictions;
- withholding and other taxes on remittances and other payments by subsidiaries; and
- changes in taxation structure.

Exchange Rates May Cause Future Losses in Our International Operations

Because we own assets overseas and derive revenues from our international operations, we may incur currency translation losses due to changes in the values of foreign currencies and in the value of the U.S. dollar. We

cannot predict the effect of exchange rate fluctuations upon future operating results. Subsequent to December 31, 2003, we initiated a United States dollar — Euro dollar cross currency swap to reduce the exposure to translation risk associated with our investment in Euro denominated assets. The swap serves as a hedge of our Euro net investment.

Extensive Government Regulation May Limit Our Broadcasting Operations

The federal government extensively regulates the domestic broadcasting industry, and any changes in the current regulatory scheme could significantly affect us. Our broadcasting businesses depend upon maintaining broadcasting licenses issued by the Federal Communications Commission ("FCC") for maximum terms of eight years. Renewals of broadcasting licenses can be attained only through the FCC's grant of appropriate applications. Although the FCC rarely denies a renewal application, the FCC could deny future renewal applications resulting in the loss of one or more of our broadcasting licenses.

The federal communications laws limit the number of broadcasting properties we may own in a particular area. While the Telecommunications Act of 1996 relaxed the FCC's multiple ownership limits, any subsequent modifications that tighten those limits could make it impossible for us to complete potential acquisitions or require us to divest stations we have already acquired. Most significantly, in June 2003 the FCC adopted a decision comprehensively modifying its media ownership rules. Among other changes, the modified rules would establish a new methodology for defining local radio markets and counting stations within those markets, limit our ability to transfer intact combinations of stations that did not comply with the new rules, and require us to terminate within two years certain of our agreements whereby we provide programming to or sell advertising on radio stations we do not own. The modified rules would also allow increased ownership of TV stations at the local and national level and permit additional local cross-ownership of daily newspapers, television stations and radio stations. A federal court, however, has issued a stay preventing the implementation of the modified media ownership rules and is currently considering appeals of those rules by numerous parties, including us. The modified rules are also subject to various petitions for reconsideration before the FCC and recent and possible future actions by Congress. We cannot predict the ultimate outcome of the media ownership proceeding or its effect on our ability to acquire broadcast stations in the future, to complete acquisitions that we have agreed to make, to continue to own and freely transfer groups of stations that we have already acquired, or to continue our existing agreements to provide programming to or sell advertising on stations we do not own.

Moreover, the FCC's existing rules in some cases permit a company to own fewer radio stations than allowed by the Telecommunications Act of 1996 in markets or geographical areas where the company also owns television stations. These rules could require us to divest radio stations we currently own in markets or areas where we also own television stations. Our acquisition of television stations in five local markets or areas in our merger with The Ackerley Group resulted in our owning more radio stations in these markets or areas than is permitted by these rules. The FCC has given us a temporary period of time to divest the necessary radio and/or television stations to come into compliance with the rules.

Other changes in governmental regulations and policies may have a material impact on us. For example, we currently provide programming to several television stations we do not own. These programming arrangements are made through contracts known as local marketing agreements. The FCC's rules and policies regarding television local marketing agreements will restrict our ability to enter into television local marketing agreements in the future, and may eventually require us to terminate our programming arrangements under existing local marketing agreements. Additionally, the FCC has adopted rules which under certain circumstances subject previously nonattributable debt and equity interests in communications media to the FCC's multiple ownership restrictions. These rules may limit our ability to expand our media holdings.

We May Be Adversely Affected By New Statutes Dealing With Indecency

Congress currently has under consideration legislation that addresses the FCC's enforcement of its rules concerning the broadcast of obscene, indecent, or profane material. Potential changes to enhance the FCC's authority in this area include the ability to impose substantially higher monetary forfeiture penalties, consider violations to be "serious" offenses in the context of license renewal applications, and, under certain circumstances, designate a license for hearing to determine whether such license should be revoked. In the event that this or similar legislation is ultimately enacted into law, we could face increased costs in the form of fines and a greater risk that we could lose one or more of our broadcasting licenses.

Antitrust Regulations May Limit Future Acquisitions

Additional acquisitions by us of radio and television stations, outdoor advertising properties and live entertainment operations or entities may require antitrust review by federal antitrust agencies and may require review by foreign antitrust agencies under the antitrust laws of foreign jurisdictions. We can give no assurances that the Department of Justice or the Federal Trade Commission or foreign antitrust agencies will not seek to bar us from acquiring additional radio or television stations or outdoor advertising or entertainment properties in any market where we already have a significant position. Following passage of the Telecommunications Act of 1996, the DOJ has become more aggressive in reviewing proposed acquisitions of radio stations, particularly in instances where the proposed acquiror already owns one or more radio station properties in a particular market and seeks to acquire another radio station in the same market. The DOJ has, in some cases, obtained consent decrees requiring radio station divestitures in a particular market based on allegations that acquisitions would lead to unacceptable concentration levels. The DOJ also actively reviews proposed acquisitions of outdoor advertising properties. In addition, the antitrust laws of foreign jurisdictions will apply if we acquire international broadcasting properties.

Environmental, Health, Safety and Land Use Laws and Regulations May Limit or Restrict Some of Our Operations

As the owner or operator of various real properties and facilities, especially in our outdoor advertising and live entertainment venue operations, we must comply with various foreign, federal, state and local environmental, health, safety and land use laws and regulations. We and our properties are subject to such laws and regulations relating to the use, storage, disposal, emission and release of hazardous and non-hazardous substances and employee health and safety, as well as zoning and noise level restrictions which may affect, among other things, the hours of operations of our live entertainment venues. Historically, we have not incurred significant expenditures to comply with these laws. However, additional laws, which may be passed in the future, or a finding of a violation of or liability under existing laws, could require us to make significant expenditures and otherwise limit or restrict some of our operations.

Government Regulation of Outdoor Advertising May Restrict Our Outdoor Advertising Operations

The outdoor advertising industry that operates domestically is subject to extensive governmental regulation at the federal, state and local level. These regulations include restrictions on the construction, repair, upgrading, height, size and location of and, in some instances, content of advertising copy being displayed on outdoor advertising structures. In addition, the outdoor advertising industry that operates in foreign countries is subject to certain foreign governmental regulation. Compliance with existing and future regulations could have a significant financial impact.

Federal law, principally the Highway Beautification Act of 1965, requires, as a condition to federal highway assistance, states to implement legislation to restrict billboards located within 660 feet of, or visible from, highways except in commercial or industrial areas and requires certain additional size, spacing and other limitations. Every state has implemented laws and regulations in compliance with the Highway Beautification Act, including the removal of any illegal signs on these highways at the owner’s expense and without any compensation. Federal law does not require removal of existing lawful billboards, but does require the payment of just compensation if a state or political subdivision compels the removal of a lawful billboard along a federally aided primary or interstate highway. State governments have purchased and removed legal nonconforming billboards in the past, using a portion of federal funding and may do so in the future.

States and local jurisdictions have, in some cases, passed additional regulations on the construction, size, location and, in some instances, advertising content of outdoor advertising structures adjacent to federally-aided highways and other thoroughfares. From time to time governmental authorities order the removal of billboards by the exercise of eminent domain and certain jurisdictions have also adopted amortization of billboards in varying forms. Amortization permits the billboard owner to operate its billboard only as a non-conforming use for a specified period of time, after which it must remove or otherwise conform its billboard to the applicable regulations at its own cost without any compensation. Several municipalities within our existing markets have adopted amortization ordinances. Restrictive regulations also limit our ability to rebuild or replace nonconforming billboards. We can give no assurance that we will be successful in negotiating acceptable arrangements in circumstances in which our billboards are subject to removal or amortization, and what effect, if any, such regulations may have on our operations.

In addition, we are unable to predict what additional regulations may be imposed on outdoor advertising in the future. The outdoor advertising industry is heavily regulated and at various times and in various markets can be expected to be subject to varying degrees of regulatory pressure affecting the operation of advertising displays. Legislation regulating the content of billboard advertisements and additional billboard restrictions has been introduced in Congress from time to time in the past. Changes in laws and regulations affecting outdoor advertising at any level of government, including laws of the foreign jurisdictions in which we operate, could have a significant financial impact on us by requiring us to make significant expenditures or otherwise limiting or restricting some of our operations.

Changes in Restrictions on Outdoor Tobacco and Alcohol Advertising May Pose Risks

Out-of-court settlements between the major U.S. tobacco companies and all 50 states include a ban on the outdoor advertising of tobacco products. State and local governments continue to initiate proposals designed to limit outdoor advertising of alcohol. Other products and services may be targeted in the future. Legislation regulating tobacco and alcohol advertising has also been introduced in a number of European countries in which we conduct business, and could have a similar impact. Any significant reduction in alcohol related advertising due to content-related restrictions could cause a reduction in our direct revenue from such advertisements and a simultaneous increase in the available space on the existing inventory of billboards in the outdoor advertising industry.

Future Acquisitions Could Pose Risks

We may acquire media-related assets and other assets or businesses that we believe will assist our customers in marketing their products and services. Our acquisition strategy involves numerous risks, including:

- certain of our acquisitions may prove unprofitable and fail to generate anticipated cash flows;
- to successfully manage our large portfolio of broadcasting, outdoor advertising, entertainment and other properties, we may need to:
    - ➢ recruit additional senior management as we cannot be assured that senior management of acquired companies will continue to work for us and, in this highly competitive labor market, we cannot be certain that any of our recruiting efforts will succeed, and
    - ➢ expand corporate infrastructure to facilitate the integration of our operations with those of acquired properties, because failure to do so may cause us to lose the benefits of any expansion that we decide to undertake by leading to disruptions in our ongoing businesses or by distracting our management;
- entry into markets and geographic areas where we have limited or no experience;
- we may encounter difficulties in the integration of operations and systems;
- our management's attention may be diverted from other business concerns; and
- we may lose key employees of acquired companies or stations.

We frequently evaluate strategic opportunities both within and outside our existing lines of business. We expect from time to time to pursue additional acquisitions and may decide to dispose of certain businesses. These acquisitions or dispositions could be material.

Capital Requirements Necessary to Implement Acquisitions Could Pose Risks

We face stiff competition from other broadcasting, outdoor advertising and live entertainment companies for acquisition opportunities. If the prices sought by sellers of these companies continue to rise, we may find fewer acceptable acquisition opportunities. In addition, the purchase price of possible acquisitions could require additional debt or equity financing on our part. Since the terms and availability of this financing depend to a large degree upon general economic conditions and third parties over which we have no control, we can give no assurance that we will obtain the needed financing or that we will obtain such financing on attractive terms. In addition, our ability to obtain financing depends on a number of other factors, many of which are also beyond our control, such as interest rates and national and local business conditions. If the cost of obtaining needed financing is too high or the terms of such financing are otherwise unacceptable in relation to the acquisition opportunity we are presented with, we may

decide to forego that opportunity. Additional indebtedness could increase our leverage and make us more vulnerable to economic downturns and may limit our ability to withstand competitive pressures. Additional equity financing could result in dilution to our shareholders.

We Face Intense Competition in the Broadcasting, Outdoor Advertising and Live Entertainment Industries

Our business segments are in highly competitive industries, and we may not be able to maintain or increase our current audience ratings and advertising and sales revenues. Our radio stations and outdoor advertising properties compete for audiences and advertising revenues with other radio stations and outdoor advertising companies, as well as with other media, such as newspapers, magazines, television, direct mail and Internet based media, within their respective markets. Audience ratings and market shares are subject to change, which could have the effect of reducing our revenues in that market. Our live entertainment operations compete with other venues to serve artists likely to perform in that general region and, in the markets in which we promote musical concerts, we face competition from promoters, as well as from certain artists who promote their own concerts. These competitors may engage in more extensive development efforts, undertake more far reaching marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to existing and potential customers or artists. Our competitors may develop services, advertising media or entertainment venues that are equal or superior to those we provide or that achieve greater market acceptance and brand recognition than we achieve. It is possible that new competitors may emerge and rapidly acquire significant market share in any of our business segments. Other variables that could adversely affect our financial performance by, among other things, leading to decreases in overall revenues, the numbers of advertising customers, advertising fees, event attendance, ticket prices or profit margins include:

- unfavorable economic conditions, both general and relative to the radio broadcasting, outdoor advertising, live entertainment and all related media industries, which may cause companies to reduce their expenditures on advertising or corporate sponsorship or reduce the number of persons willing to attend live entertainment events;
- unfavorable shifts in population and other demographics which may cause us to lose advertising customers and audience as people migrate to markets where we have a smaller presence, or which may cause advertisers to be willing to pay less in advertising fees if the general population shifts into a less desirable age or geographical demographic from an advertising perspective;
- an increased level of competition for advertising dollars, which may lead to lower advertising rates as we attempt to retain customers or which may cause us to lose customers to our competitors who offer lower rates that we are unable or unwilling to match;
- unfavorable fluctuations in operating costs which we may be unwilling or unable to pass through to our customers;
- technological changes and innovations that we are unable to adopt or are late in adopting that offer more attractive advertising or entertainment alternatives than what we currently offer, which may lead to a loss of advertising customers or ticket sales, or to lower advertising rates or ticket prices;
- unfavorable changes in labor conditions which may require us to spend more to retain and attract key employees; and
- changes in governmental regulations and policies and actions of federal regulatory bodies which could restrict the advertising media which we employ or restrict some or all of our customers that operate in regulated areas from using certain advertising media, or from advertising at all, or which may restrict the operation of live entertainment events.

New Technologies May Affect Our Broadcasting Operations

The FCC has introduced new technologies to the broadcasting industry, including satellite and terrestrial delivery of digital audio broadcasting and the standardization of available technologies, which significantly enhance the sound quality of radio broadcasts. The FCC has also established a timetable for the implementation of digital television broadcasting in the U.S. We are unable to predict the effect such technologies will have on our broadcasting operations, but the capital expenditures necessary to implement such technologies could be substantial and other companies employing such technologies could compete with our businesses.

Our Live Entertainment Business is Highly Sensitive to Public Tastes and Dependent on Our Ability to Secure Popular Artists, Live Entertainment Events and Venues

Our ability to generate revenues through our live entertainment operations is highly sensitive to rapidly changing public tastes and dependent on the availability of popular performers and events. Since we rely on unrelated parties to create and perform live entertainment content, any lack of availability of popular musical artists, touring Broadway shows, specialized motor sports talent and other performers could limit our ability to generate revenues. In addition, we require access to venues to generate revenues from live entertainment events. We operate a number of our live entertainment venues under leasing or booking agreements. Our long-term success in the live entertainment business will depend in part on our ability to renew these agreements when they expire or end. As many of these agreements are with third parties over which we have little or no control, we may be unable to renew these agreements on acceptable terms or at all, and may be unable to obtain favorable agreements with new venues. Our ability to renew these agreements or obtain new agreements on favorable terms depends on a number of other factors, many of which are also beyond our control, such as national and local business conditions. If the cost of renewing these agreements is too high or the terms of any new agreement with a new venue are unacceptable or incompatible with our existing operations, we may decide to forego these opportunities. In addition, our competitors may offer more favorable terms than we do in order to obtain agreements for new venues.

We May be Adversely Affected by a General Deterioration in Economic Conditions

The risks associated with our businesses become more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in advertising and in attendance at live entertainment events. A decline in the level of business activity of our advertisers or a decline in attendance at live entertainment events could have an adverse effect on our revenues and profit margins. During the recent economic slowdown in the United States, many advertisers reduced their advertising expenditures. The impact of slowdowns on our business is difficult to predict, but they may result in reductions in purchases of advertising and attendance at live entertainment events. If the current economic slowdown continues or worsens, our results of operations may be adversely affected.

We May Be Adversely Affected by the Occurrence of Extraordinary Events, Such as Terrorist Attacks

The occurrence of extraordinary events, such as the September 11, 2001 terrorist attacks on the World Trade Center in New York City and the Pentagon outside of Washington, D.C., may substantially decrease the use of and demand for advertising and the attendance at live entertainment events, which may decrease our revenues. The September 11, 2001, terrorist attacks, for example, caused a nationwide disruption of commercial and leisure activities. As a result of the expanded news coverage following the attacks and subsequent military actions, we experienced a loss in advertising revenues and increased incremental operating expenses. We also experienced lower attendance levels at live entertainment events. The occurrence of future terrorist attacks, military actions by the United States, outbreaks of severe acute respiratory syndrome, or “SARS”, or similar events cannot be predicted, and their occurrence can be expected to further negatively affect the economies of the United States and other foreign countries where we do business generally, specifically the market for advertising and live entertainment.

Caution Concerning Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Except for the historical information, this report contains various forward-looking statements which represent our expectations or beliefs concerning future events, including the future levels of cash flow from operations. Management believes that all statements that express expectations and projections with respect to future matters, including the strategic fit of radio assets; expansion of market share; our ability to capitalize on synergies between the live entertainment and radio broadcasting businesses; our ability to negotiate contracts having more favorable terms; and the availability of capital resources; are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. We caution that these forward-looking statements involve a number of risks and uncertainties and are subject to many variables which could impact our financial performance. These statements are made on the basis of management’s views and assumptions, as of the time the statements are made, regarding future events and business performance. There can be no assurance, however, that management’s expectations will necessarily come to pass.

A wide range of factors could materially affect future developments and performance, including:

- the impact of general economic and political conditions in the U.S. and in other countries in which we currently do business, including those resulting from recessions, political events and acts or threats of terrorism or military conflicts;
- the impact of the geopolitical environment;
- our ability to integrate the operations of recently acquired companies;
- shifts in population and other demographics;
- industry conditions, including competition;
- fluctuations in operating costs;
- technological changes and innovations;
- changes in labor conditions;
- fluctuations in exchange rates and currency values;
- capital expenditure requirements;
- the outcome of pending and future litigation settlements;
- legislative or regulatory requirements;
- interest rates;
- the effect of leverage on our financial position and earnings;
- taxes;
- access to capital markets; and
- certain other factors set forth in our filings with the Securities and Exchange Commission.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Available Information

You can find more information about us at our Internet website located at www.clearchannel.com. Our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to those reports are available free of charge on our Internet website as soon as reasonably practicable after we electronically file such material with the SEC.

ITEM 2. Properties

Corporate

Our corporate headquarters is in San Antonio, Texas, where we own a 55,000 square foot executive office building and a 120,000 square foot data and administrative service center.

Operations

Radio Broadcasting

In the latter part of 2002, we moved our radio operations to our corporate headquarters in San Antonio, Texas. Previously, our radio operations were headquartered in 21,201 square feet of leased office space in Covington, Kentucky. The lease on this premises expires in November 2008. Although the executives of our radio operations and their support functions are in San Antonio, we still occupy the leased space in Covington, Kentucky to house other support functions for our radio operations. The types of properties required to support each of our radio stations include offices, studios, transmitter sites and antenna sites. A radio station's studios are generally housed with its offices in downtown or business districts. A radio station's transmitter sites and antenna sites are generally located in a manner that provides maximum market coverage.

Outdoor Advertising

The headquarters of our domestic outdoor advertising operations is in 7,750 square feet of leased office space in Phoenix, Arizona. The lease on this premises expires in April 2006. The headquarters of our international outdoor advertising operations is in 12,305 square feet of company owned office space in London, England. The types of properties required to support each of our outdoor advertising branches include offices, production facilities and structure sites. An outdoor branch and production facility is generally located in an industrial/warehouse district.

We own or have permanent easements on relatively few parcels of real property that serve as the sites for our outdoor displays. Our remaining outdoor display sites are leased. Our leases are for varying terms ranging from month-to-month to year-to-year and can be for terms of ten years or longer, and many provide for renewal options. There is no significant concentration of displays under any one lease or subject to negotiation with any one landlord. We believe that an important part of our management activity is to negotiate suitable lease renewals and extensions.

Live Entertainment

The international headquarters of our live entertainment operations is in 191,383 square feet of leased office space in New York City, New York. The lease on this premises expires in September 2020. Several members of the live entertainment senior management team as well as other live entertainment operations are located in 95,165 square feet of leased office space in Houston, Texas. The lease on this premises expires in March 2009. The types of properties required to support each of our live entertainment operations include offices and venues. Our live entertainment venues generally include offices and are located in major metropolitan areas.

The studios and offices of our radio stations, outdoor advertising branches and live entertainment venues are located in leased or owned facilities. These leases generally have expiration dates that range from one to twenty years. We either own or lease our transmitter and antenna sites. These leases generally have expiration dates that range from five to fifteen years. We do not anticipate any difficulties in renewing those leases that expire within the next several years or in leasing other space, if required. We own substantially all of the equipment used in our radio broadcasting, outdoor advertising and live entertainment businesses.

As noted in Item 1 above, as of December 31, 2003, we owned or programmed 1,182 radio stations, owned or leased 787,575 outdoor advertising display faces and owned or operated 103 entertainment venues in various markets throughout the world. See “Business — Operating Segments.” Therefore, no one property is material to our overall operations. We believe that our properties are in good condition and suitable for our operations.

ITEM 3. Legal Proceedings

At the Senate Judiciary Committee hearing on July 24, 2003, an Assistant United States Attorney General announced that the Department of Justice (the “DOJ”), is pursuing two separate antitrust inquiries concerning us. One inquiry is whether we have violated antitrust laws in one of our radio markets. The other is whether we have limited airplay of artists who do not use our concert services in violation of antitrust laws. We are cooperating fully with all DOJ requests.

On September 9, 2003, the Assistant United States Attorney for the Eastern District of Missouri caused a Subpoena to Testify before Grand Jury to be issued to us. The Subpoena requires us to produce certain information regarding commercial advertising run by us on behalf of offshore and/or online (Internet) gambling businesses, including sports bookmaking and casino-style gambling. We are cooperating with such requirements.

We are among the defendants in a lawsuit filed on June 12, 2002 in the United States District Court for the Southern District of Florida by Spanish Broadcasting System. The plaintiffs allege that we are in violation of Section One and Section Two of the Sherman Antitrust Act as well as various other claims, such as unfair trade practices and defamation, among other counts. This case was dismissed with prejudice on January 31, 2003. The plaintiffs filed an appeal with the 11th Circuit Court of Appeals and oral argument was held in the case in February 2004. A decision has not yet been issued.

We are currently involved in certain legal proceedings and, as required, have accrued our estimate of the probable costs for the resolution of these claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings.

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

There were no matters submitted to a vote of security holders in the fourth quarter of fiscal year 2003.

PART II

ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters

Our common stock trades on the New York Stock Exchange under the symbol "CCU." There were 3,350 shareholders of record as of March 8, 2004. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies. The following table sets forth, for the calendar quarters indicated, the reported high and low sales prices of the common stock as reported on the NYSE.

	Common Stock Market Price		
	High	**Low**	**Dividends Declared**
2002			
First Quarter	$54.90	$42.24	$.00
Second Quarter	53.97	29.00	.00
Third Quarter	37.95	20.00	.00
Fourth Quarter	44.99	29.36	.00
2003			
First Quarter	43.98	31.00	.00
Second Quarter	43.85	33.35	.00
Third Quarter	46.18	36.36	.10
Fourth Quarter	47.48	38.50	.10

Dividend Policy

At its July 2003 meeting, our Board of Directors declared our first quarterly cash dividend of 10 cents per share, equivalent to an annual dividend of 40 cents per share. Our Board of Directors declared further quarterly cash dividends of 10 cents per share at its October 2003 and February 2004 meetings. Presently, we expect to continue to declare and pay quarterly cash dividends in 2004. The terms of our current credit facilities do not prohibit us from paying cash dividends unless we are in default under our credit facilities either prior to or after giving effect to any proposed dividend. However, any future decision by our Board of Directors to pay cash dividends will depend on, among other factors, our earnings, financial position, capital requirements and regulatory changes.

ITEM 6. Selected Financial Data

(In thousands, except per share data)	For the Years ended December 31, (1)				
	2003	2002	2001	2000	1999
Results of Operations Information:					
Revenue	$8,930,899	$ 8,421,055	$ 7,970,003	$5,345,306	$2,678,160
Operating Expenses:					
Divisional operating expenses	6,488,856	6,052,761	5,866,706	3,480,706	1,632,115
Non-cash compensation expense	5,018	5,436	17,077	16,032	—
Depreciation and amortization	671,338	620,766	2,562,480	1,401,063	722,233
Corporate expenses	174,154	176,370	187,434	142,627	70,146
Operating income (loss)	1,591,533	1,565,722	(663,694)	304,878	253,666
Interest expense	388,000	432,786	560,077	383,104	179,404
Gain (loss) on sale of assets related to mergers	—	3,991	(213,706)	783,743	138,659
Gain (loss) on marketable securities	678,846	(3,096)	25,820	(5,369)	22,930
Equity in earnings of nonconsolidated affiliates	22,026	26,928	10,393	25,155	18,183
Other income (expense) — net	20,959	57,430	152,267	(11,764)	(15,638)
Income (loss) before income taxes, extraordinary item and cumulative effect of a change in accounting principle	1,925,364	1,218,189	(1,248,997)	713,539	238,396
Income tax benefit (expense)	(779,773)	(493,366)	104,971	(464,731)	(152,741)
Income (loss) before extraordinary item and cumulative effect of a change in accounting principle	1,145,591	724,823	(1,144,026)	248,808	85,655
Extraordinary item	—	—	—	—	(13,185)
Income (loss) before cumulative effect of a change in accounting principle	1,145,591	724,823	(1,144,026)	248,808	72,470
Cumulative effect of a change in accounting principle, net of tax of $4,324,446	—	(16,778,526)	—	—	—
Net income (loss)	$1,145,591	$(16,053,703)	$(1,144,026)	$ 248,808	$ 72,470
Net income (loss) per common share					
Basic:					
Income (loss) before extraordinary item and cumulative effect of a change in accounting principle	$ 1.86	$ 1.20	$ (1.93)	$ 0.59	$ 0.27
Extraordinary item	—	—	—	—	(0.04)
Cumulative effect of a change in accounting principle	—	(27.65)	—	—	—
Net income (loss)	$ 1.86	$ (26.45)	$ (1.93)	$ 0.59	$ 0.23
Diluted:					
Income (loss) before extraordinary item and cumulative effect of a change in accounting principle	$ 1.85	$ 1.18	$ (1.93)	$ 0.57	$ 0.26
Extraordinary item	—	—	—	—	(0.04)
Cumulative effect of a change in accounting principle	—	(26.74)	—	—	—
Net income (loss)	$ 1.85	$ (25.56)	$ (1.93)	$ 0.57	$ 0.22
Cash dividends per share	$ .20	$ —	$ —	$ —	$ —

(In thousands)	As of December 31, (1)				
	2003	2002	2001	2000	1999
Balance Sheet Data:					
Current assets	$ 2,185,682	$ 2,123,495	$ 1,941,299	$ 2,343,217	$ 925,109
Property, plant and equipment — net	4,260,915	4,242,812	3,956,749	4,255,234	2,478,124
Total assets	28,352,693	27,672,153	47,603,142	50,056,461	16,821,512
Current liabilities	1,892,719	3,010,639	2,959,857	2,128,550	685,515
Long-term debt, net of current maturities	6,921,348	7,382,090	7,967,713	10,597,082	4,584,352
Shareholders' equity	15,553,939	14,210,092	29,736,063	30,347,173	10,084,037

(1) Acquisitions and dispositions significantly impact the comparability of the historical consolidated financial data reflected in this schedule of Selected Financial Data.

The Selected Financial Data should be read in conjunction with Management's Discussion and Analysis.

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

Overview

Management's discussion and analysis of our results of operations and financial condition should be read in conjunction with the consolidated financial statements and related footnotes. Our discussion is presented on both a consolidated and segment basis. Corporate expenses, Interest expense, Gain (loss) on sale of marketable securities, Equity in earnings of nonconsolidated affiliates, Other income (expense) — net, and Income tax expense are managed on a total company basis and are, therefore, reflected only in our discussion of consolidated results.

We manage our operating segments primarily on their operating income. Therefore, our discussion of the results of operations of our operating segments focuses on their operating income. Our reportable operating segments are Radio Broadcasting, which includes our national syndication business, Outdoor Advertising and Live Entertainment. Included in the "other" segment are television broadcasting, sports representation and our media representation business, Katz Media.

Radio Broadcasting

Our local radio markets control the formats they select for their programming. The formats are designed to reach audiences with targeted demographic characteristics that appeal to our advertisers. Our advertising rates are principally based on how many people in a targeted audience are listening to our stations, as measured by an independent ratings service. The size of the market influences rates as well, with larger markets typically receiving higher rates than smaller markets. Also, our advertising rates are influenced by the time of day the advertisement airs, with morning and evening drive-time hours typically the highest. We sell a certain number of radio advertising spots per hour to our advertisers. Radio advertising contracts are typically less than one year.

Due to the geographic diversity and autonomy of our markets, we have a multitude of different advertising rates and audience demographics that are market specific. Therefore, our discussion of the results of operations of our radio broadcasting segment focuses on the macro level indicators that management monitors to assess our radio segment's financial condition and results of operations.

Management looks at our radio operations overall revenues as one of its main performance metric. Management also looks at its local advertising, which is sold predominately in a station's local market, and national advertising, which is sold across multiple markets. Local advertising is sold by our local radio stations' sales staff while national advertising is sold, for the most part, through a national representation firm.

Local and national advertising revenues are tracked separately because these revenue streams have different sales forces, respond differently to changes in the economic environment and because local advertising is the primary driver of our radio revenues. Throughout 2003, growth in our national advertising revenue outpaced the growth in our local advertising revenue. National advertising revenue growth was driven by categories such as entertainment, finance, telecom/utility, retail and auto.

Management also looks at radio revenue by market size, as defined by Arbitron. Typically, larger markets can reach bigger audiences with wider demographics than smaller markets. More than half of our radio revenue and divisional operating expenses comes from our 50 largest markets. Management also reviews our overall industry share of radio revenue. We believe our share of industry revenue is a key metric to gauge how well our combined markets are succeeding at attracting advertisers. Our share of industry revenue was essentially the same in 2003 as it was in 2002.

Additionally, management reviews our share of listeners in target demographics listening to the radio in an average quarter hour. This metric gauges how well our formats are doing attracting and keeping listeners. Our overall share of listeners 12 years and older and age 25 to 54 was up slightly in 2003 over the prior year.

A significant portion of our radio segment's expenses vary in connection with changes in revenue. These variable expenses primarily relate to costs in our sales department, such as salaries, commissions, and bad debt. Our costs that do not vary as much in relation to revenue are mostly in our programming and general and administrative departments, such as talent costs, rights fees, utilities and office salaries. Lastly, our costs that are highly discretionary are costs in our marketing and promotions department, which we primarily incur to maintain and/or increase our audience and market share.

Outdoor Advertising

Our outdoor advertising revenues are generated from selling advertisements on our display faces, which consist of bulletins, posters and transit displays as well as street furniture panels. Our advertising rates are based on a particular display's impressions in relation to the demographics of a particular market and its location within a market. Our outdoor advertising contracts are typically based on the number of months the advertisement is displayed on our inventory.

To monitor the health of our outdoor business, management reviews average rates, average occupancy and inventory levels of each of our display faces by market. In addition, because a significant portion of our outdoor advertising is conducted in foreign markets, principally Europe, management looks at revenues from our foreign operations on a constant dollar basis. A constant dollar basis allows for comparison of operations independent of foreign exchange movements. Our outdoor advertising revenue and divisional operating expenses increased in 2003 as compared to 2002 approximately $169.9 million and $145.2 million, respectively, as a result of increases in foreign exchange.

Our significant outdoor expenses include production expenses, revenue sharing or minimum guarantees on our transit and street furniture contracts and site lease expenses, primarily for land surrounding our advertising displays. Our site lease terms vary from monthly to yearly, can be for terms of 10 years or longer, and typically provide for renewal options. Our street furniture contracts are usually won in a competitive bid and generally last between 10 and 20 years.

Live Entertainment

We derive live entertainment revenues primarily from promoting or producing music and theater events. Revenues from these events are mainly from ticket sales, rental income, corporate sponsorships, concessions and merchandise. We typically receive, for each event we host, all the ticket sales, or just a fixed fee. We also receive fees representing a percentage of total concession sales from vendors and total merchandise sales from the performer or tour producer.

We generally receive higher music profits when an event is at a venue we own rather than a rented venue. The higher music profits are due to our ability to share in a percentage of the revenues received from concession and merchandise sales as well as the opportunity to sell sponsorships for venue naming rights and signage.

To judge the health of our music business, management monitors the number of shows, average paid attendance, talent cost as a percent of revenue, sponsorship dollars and ticket revenues. In addition, because a significant portion of our live entertainment business is conducted in foreign markets, management looks at revenues from our foreign operations on a constant dollar basis. A constant dollar basis allows for comparison of operations independent of foreign exchange movements. Our live entertainment revenue and divisional operating expenses increased approximately $88.9 million and $81.3 million in 2003, respectively, as a result of foreign exchange.

The primary expense driver for live entertainment is talent cost. Talent cost is the amount we pay to a musical artist or theatrical production to perform at an event. This is a negotiated amount primarily driven by what the artist or production requires to cover their direct costs and value of their time. These fees are typically agreed to at a set minimum amount with a potential additional sharing if the event exceeds set revenue targets.

Fiscal Year 2003 Compared to Fiscal Year 2002
Consolidated

(In thousands)	Years Ended December 31, 2003	2002	% Change 2003 v. 2002
Revenue	$8,930,899	$ 8,421,055	6%
Operating expenses:			
Divisional operating expenses (excludes non-cash compensation expense of $1,609 and $4,400 in 2003 and 2002, respectively)	6,488,856	6,052,761	7%
Non-cash compensation expense	5,018	5,436	(8%)
Depreciation and amortization	671,338	620,766	8%
Corporate expenses (excludes non-cash compensation expense of $3,409 and $1,036 in 2003 and 2002, respectively)	174,154	176,370	(1%)
Operating income	1,591,533	1,565,722	2%
Interest expense	388,000	432,786	
Gain on sale of assets related to mergers	—	3,991	
Gain (loss) on marketable securities	678,846	(3,096)	
Equity in earnings of nonconsolidated affiliates	22,026	26,928	
Other income (expense) — net	20,959	57,430	
Income (loss) before income taxes and cumulative effect of a change in accounting principle	1,925,364	1,218,189	
Income tax (expense) benefit:			
Current	(246,681)	(149,143)	
Deferred	(533,092)	(344,223)	
Income before cumulative effect of a change in accounting principle	1,145,591	724,823	
Cumulative effect of a change in accounting principle, net of tax of $4,324,446	—	(16,778,526)	
Net income (loss)	$1,145,591	$(16,053,703)	

Revenue

The growth in revenue of $509.8 million resulted from foreign exchange increases of $258.8 million and a boost of $90.2 million in the first six months of 2003 related to our acquisition of The Ackerley Group, which we acquired in June 2002. In addition to foreign exchange and the six-month contribution from Ackerley, our outdoor advertising and live entertainment segments contributed $109.7 million and $110.8 million, respectively, to the revenue increase. These increases were partially offset by declines in our radio broadcasting and other segments revenues.

Divisional Operating Expenses

The growth in divisional operating expenses of $436.1 million resulted from foreign exchange increases of $226.5 million and $68.1 million for the first six months of 2003 related to our acquisition of Ackerley. In addition to foreign exchange and the six-month contribution from Ackerley, our outdoor advertising and live entertainment segments contributed $75.1 million and $84.9 million, respectively, to the divisional operating expenses increase. Our radio broadcasting segment also showed slight increases in divisional operating expenses. These increases were partially offset by declines in our other segments divisional operating expenses.

Depreciation and Amortization

Depreciation and amortization increased $50.6 million during 2003, from $620.8 million in 2002 to $671.3 million in 2003. Approximately $25.0 million, or half, of the increase is attributable to foreign exchange. The remaining increase relates principally to our acquisition of Ackerley in June 2002, an increase in display takedowns and abandonments in our domestic outdoor business in 2003 as compared to 2002 as well as additional depreciation and amortization related to the implementation of HDTV, and the purchase of certain national representation contracts.

Corporate Expenses
The 2003 decline in corporate expenses of $2.2 million relates to a decrease in bonus expenses partially offset by an increase in outside professional fees.

Interest Expense
Interest expense declined $44.8 million during 2003, from $432.8 million in 2002 to $388.0 million in 2003. The principal reason for the decrease resulted from an overall decline in our total debt outstanding in 2003 compared to 2002. Outstanding debt was $7.1 billion and $8.8 billion at December 31, 2003 and 2002, respectively. In addition, the decrease in interest expense resulted from the refinancing of debt, which allowed us to take advantage of the lower interest rate environment in 2003 as well as lower LIBOR on our floating rate debt. LIBOR was 1.12% and 1.38% at December 31, 2003 and 2002, respectively.

Gain (Loss) on Marketable Securities
The gain on marketable securities for 2003 relates primarily to our Hispanic Broadcasting Corporation investment. On September 22, 2003, Univision completed its acquisition of Hispanic in a stock-for-stock merger. As a result, we received shares of Univision, which we recorded on our balance sheet at the date of the merger at their fair value. The exchange of our Hispanic investment, which was accounted for as an equity method investment, into our Univision investment, which was recorded as an available-for-sale cost investment, resulted in a $657.3 million pre-tax book gain. In addition, on September 23, 2003, we sold a portion of our Univision investment, which resulted in a pre-tax book loss of $6.4 million. Also during 2003, we recorded a $37.1 million gain related to the sale of a marketable security, a $2.5 million loss on a forward exchange contract and its underlying investment, and an impairment charge on a radio technology investment for $7.0 million due to a decline in its market value that we considered to be other-than-temporary.

During 2002, we recorded a $25.3 million impairment charge on an investment that had a decline in its market value that was considered to be other-than-temporary, partially offset by $17.6 million in gains on a forward exchange contract and its underlying investment and $4.6 million in gains on the sale of marketable securities.

Subsequent to December 31, 2003, we sold our remaining shares of Univision back to Univision for an aggregate sales price of $599.4 million, resulting in a pre-tax book gain of $47.0 million. Proceeds were used to pay down our domestic credit facilities.

Other Income (Expense) — Net
Other income (expense) — net changed from income of $57.4 million in 2002 to income of $21.0 million in 2003, a decrease of $36.4 million. The income recognized in 2003 related primarily to a $36.7 million net gain on the early extinguishment of debt, partially offset by a $7.0 million expense associated with our adoption of FAS 143, a $2.1 million impairment charge on investments in our international outdoor business, and various other items.

The income recognized in 2002 related primarily to: (i) a $44.5 million aggregate gain on the sale of a television license, the sale of assets in our live entertainment segment and the sale of our interest in a British radio license; (ii) a $12.0 million gain on the early extinguishment of debt; (iii) a $14.8 million gain on the sale of representation contracts; (iv) a $8.0 million foreign exchange loss; (v) a $4.8 million loss on the sale of assets in our radio and outdoor segments; and (vi) a $1.1 million loss on various other items.

Income Taxes
Current income tax increased $97.5 million during 2003 as compared to 2002. Current income tax expense for 2003 includes $105.6 million related to the sale of a portion of our Univision investment. Although a book loss was recorded in “Gain (loss) on marketable securities” during the third quarter of 2003 related to the sale of a portion of our Univision investment, a large taxable gain was realized based on the difference between the market value of our Univision investment and our historical tax basis in our Hispanic investment. Also included in the current tax expense for 2003 is $14.1 million related to the sale of another marketable security.

Current tax expense for the twelve months ended December 31, 2002 was reduced by $152.0 million relating to our utilization of net operating tax loss carryforwards.

Deferred tax expense increased $188.9 million in 2003 primarily due to $158.0 million in the current year related to the conversion of our Hispanic shares to our Univision investment. Although a book gain was recorded in "Gain (loss) in marketable securities" during the third quarter of 2003 related to the conversion of our Hispanic investment, which was accounted for as an equity investment, to Univision, which is carried on our balance sheet at fair value, the gain is not taxable. As a result, deferred tax expense increased.

For both the years ended December 31, 2003 and 2002, our effective tax rates is 40.5%.

Cumulative Effect of a Change in Accounting Principle

The loss recorded as a cumulative effect of a change in accounting principle during 2002 relates to our adoption of Statement of Financial Accounting Standards No. 142 on January 1, 2002. FAS 142 required that we test goodwill and indefinite-lived intangibles for impairment using a fair value approach. As a result of the goodwill test, we recorded a non-cash, net of tax, impairment charge of approximately $10.8 billion. Also, as a result of the indefinite-lived intangible test, we recorded a non-cash, net of tax, impairment charge on our FCC licenses of approximately $6.0 billion.

Radio Broadcasting Results of Operations

Our radio broadcasting operating results were as follows:

(In thousands)	Years Ended December 31,		% Change
	2003	2002	2003 v. 2002
Revenue	$3,695,020	$3,717,243	(1%)
Divisional operating expenses	2,130,054	2,126,139	0%
Non-cash compensation	1,609	4,400	(63%)
Depreciation and amortization	154,121	153,941	0%
Operating income	$1,409,236	$1,432,763	

Revenue decreased $22.2 million during 2003 as compared to 2002, with weak local advertising being the key reason for the decline. Discontinued sports broadcasting rights such as the L.A. Dodgers, cessation of business with independent promoters and a revenue decline in our nationally syndicated radio business due to the elimination of certain shows also contributed to the decline. However, we were able to generate a 1% revenue increase from our top 50 markets, primarily behind the relative strength of national advertising compared to local advertising. Some of our strongest top 50 markets during 2003 were New York, Los Angeles, Cleveland, Sacramento and Austin. Leading national advertising categories in 2003 were entertainment, finance, telecom/utility, retail and auto.

In total, radio's divisional operating expenses were flat year over year. We saw declines in variable sales-related expenses primarily from commissions and bonuses, declines in expenses related to sports broadcasting rights that we did not renew in 2003, and a decline in bad debt expense. However, marketing and promotions-related expenses increased 13% in 2003 as compared to 2002 which were discretionary expenditures aimed at competitively positioning some of our markets for the future. In addition, program-related expenses increased 3% in 2003 as compared to 2002.

Outdoor Advertising Results of Operations

Our outdoor advertising operating results were as follows:

(In thousands)	Years Ended December 31,		% Change
	2003	2002	2003 v. 2002
Revenue	$2,174,597	$1,859,643	17%
Divisional operating expenses	1,593,736	1,354,092	18%
Depreciation and amortization	379,640	336,895	13%
Operating income	$ 201,221	$ 168,656	

Our outdoor advertising revenue increased $315.0 million in 2003 compared to 2002. The increase includes approximately $169.9 million from foreign exchange increases. Also included in the increase is Ackerley, acquired in June 2002, which contributed $35.4 million in revenue during the first six months of 2003.

We saw revenue increases across our entire inventory, but our bulletin inventory, which comprises about 60% of our domestic outdoor revenue, fueled the growth. Our domestic bulletin inventory performed well year over year across the vast majority of our markets, with both rates and occupancy up. We saw strong growth in both large markets such as New York, San Francisco, Miami and Tampa and in smaller markets such as Albuquerque and Chattanooga. Top domestic advertising categories for us during 2003 were business and consumer services, entertainment and automotive.

International revenue growth was spurred by our transit and street furniture inventory. This growth was driven by an increase in displays and average revenue per display primarily from our street furniture products. Strong markets for our street furniture inventory were Australia, Norway and the United Kingdom. This revenue increase was slightly offset by a decline in our international billboard revenues.

Divisional operating expenses increased $239.6 million in 2003 compared to 2002. Included in this increase is roughly $145.2 million in foreign exchange increases. Also, Ackerley contributed approximately $19.3 million in divisional operating expenses during the first six months of 2003. Roughly $13.8 million of the overall increase is from restructuring our international outdoor operations in France during the second quarter of 2003. The remainder of the increase is partially attributable to direct production costs, site lease expenses, and bonus and commission expenses associated with the increase in revenue.

Depreciation and amortization increased $42.7 million in 2003 compared to 2002. Approximately $25.0 million of the increase is attributable to foreign exchange increases. The remaining increase is mostly from our acquisition of Ackerley in June 2002 and increased display takedowns and abandonments in our domestic outdoor business in 2003 as compared to 2002.

Live Entertainment Results of Operations

Our live entertainment operating results were as follows:

(In thousands)	Years Ended December 31,		% Change
	2003	2002	2003 v. 2002
Revenue	$2,646,959	$2,447,302	8%
Divisional operating expenses	2,455,897	2,289,654	7%
Depreciation and amortization	60,830	61,518	(1%)
Operating income	$ 130,232	$ 96,130	

Our live entertainment revenue increased $199.7 million in 2003 compared to 2002. Approximately $88.9 million is the result of foreign exchange. In addition to foreign exchange, increased attendance, concessions and sponsorship revenues drove the revenue growth. Total and average attendance at our amphitheater events was up in 2003, despite the fact that we saw a decline in the number of these events. The total number of weeks presenting shows in our theater operations was also up in 2003. Some significant acts for 2003 were Cher, James Taylor, David Bowie, Aerosmith/Kiss, Rolling Stones, Paul McCartney and Bruce Springsteen.

Divisional operating expenses increased $166.2 million in 2003 compared to 2002. Approximately $81.3 million of the increase is the result of foreign exchange. The remaining increase primarily relates to variable costs associated with the mix of events in 2003 as compared to 2002.

Reconciliation of Segment Operating Income (Loss)

(In thousands)	Years Ended December 31,	
	2003	2002
Radio Broadcasting	$1,409,236	$1,432,763
Outdoor Advertising	201,221	168,656
Live Entertainment	130,232	96,130
Other	51,131	70,704
Corporate	(200,287)	(202,531)
Consolidated Operating Income	$1,591,533	$1,565,722

Fiscal Year 2002 Compared to Fiscal Year 2001
Consolidated

(In thousands)	Years Ended December 31,		% Change
	2002	2001	2002 v. 2001
Revenue	$ 8,421,055	$ 7,970,003	6%
Operating expenses:			
Divisional operating expenses (excludes non-cash compensation expense of $4,400 and $13,111 in 2002 and 2001, respectively)	6,052,761	5,866,706	3%
Non-cash compensation expense	5,436	17,077	(68%)
Depreciation and amortization	620,766	2,562,480	(76%)
Corporate expenses (excludes non-cash compensation expense of $1,036 and $3,966 in 2002 and 2001, respectively)	176,370	187,434	(6%)
Operating income (loss)	1,565,722	(663,694)	
Interest expense	432,786	560,077	
Gain (loss) on sale of assets related to mergers	3,991	(213,706)	
Gain (loss) on marketable securities	(3,096)	25,820	
Equity in earnings of nonconsolidated affiliates	26,928	10,393	
Other income (expense) — net	57,430	152,267	
Income (loss) before income taxes and cumulative effect of a change in accounting principle	1,218,189	(1,248,997)	
Income tax benefit (expense):			
Current	(149,143)	(57,363)	
Deferred	(344,223)	162,334	
Income (loss) before cumulative effect of a change in accounting principle	724,823	(1,144,026)	
Cumulative effect of a change in accounting principle, net of tax of $4,324,446	(16,778,526)	—	
Net income (loss)	$(16,053,703)	$(1,144,026)	

Revenue

Revenue increased $451.1 million for the year ended December 31, 2002 from the same period of 2001. This increase is largely attributable to revenue improvements in our radio segment of $261.7 million, driven by improvement in advertising demand for our radio inventory. Both national and local sales of our radio inventory grew 11% and 5%, respectively, over 2001. Included in the radio revenue growth is $51.9 million attributable to new programs and growth to existing programs in our syndicated radio business. Another contributing factor to the

revenue growth was various acquisitions, the most significant of which was Ackerley in June 2002. Our Ackerley acquisition accounted for roughly $105.6 million of the revenue increase. We also saw growth in television advertising, which was partially attributable to political advertisements that coincided with the 2002 state and federal elections. Further, the strengthening of our international functional currencies against the U.S. dollar contributed approximately $73.4 million to the revenue increase. The revenue increase was partially offset by a $30.3 million decline within our entertainment segment primarily from a decline in ticket sales.

Divisional Operating Expenses

Divisional operating expenses increased $186.1 million for the year ended December 31, 2002 as compared to the same period of 2001. This increase resulted primarily from the acquisition of Ackerley in June 2002, which contributed roughly $71.7 million divisional operating expenses. Also, we saw a $133.4 million increase in divisional operating expenses in our outdoor segment, resulting from increases in production, maintenance and site lease expense, which includes guarantees on our municipal contracts, and increased salaries resulting from additional account executives hired in 2002. Of the $133.4 million increase, $19.4 million resulted from the new Ackerley markets. Further, the strengthening of our international functional currencies against the U.S. dollar contributed approximately $63.4 million to the divisional operating expense increase. These increases were partially offset by a $37.5 million decline in divisional operating expenses within our live entertainment segment related to variable expense declines connected to the decline in revenue within this segment.

Non-Cash Compensation

Non-cash compensation expense relates largely to unvested stock options assumed in mergers that are now convertible into Clear Channel stock. To the extent that these employees' options continue to vest, we recognize non-cash compensation expense over the remaining vesting period. Vesting dates vary through April 2005. If no employees forfeit their unvested options by leaving the company, we expect to recognize non-cash compensation expense of approximately $3.1 million during the remaining vesting period.

Depreciation and Amortization

Depreciation and amortization expense decreased $1.9 billion for the year ended December 31, 2002 as compared to 2001. Upon our adoption of Statement of Financial Accounting Standard No. 142 on January 1, 2002, we no longer amortize goodwill and FCC licenses. For the year ended December 31, 2001, goodwill and FCC license amortization was approximately $1.8 billion.

The following table sets forth what depreciation and amortization expense would have been if we had adopted Statement 142 on January 1, 2001 and compares it to amortization expense for the year ended December 31, 2002:

(In millions)	**Year ended December 31,**	
	2002	**2001**
Reported depreciation and amortization expense	$620.8	$2,562.5
Less: Indefinite-lived amortization	—	1,783.2
Adjusted depreciation and amortization expense	$620.8	$ 779.3

The decrease in adjusted depreciation and amortization expense relates mostly to asset impairments as well as write-offs related to duplicative or excess assets identified in our radio segment and charged to expense during 2001. The majority of the duplicative or excess assets identified in the radio segment resulted from the integration of prior acquisitions. Also, we recognized impairment charges in 2001 related to analog television equipment. Finally, during the second quarter of 2002, a talent contract became fully amortized, which had contributed $13.2 million in amortization expense in 2001. These decreases were partially offset by additional depreciation expense related to assets acquired in the Ackerley acquisition in June 2002.

Corporate Expenses

Corporate expense decreased $11.1 million for the year ended December 31, 2002 as compared to 2001 primarily due to a decrease in corporate head count and facilities and other cost cutting measures. We closed the AMFM corporate offices in Dallas on March 31, 2001 and a portion of the SFX offices in New York were closed on June 30, 2001. The decrease was partially offset by an increase in performance-based bonus expense as well as higher corporate legal expenses.

Interest Expense

Interest expense was $432.8 million and $560.1 million for the year ended December 31, 2002 and 2001, respectively, a decrease of $127.3 million. This decrease was due to a decrease in our total debt outstanding as well as an overall decrease in LIBOR rates. At December 31, 2002 and 2001, approximately 41% and 36%, respectively, of our debt was variable-rate debt that bears interest based upon LIBOR. The following table sets forth our debt outstanding, the percentage of our debt that is variable rate debt and the 1-Month LIBOR rates at December 31, 2002 and 2001:

(In millions)	December 31,	
	2002	2001
Total debt outstanding	$8,778.6	$9,482.9
Variable rate debt/total debt outstanding	41%	36%
1-Month LIBOR	1.38%	1.87%

Gain (Loss) on Sale of Assets Related to Mergers

The gain (loss) on sale of assets related to mergers for the year ended December 31, 2002 and 2001 was a $4.0 million gain and a $213.7 million loss, respectively. The gain on sale of assets related to mergers in 2002 resulted from the sale of shares of Entravision Corporation that we acquired in the AMFM merger. The components of the net loss on sale of assets related to mergers in 2001 was as follows:

(In millions)	
Loss related to the sale of 24.9 million shares of Lamar Advertising Company that we acquired in the AMFM merger	$(235.0)
Loss related to write-downs of investments acquired in mergers	(11.6)
Gain realized on the sale of five stations in connection with governmental directives regarding the AMFM merger	32.9
Net loss on sale of assets related to mergers	$(213.7)

Gain (Loss) on Marketable Securities

The gain (loss) on marketable securities for the year ended December 31, 2002 was a loss of $3.1 million as compared to a gain of $25.8 million for the year ended December 31, 2001.

During 2001, we entered into a secured forward exchange contract that monetized part of our investment in American Tower Corporation (“AMT”). To partially offset the movement in the fair value of the contract, in accordance with Statement of Financial Accounting Standard No. 133, we reclassified 2.0 million shares of AMT from an available-for-sale classification to a trading classification. As a result of the reclassification, a $69.7 million pre-tax unrealized holding gain was recorded. The fair value adjustment of the AMT trading shares and the secured forward exchange contract netted a gain of $11.7 million during 2001. These gains were partially offset by $55.6 million of impairment charges recorded on investments that had declines in their market values that were considered to be other-than-temporary.

The net loss recorded during 2002 relates to the aggregate $17.6 million gain on the net fair value adjustments of the AMT trading shares and the secured forward exchange contract, an aggregate $4.6 million gain on the sale of shares in foreign media companies, offset by a $25.3 million impairment charge recorded on an available-for-sale investment in a domestic media company that had a decline in its market value that was considered to be other-than-temporary.

Equity in Earnings of Nonconsolidated Affiliates

Equity in earnings of nonconsolidated affiliates for the year ended December 31, 2002 was $26.9 million as compared to $10.4 million for the year ended December 31, 2001. The increase is primarily attributable to an increase in our share of net income. Our nonconsolidated affiliates adopted Statement 142 during the year which resulted in less amortization expense related to indefinite-lived intangibles. The increase was partially offset by impairment charges related to various international equity investments that had declines in value that were considered to be other-than-temporary.

Other Income (Expense) — Net

For the years ended December 31, 2002 and 2001, other income (expense) - net was income of $57.4 million and $152.3 million, respectively. The income recognized in 2002 related primarily to: (1) a $44.5 million aggregate gain recognized on the sale of a television license, the sale of assets in our live entertainment segment and the sale of our interest in a British radio license; (2) a $12.0 million gain recognized on the early extinguishment of debt; (3) a $14.8 million gain on the sale of representation contracts; (4) a $8.0 million foreign exchange loss; (5) a $4.8 million loss on sale of assets in our radio and outdoor segments; and (6) a $1.1 million loss on various other items.

The 2001 income related primarily to a $168.0 million gain on a non-cash, tax-free exchange of the assets of one television station for the assets of two television stations.

Income Taxes

Income taxes for the years ended December 31, 2002 and 2001 were provided at our federal and state statutory rates adjusted for the effects of permanent tax items. During 2001, as a result of our large amounts of non-deductible goodwill amortization, our effective tax rate was adversely impacted. As we no longer amortize goodwill, our effective tax rate for 2002 more closely approximated our statutory tax rates.

Income (Loss) before Cumulative Effect of a Change in Accounting Principle

Income (loss) before cumulative effect of a change in accounting principle for the year ended December 31, 2002 was income of $724.8 million and was a loss of $1.1 billion for the year ended December 31, 2001. Income (loss) before cumulative effect of a change in accounting principle for 2001, if we had adopted Statement 142 as of January 1, 2001, would have been income of $248.6 million.

Cumulative Effect of a Change in Accounting Principle

The loss recorded as a cumulative effect of a change in accounting principle during 2002 relates to our adoption of Statement 142 on January 1, 2002. Statement 142 required that we test goodwill and indefinite-lived intangibles for impairment using a fair value approach. As a result of the goodwill test, we recorded a non-cash, net of tax, impairment charge of approximately $10.8 billion. Also, as a result of the indefinite-lived intangible test, we recorded a non-cash, net of tax, impairment charge on our FCC licenses of approximately $6.0 billion. As required by Statement 142, a subsequent impairment test was performed at October 1, 2002, which resulted in no additional impairment charge.

The non-cash impairments of our goodwill and FCC licenses were generally caused by unfavorable economic conditions, which persisted in the industries we served throughout 2001. This weakness contributed to our customers reducing the number of advertising dollars spent on our media inventory and live entertainment events. These conditions adversely impacted the cash flow projections used to determine the fair value of our licenses and each reporting unit at January 1, 2002. These factors resulted in the non-cash impairment charge of a portion of our licenses and goodwill.

Radio Broadcasting

(In thousands)	Years Ended December 31,		% Change
	2002	2001	2002 v. 2001
Revenue	$3,717,243	$3,455,553	8%
Divisional operating expenses	2,126,139	2,104,719	1%
Non-cash compensation	4,400	12,373	(64%)
Depreciation and amortization	153,941	1,619,986	(90%)
Operating income (loss)	$1,432,763	$ (281,525)	

Revenue increased $261.7 million for the year ended December 31, 2002 as compared to 2001. We experienced broad based revenue increases during 2002. Growth occurred across our large and small market clusters, in national and local sales, in our syndicated radio programs and across our advertising categories. Consistent with the widespread growth across our markets, our national and local revenue increased 11% and 5%,

respectively, for 2002 as compared to 2001. This growth was spurred by growth in our auto, retail, telecom/utility, consumer products and entertainment advertising categories.

Audience reach is an important part of our ability to set rates because it is an indication of how many listeners will hear our customers' advertisements. Reach is measured in individual markets by audience surveys. While ratings across all of our markets are the ultimate determinate of the health of our radio business, we generate approximately half of our radio revenues from our top 20 markets. Therefore, we took a snapshot of our ratings from these markets based on the percentage of people in the market over twelve years old who listened to our stations in an average quarter hour for the six months ending in the fall of 2002. Based on this demographic, our ratings improved in twelve of the twenty markets, were down in six of the twenty markets and were flat in the other markets as compared to the summer of 2001.

Divisional operating expenses increased $21.4 million in 2002 as compared to 2001. The increase is attributable to acquisitions as well as the addition of new programs and an increase in talent fees in our national syndication business. Also, commission expense and the accrual for our incentive bonus plan increased associated with the increase in revenues. These increases were partially offset by a decrease in our bad debt expense in 2002 and other discretionary expenditure cuts.

The decrease in depreciation and amortization for the year ended December 31, 2002 as compared to 2001 relates primarily to our adoption of Statement 142. In accordance with Statement 142, we no longer amortize goodwill and FCC license. In addition, depreciation and amortization expense for the year ended December 31, 2001 includes amounts related to asset impairments as well as write-offs related to duplicative assets.

Outdoor Advertising

(In thousands)	**Years Ended December 31,**		**% Change**
	2002	**2001**	**2002 v. 2001**
Revenue	$1,859,643	$1,748,031	6%
Divisional operating expenses	1,354,092	1,220,681	11%
Depreciation and amortization	336,895	559,498	(40%)
Operating income (loss)	$ 168,656	$ (32,148)	

Revenue increased $111.6 million for the year ended December 31, 2002 as compared to year ended December 31, 2001. The increase is partially attributable to $45.1 million from the strengthening of our international functional currencies against the dollar as well as $37.5 million from our acquisition of the outdoor assets of Ackerley in June 2002.

Occupancy on our domestic poster, bulletin and mall/shelter inventory increased during 2002, but our average rate for this inventory is still below that of last year. However, we saw bulletin revenue and rates increase in the fourth quarter of 2002 compared to the third quarter of 2002. With the exception of posters, we experienced revenue growth in the fourth quarter of 2002 as compared to the third quarter of 2002. Yields per panel on our international billboard, street furniture and transit inventory were below the levels seen in 2001 for the first nine months of 2002; however, we saw a slow recovery throughout the year and, in the fourth quarter, yields exceeded 2001 levels.

In July, we completed our acquisition of Score Outdoor in the United Kingdom. This acquisition gives us national coverage in billboards in the United Kingdom, which has helped us gain sales we would not have received prior to the acquisition. We also renewed our Madrid and Valencia bus contracts.

Divisional operating expenses increased $133.4 million for the year ended December 31, 2002 as compared to 2001. Ackerley contributed approximately $19.4 million in expense for the year ended December 31, 2002. The remaining increase is primarily the result of additional fixed expenses such as real estate and site lease expenses, which includes minimum guarantees on our municipal contracts.

The decrease in depreciation and amortization for the year ended December 31, 2002 as compared to 2001 relates primarily to our adoption of Statement 142. In accordance with Statement 142, we no longer amortize goodwill.

Live Entertainment

(In thousands)	Years Ended December 31,		
	2002	2001	% Change 2002 v. 2001
Revenue	$2,447,302	$2,477,640	(1%)
Divisional operating expenses	2,289,654	2,327,109	(2%)
Depreciation and amortization	61,518	290,047	(79%)
Operating income (loss)	$ 96,130	$ (139,516)	

Revenue decreased $30.3 million for the year ended December 31, 2002 as compared to 2001. Revenue for the year ended December 31, 2002 was adversely impacted by a decline in ticket sales, partially due to lower attendance levels as compared to the prior year resulting from the lingering effects of September 11th. Also, the revenue and attendance impact from current year top grossing acts like The Rolling Stones, Paul McCartney, Billy Joel and Elton John, and Cher was less than events last year, which included U2, Madonna, Backstreet Boys, *NSYNC and George Strait.

However, these declines were partially offset by increases in concessions and sponsorships as well as the strengthening of our international functional currencies against the U.S. dollar. Additionally, we saw a slight increase in season seats and local sponsorship dollars at our amphitheater events as compared to 2001.

Divisional operating expenses decreased $37.5 million for the year ended December 31, 2002 as compared to 2001. This decline is associated with the decline in revenue and cost reductions.

The decrease in depreciation and amortization for the year ended December 31, 2002 as compared to 2001 relates primarily to our adoption of Statement 142. In accordance with Statement 142, we no longer amortize goodwill.

Segment Reconciliations of Operating Income (Loss)

(In thousands)	Years Ended December 31,	
	2002	2001
Radio Broadcasting	$1,432,763	$(281,525)
Outdoor Advertising	168,656	(32,148)
Live Entertainment	96,130	(139,516)
Other	70,704	3,887
Corporate	(202,531)	(214,392)
Consolidated Operating Income (Loss)	$1,565,722	$(663,694)

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Operating Activities:

Net cash flow from operating activities of $1.7 billion for the year ended December 31, 2003 principally reflects net income of $1.1 billion plus depreciation and amortization of $671.3 million. Net cash flow from operating activities also reflects increases in accounts receivables, accounts payable and other accrued expenses and income taxes. Net cash flow from operating activities of $1.7 billion for the year ended December 31, 2002

principally reflects a net loss of $16.1 billion adjusted for non-cash charges of $16.8 billion for the adoption of Statement 142 and depreciation and amortization of $620.8 million. Cash flow from operations was positively impacted by our utilization of tax net operating loss carryforwards, which reduced our cash taxes by approximately $152.0 million. Cash flow from operations also reflects increases in deferred income, accounts payable and other accrued expenses partially offset by an increase in receivables and prepaids.

Investing Activities:

Net cash expenditures for investing activities of $93.3 million for the year ended December 31, 2003 principally reflect capital expenditures of $378.0 million related to purchases of property, plant and equipment and $105.4 million primarily related to acquisitions of operating assets, partially offset by proceeds from the sale of investments, primarily Univision Corporation, of $344.2 million. Net cash expenditures for investing activities of $627.2 million for the year ended December 31, 2002 principally reflect capital expenditures of $548.6 million related to purchases of property, plant and equipment and $241.2 million primarily related to acquisitions of operating assets.

Financing Activities:

Financing activities for the year ended December 31, 2003 principally reflect the net reduction in debt of $1.8 billion, proceeds from extinguishment of a derivative agreement of $83.8 million, proceeds from a secured forward exchange contract of $83.5 million, proceeds of $55.6 million related to the exercise of stock options, all partially offset by $61.6 million in dividend payments. Financing activities for the year ended December 31, 2002 principally reflect the net reduction in debt of $1.2 billion and proceeds of $75.3 million related to the exercise of stock options and warrants.

We expect to fund anticipated cash requirements (including payments of principal and interest on outstanding indebtedness and commitments, acquisitions, anticipated capital expenditures, share repurchases and dividends) for the foreseeable future with cash flows from operations and various externally generated funds.

Sources of Capital

As of December 31, 2003 and 2002, we had the following debt outstanding and cash and cash equivalents:

(In millions)	December 31,	
	2003	**2002**
Credit facilities — domestic	$ 660.5	$2,056.6
Credit facility — international	50.1	95.7
Senior convertible notes	—	517.6
Liquid Yield Option Notes (a)	—	252.1
Long-term bonds (b)	6,159.4	5,655.9
Other borrowings	195.0	200.7
Total Debt (c)	7,065.0	8,778.6
Less: Cash and cash equivalents	123.3	170.1
	$6,941.7	$8,608.5

(a) Includes $42.1 million in unamortized fair value purchase accounting adjustment premiums related to the merger with Jacor Communications, Inc. at December 31, 2002.

(b) Includes $16.8 million and $44.6 million in unamortized fair value purchase accounting adjustment premiums related to the merger with AMFM at December 31, 2003 and 2002, respectively. Also includes $7.0 million and $119.8 million related to fair value adjustments for interest rate swap agreements at December 31, 2003 and 2002, respectively.

(c) Total face value of outstanding debt was $7.0 billion and $8.7 billion at December 31, 2003 and 2002, respectively.

Domestic Credit Facilities

We currently have two separate domestic credit facilities. These provide cash for both working capital needs as well as to fund certain acquisitions and refinancing of certain public debt securities.

The first credit facility is a reducing revolving credit facility, originally in the amount of $2.0 billion. At December 31, 2003, $610.5 million was outstanding and $339.5 million was available for future borrowings. The amount available for future borrowings under this credit facility began reducing on September 30, 2000, with quarterly reductions to continue through the last business day of June 2005. The reductions in amounts available for future borrowings total $109.4 million per quarter in 2004, $131.3 million in the first quarter of 2005 and $381.3 million in the second quarter of 2005.

The second facility is a $1.5 billion five-year multi-currency revolving credit facility. At December 31, 2003, the outstanding balance was $50.0 million and, taking into account letters of credit of $130.6 million, $1.3 billion was available for future borrowings, with the entire balance to be repaid on August 30, 2005.

We had a third facility, a $1.5 billion three-year term loan, which we paid down in full and terminated during 2003.

During the year ended December 31, 2003, we made principal payments totaling $5.0 billion and drew down $3.6 billion on these credit facilities. As of February 29, 2004, the credit facilities' aggregate outstanding balance was $569.0 million and, taking into account outstanding letters of credit, $1.7 billion was available for future borrowings.

International Credit Facility

We have a $150.0 million five-year revolving credit facility with a group of international banks. This facility allows for borrowings in various foreign currencies, which are used to hedge net assets in those currencies and provides funds to our international operations for certain working capital needs. At December 31, 2003, $50.1 million was outstanding. This credit facility expires on December 8, 2005.

Liquid Yield Option Notes

On April 17, 2003, we redeemed all of our 4.75% Liquid Yield Option Notes ("LYONs"), pursuant to a call provision in the indenture governing the LYONs, for $208.2 million. As a result of the redemption, we recognized a non-cash gain on the extinguishment of debt of $41.3 million during the second quarter of 2003 which is recorded in the statement of operations in "Other income (expense) — net".

Long-Term Bonds

On January 9, 2003, we completed a debt offering of $300.0 million 4.625% notes due January 15, 2008 and $500.0 million 5.75% notes due January 15, 2013. Interest is payable on January 15 and July 15 on both series of notes. The aggregate net proceeds of approximately $791.2 million were used to repay borrowings outstanding under our bank credit facilities and to finance the redemption of AMFM Operating, Inc.'s outstanding 8.125% senior subordinated notes due in 2007 and 8.75% senior subordinated notes due in 2007 as described below.

On February 10, 2003, we redeemed all of AMFM Operating Inc.'s outstanding 8.125% senior subordinated notes due 2007 for $379.2 million plus accrued interest. On February 18, 2003, we redeemed all of AMFM Operating Inc.'s outstanding 8.75% senior subordinated notes due 2007 for $193.4 million plus accrued interest. The AMFM notes were redeemed pursuant to call provisions in the indentures governing the notes. The redemptions resulted in a $1.7 million gain recorded in "Other income (expense) — net" on the statement of operations.

On March 17, 2003, we completed a debt offering of $200.0 million 4.625% notes due January 15, 2008. Interest is payable on January 15 and July 15. The aggregate net proceeds of approximately $203.4 million were used to repay borrowings outstanding under our bank credit facilities and to finance the redemption of all of the 4.75% LYONs due 2008.

On May 1, 2003, we completed a debt offering of $500.0 million 4.25% notes due May 15, 2009. Interest is payable on May 15 and November 15. The aggregate net proceeds of $497.0 million were used to repay borrowings outstanding on the $1.5 billion three-year term loan. In conjunction with the issuance, we entered into an interest rate swap agreement with a $500.0 million notional amount that effectively converts fixed to floating interest at a rate based upon LIBOR.

On May 21, 2003, we completed a debt offering of $250.0 million 4.40% notes due May 15, 2011 and $250.0 million 4.90% notes due May 15, 2015. Interest is payable on May 15 and November 15 on both series of notes. The aggregate net proceeds of approximately $496.1 million were used to repay borrowings outstanding on the $1.5 billion three-year term loan. Subsequent to the issuance of the 4.40% notes due 2011, we entered into an interest rate swap agreement with a $250.0 million notional amount that effectively floats interest at a rate based upon LIBOR.

On October 6, 2003, we exercised a call provision on our 7.875% senior notes due June 15, 2005. The redemption price of $842.6 million included the principal of $750.0 million, a premium of $74.4 million and accrued interest of $18.2 million. The redemption was funded with borrowings on our bank credit facilities. Concurrent with the redemption, we terminated a related interest rate swap agreement with a $750.0 million notional amount that effectively floated interest at a rate based upon LIBOR.

On November 5, 2003, we completed a debt offering of $250.0 million aggregate principal amount of 3.125% senior notes due February 1, 2007. Interest is payable each February 1 and August 1 commencing August 1, 2004. The net proceeds of approximately $249.1 million were used to repay borrowings outstanding on our credit facilities. In conjunction with the issuance of these notes, we entered into an interest rate swap agreement with a $250.0 million notional amount that effectively floats interest at a rate based upon LIBOR.

On December 2, 2003, we completed a debt offering of $300.0 million aggregate principal amount of 5.0% senior notes due March 15, 2012. Interest is payable each March 15 and September 15 commencing March 15, 2004. The net proceeds of approximately $296.9 million were used to repay borrowings outstanding on our credit facilities. In conjunction with the issuance of these notes, we entered into an interest rate swap agreement with a $300.0 million notional amount that effectively floats interest at a rate based upon LIBOR.

On February 25, 2004, we redeemed €454.4 million of our 6.5% senior notes due July 7, 2005, for €477.7 million plus accrued interest. As a result of this redemption, we recorded a pre-tax loss of $30.3 million on the early extinguishment of debt. After this redemption, €195.6 million of the 6.5% senior notes remain outstanding. The remaining notes outstanding continue to be designated as a hedge of our net investment in Euro denominated assets. Additionally, on February 25, 2004, we entered into a United States dollar - Eurodollar cross currency swap with a notional amount of €497.0 million. The swap requires us to make fixed interest payments on the Euro notional amount while we receive fixed interest payments on the equivalent U.S. dollar notional amount, all on a semi-annual basis. We have designated the swap as a hedge of our net investment in Euro denominated assets.

Guarantees of Third Party Obligations

As of December 31, 2003 and 2002, we guaranteed the debt of third parties of approximately $57.2 million and $98.6 million, respectively, primarily related to long-term operating contracts. The third parties' associated operating assets secure a substantial portion of these obligations. As of February 29, 2004, we have reduced our guarantee of third party debt to $38.6 million.

At December 31, 2003, we guaranteed the third-party performance under a certain contract for up to approximately $19.3 million that expires in 2004.

Sale of Investments

During 2003, we received $344.2 million of proceeds related to the sale of a portion of our investment in Univision and other marketable securities transactions. In addition, during 2003, we entered into a five-year secured forward exchange contract with respect to 8.3 million shares of our investment in XM Satellite Radio Holdings. As a result, we received $83.5 million at the inception of the contract.

On January 12, 2004, we sold our remaining investment in Univision Corporation for $599.4 million in net proceeds. As a result, we recorded a gain of $47.0 million in “Gain (loss) on marketable securities” in the first quarter of 2004.

Disposal of Assets

During 2003, we received $55.4 million of proceeds related primarily to the sale of an investment in an international outdoor business as well as various broadcasting and outdoor advertising assets.

Shelf Registration

On March 29, 2002, we filed a Registration Statement on Form S-3 covering a combined $3.0 billion of debt securities, junior subordinated debt securities, preferred stock, common stock, warrants, stock purchase contracts and stock purchase units (the “shelf registration statement”). The shelf registration statement also covers preferred securities that may be issued from time to time by our three Delaware statutory business trusts and guarantees of such preferred securities by us. The SEC declared this shelf registration statement effective on April 2, 2002. After the debt offerings of January 9, 2003, March 17, 2003, May 1, 2003, May 21, 2003, November 5, 2003 and December 2, 2003, $450.0 million remains available under this shelf registration statement.

Debt Covenants

Our only significant covenants relate to leverage and interest coverage contained and defined in the credit facilities. The leverage ratio covenant requires us to maintain a ratio of total debt to EBITDA (as defined by the credit facilities) of less than 5.50x through June 30, 2003 and less than 5.00x from July 1, 2003 through the maturity of the facilities. The interest coverage covenant requires us to maintain a minimum ratio of EBITDA (as defined by the credit facilities) to interest expense of 2.00x. In the event that we do not meet these covenants, we are considered to be in default on the credit facilities at which time the credit facilities may become immediately due. At December 31, 2003, our leverage and interest coverage ratios were 3.2x and 5.8x, respectively. Including our cash and cash equivalents recorded at December 31, 2003, our leverage on a net debt basis was 3.1x. Our bank credit facilities have cross-default provisions among the bank facilities only. No other Clear Channel debt agreements have cross-default or cross-acceleration provisions.

Additionally, the AMFM long-term bonds contain certain restrictive covenants that limit the ability of AMFM Operating Inc., a wholly-owned subsidiary of Clear Channel, to incur additional indebtedness, enter into certain transactions with affiliates, pay dividends, consolidate, or effect certain asset sales.

Our $1.5 billion, five-year multi-currency revolving credit facility includes a provision for an increase in fees of 12.5 basis points on borrowings and five basis points on amounts available for future borrowings in the event that both of our long-term debt ratings drop below our current ratings of BBB-/Baa3. Conversely, if our long-term debt ratings improve, we have a proportionate decrease in fees. Our international subsidiary’s $150.0 million international credit facility includes a put option to the Company in the event that our long-term debt ratings fall below BB+/Ba1. We believe there are no other agreements that contain provisions that trigger an event of default upon a change in long-term debt ratings that would have a material impact to our financial statements.

At December 31, 2003, we were in compliance with all debt covenants. We expect to remain in compliance throughout 2004.

Uses of Capital

Dividends

On July 23, 2003 and October 23, 2003, our Board of Directors declared a quarterly cash dividend of $0.10 per share on our Common Stock. Two dividend payments of $61.6 million were disbursed, one on October 15, 2003

and the other on January 15, 2004, to shareholders of record at the close of business on September 30, 2003 and December 31, 2003, respectively. Additionally, on February 19, 2004, our Board of Directors declared a quarterly cash dividend of $0.10 per share of our Common Stock to be paid on April 15, 2004 to shareholders of record on March 31, 2004.

Acquisitions

During the year ended December 31, 2003, we acquired radio stations for $45.9 million in cash and outdoor display faces for $28.3 million in cash. Our outdoor segment also acquired investments in nonconsolidated affiliates for a total of $10.7 million in cash and acquired an additional 10% interest in a subsidiary for $5.1 million in cash. Our live entertainment segment made cash payments of $2.8 million during the year ended December 31, 2003, primarily related to various earn-outs and deferred purchase price consideration on prior year acquisitions. Also, our national representation business acquired new contacts for a total of $42.6 million, of which $12.6 million was paid in cash during the year ended December 31, 2003 and $30.0 million was recorded as a liability at December 31, 2003.

We intend to continue to acquire certain businesses that fit our strategic goals; however, our primary focus is on reduction of debt. Future acquisitions of media-related assets affected in connection with the implementation of our acquisition strategy are expected to be financed from increased borrowings under our existing credit facilities, additional public equity and debt offerings and cash flow from operations.

Capital Expenditures

Capital expenditures in 2003 decreased from $548.6 million in 2002 to $378.0 million in 2003. Overall, capital expenditures decreased in 2003 as compared to 2002 due to less integration and consolidation of facilities within our operations as well as less revenue producing capital expenditures during the year ended December 31, 2003 as compared to the year ended December 31, 2002.

(In millions)	**Year Ended December 31, 2003 Capital Expenditures**				
	Radio	**Outdoor**	**Entertainment**	**Corporate and Other**	**Total**
Non-revenue producing	$80.1	$ 63.4	$27.7	$28.5	$199.7
Revenue producing	—	136.1	42.2	—	178.3
	$80.1	$199.5	$69.9	$28.5	$378.0

Radio broadcasting capital expenditures declined $35.1 million in 2003 as compared to 2002 as a result of decreased expenditures in 2003 related to consolidation of operations.

Outdoor advertising capital expenditures decreased $93.1 million in 2003 as compared to 2002 primarily due to fewer revenue producing related capital expenditures.

Live entertainment capital expenditures increased $6.5 million in 2003 as compared to 2002. Revenue producing related capital expenditures increased during the year due to the construction of new venues, while non-revenue producing project related capital expenditures declined.

Capital expenditures listed under "Corporate and Other" declined $48.9 million during 2003 as compared to 2002 due to capital expenditures in 2002 related to the completion of a new data and administrative service center which replaced leased locations.

Income Taxes

During the year ended December 31, 2003, we made cash tax payments of approximately $140.7 million, net of various tax refunds payments. For the prior year period, we made cash tax payments of approximately $43.6 million, which was reduced by $152.0 million related to our utilization of tax net operating loss carryfowards. In addition, for the twelve months ended December 31, 2002, we received approximately $24.6 million related to various tax refund payments.

Commitments, Contingencies and Future Obligations

In accordance with generally accepted accounting principles in the United States, we do not record the following transactions or obligations on our balance sheet:

Commitments and Contingencies

We were among the defendants in a lawsuit filed on June 12, 2002 in the United States District Court for the Southern District of Florida by Spanish Broadcasting System. The plaintiffs alleged that we were in violation of Section One and Section Two of the Sherman Antitrust Act as well as various other claims, such as unfair trade practices and defamation, among other counts. This case was dismissed with prejudice on January 31, 2003. The plaintiffs filed an appeal with the 11th Circuit Court of Appeals and oral argument was held in the case in February 2004. A decision has not yet been issued.

There are various other lawsuits and claims pending against us. We believe that any ultimate liability resulting from those actions or claims will not have a material adverse effect on our results of operations, financial position or liquidity. Although we have recorded accruals based on our current assumptions of the future liability for these lawsuits, it is possible that future results of operations could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. See also "Item 3. Legal Proceedings" and "Note G — Commitments and Contingencies" in the Notes to Consolidate Financial Statements in Item 8 included elsewhere in this Report.

Certain agreements relating to acquisitions provide for purchase price adjustments and other future contingent payments based on the financial performance of the acquired companies generally over a one to five year period. We will continue to accrue additional amounts related to such contingent payments if and when it is determinable that the applicable financial performance targets will be met. The aggregate of these contingent payments, if performance targets are met, would not significantly impact our financial position or results of operations.

Future Obligations

In addition to our scheduled maturities on our debt, we have future cash obligations under various types of contracts. We lease office space, certain broadcast facilities, equipment and the majority of the land occupied by our outdoor advertising structures under long-term operating leases. Some of our lease agreements contain renewal options and annual rental escalation clauses (generally tied to the consumer price index), as well as provisions for our payment of utilities and maintenance.

We have minimum franchise payments associated with non-cancelable contracts that enable us to display advertising on such media as buses, taxis, trains, bus shelters and terminals. The majority of these contracts contain rent provisions that are calculated as the greater of a percentage of the relevant advertising revenue or a specified guaranteed minimum annual payment. Also, we have non-cancelable contracts in our entertainment operations related to minimum performance payments with artists as well as various other contracts in our radio broadcasting operations related to program rights and music license fees.

In the normal course of business, our broadcasting operations have minimum future payments associated with employee and talent contracts. These contracts typically contain cancellation provisions that allows us to cancel the contract with good cause.

The scheduled maturities of our credit facilities, other long-term debt outstanding, future minimum rental commitments under non-cancelable lease agreements, minimum payments under other non-cancelable contracts, payments under employment/talent contracts, and capital expenditure commitments as of December 31, 2003 are as follows:

(In thousands)	Credit Facilities	Other Long-Term Debt	Non-Cancelable Operating Leases	Non-Cancelable Contracts	Employment /Talent Contracts	Capital Expenditures	Total
2004	$ —	$ 143,664	$ 390,343	$ 744,173	$162,092	$226,525	$ 1,666,797
2005	660,493	834,450	312,537	454,303	102,266	76,880	2,440,929
2006	50,119	754,205	275,041	326,545	57,744	16,374	1,480,028
2007	—	251,633	252,201	179,910	28,768	4,687	717,199
2008	—	1,317,796	221,499	134,627	17,973	5,198	1,697,093
Thereafter	—	3,052,652	1,319,038	536,755	26,778	519	4,935,742
Total	$710,612	$6,354,400	$2,770,659	$2,376,313	$395,621	$330,183	$12,937,788

Market Risk

Interest Rate Risk

At December 31, 2003, approximately 30% of our long-term debt, including fixed-rate debt on which we have entered into interest rate swap agreements, bears interest at variable rates. Accordingly, our earnings are affected by changes in interest rates. Assuming the current level of borrowings at variable rates and assuming a two percentage point change in the year's average interest rate under these borrowings, it is estimated that our 2003 interest expense would have changed by $43.1 million and that our 2003 net income would have changed by $26.7 million. In the event of an adverse change in interest rates, management may take actions to further mitigate its exposure. However, due to the uncertainty of the actions that would be taken and their possible effects, this interest rate analysis assumes no such actions. Further, the analysis does not consider the effects of the change in the level of overall economic activity that could exist in such an environment.

At December 31, 2003, we had entered into interest rate swap agreements with a $1.3 billion aggregate notional amount that effectively float interest at rates based upon LIBOR. These agreements expire from February 2007 to March 2012. The fair value of these agreements at December 31, 2003 was an asset of $7.0 million.

Equity Price Risk

The carrying value of our available-for-sale and trading equity securities is affected by changes in their quoted market prices. It is estimated that a 20% change in the market prices of these securities would change their carrying value at December 31, 2003 by $178.9 million and would change accumulated comprehensive income (loss) and net income (loss) by $106.8 million and $4.2 million, respectively. At December 31, 2003, we also held $31.6 million of investments that do not have a quoted market price, but are subject to fluctuations in their value. Subsequent to December 31, 2003, we sold $627.7 million of our available-for-sale equity securities

Foreign Currency

We have operations in countries throughout the world. Foreign operations are measured in their local currencies except in hyper-inflationary countries in which we operate. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we have operations. To mitigate a portion of the exposure to risk of international currency fluctuations, we maintain a natural hedge through borrowings in currencies other than the U.S. dollar. This hedge position is reviewed monthly. We currently maintain no derivative instruments to mitigate the exposure to translation and/or transaction risk. However, this does not preclude the adoption of specific hedging strategies in the future. Our foreign operations reported a net income of $.9 million for the year ended December 31, 2003. It is estimated that a 10% change in the value of the U.S. dollar to foreign currencies would change net income for the year ended December 31, 2003 by $.1 million.

Our earnings are also affected by fluctuations in the value of the U.S. dollar as compared to foreign currencies as a result of our investments in various countries, all of which are accounted for under the equity method. It is estimated that the result of a 10% fluctuation in the value of the dollar relative to these foreign currencies at December 31, 2003 would change our 2003 equity in earnings of nonconsolidated affiliates by $2.2 million and would change our net income for the year ended December 31, 2003 by approximately $1.4 million. This analysis does not consider the implications that such fluctuations could have on the overall economic activity that could exist in such an environment in the U.S. or the foreign countries or on the results of operations of these foreign entities.

Recent Accounting Pronouncements

On January 1, 2003, we adopted Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations* ("Statement 143"). Statement 143 applies to legal obligations associated with the retirement of long-lived assets that result from acquisition, construction, development and/or the normal operation of a long-lived asset. Adoption of this statement did not materially impact our financial position or results of operations.

On January 1, 2003, we adopted Statement of Financial Accounting Standards No. 146, *Accounting for Costs Associated with Exit or Disposal Activities* ("Statement 146"). Statement 146 addresses the accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Terminations Benefits and Other Costs to Exit an Activity." It also substantially amends EITF Issue No. 88-10, "Costs Associated with Lease Modification or Termination." Adoption of this statement did not materially impact our financial position or results of operations.

On January 1, 2003, we adopted Financial Accounting Standards Board Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* ("FIN 45"). FIN 45 applies to contracts or indemnification agreements that contingently require the guarantor to make payments to the guaranteed party based on changes in an underlying that is related to an asset, liability, or an equity security of the guaranteed party. FIN 45's disclosure requirements were effective for financial statements of interim or annual periods ending after December 15, 2002. FIN 45's initial recognition and initial measurement provisions were applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end. We adopted the disclosure requirements of this Interpretation for our 2002 annual report. Adoption of the initial recognition and initial measurement requirements of FIN 45 did not materially impact our financial position or results of operations.

On January 1, 2003, the Financial Accounting Standards Board issued Financial Accounting Standards Board Interpretation No. 46, *Consolidation of Variable Interest Entities* ("FIN 46"). In addition, on December 24, 2003, the Financial Accounting Standards Board issued a revision of FIN 46 (the"Revised Interpretation"). The Revised Interpretation addresses consolidation of business enterprises of variable interest entities and is effective for variable interest entities for the first fiscal year or interim period ending after March 15, 2004. We do not believe the adoption of FIN 46 will have a material impact on our financial position or results of operations.

Critical Accounting Policies

The preparation of the Company's financial statements in conformity Generally Accepted Accounting Principles requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of a financial statements and the reported amount of expenses during the reporting period. On an ongoing basis, we evaluate our estimates that are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions. The following accounting policies require significant management judgments and estimates.

Allowance for Doubtful Accounts

We evaluate the collectibility of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations, we record a specific reserve to reduce the amounts recorded to what we believe will be collected. For all other customers, we recognize reserves for bad debt based on historical experience of bad debts as a percent of revenues for each business unit, adjusted for relative improvements or deteriorations in the agings and changes in current economic conditions.

Revenue Recognition

Radio broadcasting revenue is recognized as advertisements or programs are broadcast and is generally billed monthly. Outdoor advertising provides services under the terms of contracts covering periods up to three years, which are generally billed monthly. Revenue for outdoor advertising space rental is recognized ratably over the term of the contract. Advertising revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for our broadcasting and outdoor operations. Clients remit the gross billing amount to the agency and the agency remits gross billings less their commission to the Company. Payments received in advance of being earned are recorded as deferred income.

Entertainment revenue from the presentation and production of an event is recognized on the date of the performance. Revenue collected in advance of the event is recorded as deferred income until the event occurs. Entertainment revenue collected from advertising and other revenue, which is not related to any single event, is classified as deferred revenue and generally amortized over the operating season or the term of the contract.

Purchase Accounting

We account for our business acquisitions under the purchase method of accounting. The total cost of acquisitions is allocated to the underlying identifiable net assets, based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. In addition, reserves have been established on our balance sheet related to acquired liabilities and qualifying restructuring costs based on assumptions made at the time of acquisition. We evaluate these reserves on a regular basis to determine the adequacies of the amounts.

Long-Lived Assets

We record impairment losses when events and circumstances indicate that depreciable and amortizable long-lived assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect their current fair market value. We use various assumptions in determining the current fair market value of these assets, including future expected cash flows and discount rates, as well as future salvage values.

In the first quarter of 2002, we adopted Statement 142, *Goodwill and Other Intangible Assets*. In accordance with Statement 142, we tested our FCC licenses for impairment as of January 1, 2002 by comparing their fair value to their carrying value at that date. We recorded an impairment charge of our FCC licenses of approximately $6.0 billion, net of deferred tax of $3.7 billion. We used an income approach to value the FCC licenses. We also recorded an impairment charge of our goodwill of approximately $10.8 billion, net of deferred taxes of $659.1 million. Similar to our test for impairment of FCC licenses, we used the income approach to determine the fair value of our reporting units. The fair value of our reporting units was used to apply value to the net assets of each reporting unit. To the extent that the net assets exceeded the fair value, an impairment charge was recorded. The income approach used for valuing goodwill and FCC licenses involved estimating future cash flows expected to be generated from the related assets, discounted to their present value using a risk-adjusted discount rate. Terminal values were also estimated and discounted to their present value. The fair values calculated were significantly impacted by the assumptions made, which impacted our impairment charge. In accordance with Statement 142, we performed our annual impairment tests as of October 1, 2002 and 2003 on FCC licenses and

goodwill. No impairment charges resulted from these tests. We may incur additional impairment charges in future periods under Statement 142 to the extent we do not achieve our expected cash flow growth rates, and to the extent that market values and long-term interest rates in general decrease and increase, respectively.

Accounting for Investments

At December 31, 2003, we had $926.4 million recorded as other investments. Other investments are composed primarily of equity securities. These securities are classified as available-for-sale or trading and are carried at fair value based on quoted market prices. Securities are carried at historical value when quoted market prices are unavailable. The net unrealized gains or losses on available-for-sale securities, net of tax, are reported as a separate component of shareholders' equity. The net unrealized gains or losses on trading securities are reported in the statement of operations. In addition, we hold investments that do not have quoted market prices. We review the value of these investments and record an impairment charge in the statement of operations for any decline in value that is determined to be other-than-temporary. For the years ended December 31, 2003 and 2002, we recorded impairment charges of $7.0 million and $25.3 million, respectively, related to other-than-temporary declines in value of various media companies. In addition, at December 31, 2003, we had $353.1 million recorded as investments accounted for under the equity method. We review the value of these investments and record an impairment charge in the statement of operations for any decline in value that is determined to be other-than-temporary.

Tax Accruals

The Internal Revenue Service and other taxing authorities routinely examine our tax returns. From time to time, the IRS challenges certain of our tax positions. We believe our tax positions comply with applicable tax law and we would vigorously defend these positions if challenged. The final disposition of any positions challenged by the IRS could require us to make additional tax payments. We believe that we have adequately accrued for any foreseeable payments resulting from tax examinations and consequently do not anticipate any material impact upon their ultimate resolution. To the extent there are changes in the expected outcome of tax examinations, our effective tax rate in a given financial statement period could be impacted.

Litigation Accruals

We are currently involved in certain legal proceedings and, as required, have accrued our estimate of the probable costs for the resolution of these claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings.

Insurance Accruals

We currently are self-insured beyond certain retention amounts for various insurance coverages, including general liability and property and casualty. Accruals are recorded based on estimates of actual claims filed, historical payouts, existing insurance coverage and projections of future development of costs related to existing claims.

Inflation

Inflation has affected our performance in terms of higher costs for wages, salaries and equipment. Although the exact impact of inflation is indeterminable, we believe we have offset these higher costs by increasing the effective advertising rates of most of our broadcasting stations and outdoor display faces.

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges is as follows:

Year Ended December 31,				
2003	2002	2001	2000	1999
3.62	2.62	*	2.20	2.04

* For the year ended December 31, 2001, fixed charges exceeded earnings before income taxes and fixed charges by $1.3 billion.

The ratio of earnings to fixed charges was computed on a total enterprise basis. Earnings represent income from continuing operations before income taxes less equity in undistributed net income (loss) of unconsolidated affiliates plus fixed charges. Fixed charges represent interest, amortization of debt discount and expense, and the estimated interest portion of rental charges. We had no preferred stock outstanding for any period presented.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk.

Required information is within Item 7

ITEM 8. Financial Statements and Supplementary Data

MANAGEMENT'S REPORT ON FINANCIAL STATEMENTS

The consolidated financial statements and notes related thereto were prepared by and are the responsibility of management. The financial statements and related notes were prepared in conformity with accounting principles generally accepted in the United States and include amounts based upon management's best estimates and judgments.

It is management's objective to ensure the integrity and objectivity of its financial data through systems of internal controls designed to provide reasonable assurance that all transactions are properly recorded in our books and records, that assets are safeguarded from unauthorized use, and that financial records are reliable to serve as a basis for preparation of financial statements.

The financial statements have been audited by our independent auditors, Ernst & Young LLP, to the extent required by auditing standards generally accepted in the United States and, accordingly, they have expressed their professional opinion on the financial statements in their report included herein.

The Board of Directors meets with the independent auditors and management periodically to satisfy itself that they are properly discharging their responsibilities. The independent auditors have unrestricted access to the Board, without management present, to discuss the results of their audit and the quality of financial reporting and internal accounting controls.

/s/Lowry Mays
Chairman/Chief Executive Officer

/s/Randall T. Mays
Executive Vice President/Chief Financial Officer

/s/Herbert W. Hill, Jr.
Senior Vice President/Chief Accounting Officer

REPORT OF INDEPENDENT AUDITORS

SHAREHOLDERS AND BOARD OF DIRECTORS
CLEAR CHANNEL COMMUNICATIONS, INC.

We have audited the accompanying consolidated balance sheets of Clear Channel Communications, Inc. and subsidiaries (the Company) as of December 31, 2003 and 2002, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Clear Channel Communications, Inc. and subsidiaries at December 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States.

As discussed in Note B to the consolidated financial statements, effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets.*

/s/Ernst & Young LLP

San Antonio, Texas
February 11, 2004, except for Note O, as to which the date is February 25, 2004

CONSOLIDATED BALANCE SHEETS

ASSETS
(In thousands)

	December 31,	
	2003	**2002**
CURRENT ASSETS		
Cash and cash equivalents	$ 123,334	$ 170,086
Accounts receivable, less allowance of $56,586 in 2003 and $67,338 in 2002	1,703,393	1,584,995
Prepaid expenses	196,494	203,578
Other current assets	162,461	164,836
Total Current Assets	2,185,682	2,123,495
PROPERTY, PLANT AND EQUIPMENT		
Land, buildings and improvements	1,635,611	1,519,845
Structures	2,888,834	2,581,414
Towers, transmitters and studio equipment	829,488	743,463
Furniture and other equipment	694,163	629,264
Construction in progress	161,973	227,853
	6,210,069	5,701,839
Less accumulated depreciation	1,949,154	1,459,027
	4,260,915	4,242,812
INTANGIBLE ASSETS		
Definite-lived intangibles, net	717,181	761,728
Indefinite-lived intangibles — licenses	11,797,742	11,738,947
Indefinite-lived intangibles — permits	424,640	389,801
Goodwill	7,306,338	7,241,231
OTHER ASSETS		
Notes receivable	19,389	21,658
Investments in, and advances to, nonconsolidated affiliates	353,132	542,214
Other assets	361,306	520,423
Other investments	926,368	89,844
Total Assets	$28,352,693	$27,672,153

See Notes to Consolidated Financial Statements

LIABILITIES AND SHAREHOLDERS' EQUITY
(In thousands, except share data)

	December 31,	
	2003	2002
CURRENT LIABILITIES		
Accounts payable	$ 402,289	$ 345,093
Accrued interest	93,848	71,335
Accrued expenses	941,263	894,166
Current portion of long-term debt	143,664	1,396,532
Deferred income	284,904	277,042
Other current liabilities	26,751	26,471
Total Current Liabilities	1,892,719	3,010,639
Long-term debt	6,921,348	7,382,090
Other long-term obligations	153,311	64,114
Deferred income taxes	3,049,337	2,470,458
Other long-term liabilities	723,676	488,687
Minority interest	58,363	46,073
SHAREHOLDERS' EQUITY		
Preferred Stock — Class A, par value $1.00 per share, authorized 2,000,000 shares, no shares issued and outstanding	—	—
Preferred Stock, — Class B, par value $1.00 per share, authorized 8,000,000 shares, no shares issued and outstanding	—	—
Common Stock, par value $.10 per share, authorized 1,500,000,000 shares, issued 616,321,231 and 613,402,780 shares in 2003 and 2002, respectively	61,632	61,340
Additional paid-in capital	30,950,820	30,868,725
Retained deficit	(15,630,387)	(16,652,789)
Accumulated other comprehensive loss	194,406	(47,798)
Other	(1,293)	(3,131)
Cost of shares (427,971 in 2003 and 302,214 in 2002) held in treasury	(21,239)	(16,255)
Total Shareholders' Equity	15,553,939	14,210,092
Total Liabilities and Shareholders' Equity	$ 28,352,693	$ 27,672,153

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Year Ended December 31,		
	2003	**2002**	**2001**
Revenue	$8,930,899	$ 8,421,055	$ 7,970,003
Operating expenses:			
Divisional operating expenses (excludes non-cash compensation expense of $1,609, $4,400 and $13,111 in 2003, 2002 and 2001, respectively)	6,488,856	6,052,761	5,866,706
Non-cash compensation expense	5,018	5,436	17,077
Depreciation and amortization	671,338	620,766	2,562,480
Corporate expenses (excludes non-cash compensation expense of $3,409, $1,036 and $3,966 in 2003, 2002 and 2001, respectively)	174,154	176,370	187,434
Operating income (loss)	1,591,533	1,565,722	(663,694)
Interest expense	388,000	432,786	560,077
Gain (loss) on sale of assets related to mergers	—	3,991	(213,706)
Gain (loss) on marketable securities	678,846	(3,096)	25,820
Equity in earnings of nonconsolidated affiliates	22,026	26,928	10,393
Other income (expense) — net	20,959	57,430	152,267
Income (loss) before income taxes and cumulative effect of a change in accounting principle	1,925,364	1,218,189	(1,248,997)
Income tax benefit (expense):			
Current	(246,681)	(149,143)	(57,363)
Deferred	(533,092)	(344,223)	162,334
Income (loss) before cumulative effect of a change in accounting principle	1,145,591	724,823	(1,144,026)
Cumulative effect of a change in accounting principle, net of tax of $4,324,446	—	(16,778,526)	—
Net income (loss)	1,145,591	(16,053,703)	(1,144,026)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	132,816	81,740	11,699
Unrealized gain (loss) on securities and derivatives:			
Unrealized holding gain (loss)	192,323	(101,455)	(141,055)
Unrealized holding gain (loss) on cash flow derivatives	(63,527)	—	—
Adjustment for gains on securities transferred to trading	—	—	(45,315)
Adjustment for gains on shares held prior to mergers	—	(3,982)	—
Adjustment for (gain) loss included in net income	(19,408)	10,369	172,634
Comprehensive income (loss)	$1,387,795	$(16,067,031)	$(1,146,063)
Net income (loss) per common share:			
Income (loss) before cumulative effect of a change in accounting principle — Basic	$ 1.86	$ 1.20	$ (1.93)
Cumulative effect of a change in accounting principle — Basic	—	(27.65)	—
Net income (loss) — Basic	$ 1.86	$ (26.45)	$ (1.93)
Income (loss) before cumulative effect of a change in accounting principle — Diluted	$ 1.85	$ 1.18	$ (1.93)
Cumulative effect of a change in accounting principle — Diluted	—	(26.74)	—
Net income (loss) — Diluted	$ 1.85	$ (25.56)	$ (1.93)

See Notes to Consolidated Financial Statement

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands, except share data)

	Common Shares Issued	Common Stock	Additional Paid-in Capital	Common Stock Warrants	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Other	Treasury Stock	Total
Balances at December 31, 2000	585,766,166	$58,577	$29,558,908	$ 249,312	$ 544,940	$ (32,433)	$(26,298)	$ (5,833)	$ 30,347,173
Net loss					(1,144,026)				(1,144,026)
Common Stock, stock options and common stock warrants issued for business acquisitions	282,489	28	18,205					(89)	18,144
Purchase of treasury shares								(9,000)	(9,000)
Conversion of Liquid Yield Option Notes	3,868,764	387	259,364						259,751
Exercise of stock options and common stock warrants	8,353,014	835	479,749	(236,939)			(2,138)	(324)	241,183
Amortization and adjustment of deferred compensation			4,690				20,218	(33)	24,875
Currency translation adjustment						11,699			11,699
Unrealized gains (losses) on investments						(13,736)			(13,736)
Balances at December 31, 2001	598,270,433	59,827	30,320,916	12,373	(599,086)	(34,470)	(8,218)	(15,279)	29,736,063
Net loss					(16,053,703)				(16,053,703)
Common Stock and stock options issued for business acquisitions	11,955,946	1,195	477,652						478,847
Conversion of Notes	213		17						17
Exercise of stock options, common stock warrants and other	3,176,188	318	67,039	(12,373)			(166)	(770)	54,048
Amortization and adjustment of deferred compensation			3,101				5,253	(206)	8,148
Currency translation adjustment						81,740			81,740
Unrealized gains (losses) on investments						(95,068)			(95,068)
Balances at December 31, 2002	613,402,780	61,340	30,868,725	—	(16,652,789)	(47,798)	(3,131)	(16,255)	14,210,092
Net income					1,145,591				1,145,591
Dividends declared					(123,189)				(123,189)
Exercise of stock options and other	2,918,451	292	80,334					(4,464)	76,162
Amortization and adjustment of deferred compensation			1,761				1,838	(520)	3,079
Currency translation adjustment						132,816			132,816
Unrealized gains (losses) on cash flow derivatives						(63,527)			(63,527)
Unrealized gains (losses) on investments						172,915			172,915
Balances at December 31, 2003	616,321,231	$61,632	$30,950,820	$ —	$(15,630,387)	$194,406	$ (1,293)	$(21,239)	$ 15,553,939

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,		
	2003	**2002**	**2001**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$1,145,591	$(16,053,703)	$(1,144,026)
Reconciling Items:			
Cumulative effect of a change in accounting principle, net of tax	—	16,778,526	—
Depreciation	533,181	483,656	594,104
Amortization of intangibles	138,157	137,110	1,968,376
Deferred taxes	533,092	344,223	(162,334)
Amortization of deferred financing charges, bond premiums and accretion of note discounts, net	5,486	13,132	13,220
Amortization of deferred compensation	5,018	5,436	17,077
(Gain) loss on sale of operating and fixed assets	(3,932)	(37,145)	(165,943)
(Gain) loss on sale of available-for-sale securities	(31,862)	—	32,684
(Gain) loss on sale of other investments	(650,315)	20,689	22,927
(Gain) loss on sale of assets related to mergers	—	(3,991)	213,706
(Gain) loss on forward exchange contract	17,164	(29,536)	(68,825)
(Gain) loss on trading securities	(13,833)	11,943	(12,606)
Equity in earnings of nonconsolidated affiliates	(22,026)	(26,928)	(6,695)
Increase (decrease) other, net	(37,184)	(25,597)	4,112
Changes in operating assets and liabilities, net of effects of acquisitions:			
Decrease (increase) in accounts receivable	(112,600)	(59,027)	107,278
Decrease (increase) in prepaid expenses	7,084	(40,295)	4,927
Decrease (increase) in other current assets	(11,092)	15,620	8,522
Increase (decrease) in accounts payable, accrued expenses and other liabilities	111,632	189,383	(438,466)
Increase (decrease) in accrued interest	22,513	(22,363)	(19,739)
Increase (decrease) in deferred income	2,152	30,747	12,250
Increase (decrease) in accrued income taxes	39,179	15,814	(370,962)
Net cash provided by operating activities	1,677,405	1,747,694	609,587

See Notes to Consolidated Financial Statements

	Year Ended December 31,		
	2003	2002	2001
CASH FLOWS FROM INVESTING ACTIVITIES:			
Liquidation of restricted cash	—	4,665	577,211
(Increase) decrease in notes receivable, net	2,269	11,937	(5,228)
Decrease (increase) in investments in, and advances to nonconsolidated affiliates — net	13,735	2,527	(44,052)
Purchase of other investments	(7,543)	(2,049)	(892)
Proceeds from sale of available-for-sale-securities	344,206	35,623	919,999
Purchases of property, plant and equipment	(377,970)	(548,642)	(598,388)
Proceeds from disposal of assets	55,354	95,228	88,464
Proceeds from divestitures placed in restricted cash	—	25,303	51,000
Acquisition of operating assets	(105,381)	(217,628)	(666,567)
Acquisition of operating assets with restricted cash	—	(23,583)	(367,519)
Decrease (increase) in other — net	(17,926)	(10,608)	136,246
Net cash provided by (used in) investing activities	(93,256)	(627,227)	90,274
CASH FLOWS FROM FINANCING ACTIVITIES:			
Draws on credit facilities	3,729,164	3,678,390	2,550,419
Payments on credit facilities	(5,192,297)	(3,151,164)	(4,316,446)
Proceeds from long-term debt	2,546,890	—	744,105
Payments on long-term debt	(2,875,937)	(1,707,688)	(10,210)
Proceeds from extinguishment of derivative agreement	83,752	—	—
Proceeds from forward exchange contract	83,519	—	90,826
Proceeds from exercise of stock options, stock purchase plan and common stock warrants	55,574	75,337	208,351
Dividends paid	(61,566)	—	—
Payments for purchase of treasury shares	—	—	(9,000)
Net cash used in financing activities	(1,630,901)	(1,105,125)	(741,955)
Net (decrease) increase in cash and cash equivalents	(46,752)	15,342	(42,094)
Cash and cash equivalents at beginning of year	170,086	154,744	196,838
Cash and cash equivalents at end of year	$ 123,334	$ 170,086	$ 154,744
SUPPLEMENTAL DISCLOSURE			
Cash paid during the year for:			
Interest	$ 350,104	$ 432,246	$ 555,669
Income taxes	140,674	43,627	542,116

See Notes to Consolidated Financial Statements

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business
Clear Channel Communications, Inc., incorporated in Texas in 1974, is a diversified media company with three principal business segments: radio broadcasting, outdoor advertising and live entertainment. The Company's radio broadcasting segment owns, programs and sells airtime generating revenue from the sale of national and local advertising. The Company's outdoor advertising segment owns or operates advertising display faces domestically and internationally. Finally, the Company's live entertainment segment is in the business of promoting, producing and operating venues for live entertainment events.

Principles of Consolidation
The consolidated financial statements include the accounts of the Company and its subsidiaries, substantially all of which are wholly-owned. Significant intercompany accounts have been eliminated in consolidation. Investments in nonconsolidated affiliates are accounted for using the equity method of accounting. Certain amounts in prior years have been reclassified to conform to the 2003 presentation.

Cash and Cash Equivalents
Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

Allowance for Doubtful Accounts
The Company evaluates the collectibility of its accounts receivable based on a combination of factors. In circumstances where it is aware of a specific customer's inability to meet its financial obligations, it records a specific reserve to reduce the amounts recorded to what it believes will be collected. For all other customers, it recognizes reserves for bad debt based on historical experience of bad debts as a percent of revenues for each business unit, adjusted for relative improvements or deteriorations in the agings and changes in current economic conditions.

Land Leases and Other Structure Licenses
Most of the Company's outdoor advertising structures are located on leased land. Domestic land rents are typically paid in advance for periods ranging from one to twelve months. International land rents are paid both in advance and in arrears, for periods ranging from one to twelve months. Most international street furniture advertising display faces are licensed through municipalities for up to 20 years. The street furniture licenses often include a percent of revenue to be paid along with a base rent payment. Prepaid land leases are recorded as an asset and expensed ratably over the related rental term and license and rent payments in arrears are recorded as an accrued liability.

Prepaid Expenses
The majority of the Company's prepaid expenses relate to event expenses including show advances and deposits and other costs directly related to future entertainment events. Such costs are charged to operations upon completion of the related events.

Purchase Accounting
The Company accounts for its business acquisitions under the purchase method of accounting. The total cost of acquisitions is allocated to the underlying identifiable net assets, based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. In addition, reserves have been established on the Company's balance sheet related to acquired liabilities and qualifying restructuring costs based on assumptions made at the time of acquisition. The Company evaluates these reserves on a regular basis to determine the adequacies of the amounts.

Property, Plant and Equipment
Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method at rates that, in the opinion of management, are adequate to allocate the cost of such assets over their estimated useful lives, which are as follows:

Buildings and improvements — 10 to 39 years
Structures — 5 to 40 years
Towers, transmitters and studio equipment — 7 to 20 years
Furniture and other equipment — 3 to 20 years
Leasehold improvements — generally life of lease

Expenditures for maintenance and repairs are charged to operations as incurred, whereas expenditures for renewal and betterments are capitalized.

The Company tests for possible impairment of property, plant, and equipment whenever events or changes in circumstances, such as a reduction in operating cash flow or a dramatic change in the manner that the asset is intended to be used indicate that the carrying amount of the asset may not be recoverable. If indicators exist, the Company compares the undiscounted cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the undiscounted cash flow amount, an impairment charge is recorded in depreciation expense in the statement of operations for amounts necessary to reduce the carrying value of the asset to fair value.

Intangible Assets
The Company classifies intangible assets as definite-lived or indefinite-lived intangible assets, as well as goodwill. Definite-lived intangibles include primarily transit and street furniture contracts, talent, and representation contracts, all of which are amortized over the respective lives of the agreements, typically four to fifteen years. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived assets. These assets are stated at cost. Indefinite-lived intangibles include broadcast FCC licenses and billboard permits. The excess cost over fair value of net assets acquired is classified as goodwill. The indefinite-lived intangibles and goodwill are not subject to amortization, but are tested for impairment at least annually.

The Company tests for possible impairment of definite-lived intangible assets whenever events or changes in circumstances, such as a reduction in operating cash flow or a dramatic change in the manner that the asset is intended to be used indicate that the carrying amount of the asset may not be recoverable. If indicators exist, the Company compares the undiscounted cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the undiscounted cash flow amount, an impairment charge is recorded in amortization expense in the statement of operations for amounts necessary to reduce the carrying value of the asset to fair value.

At least annually, the Company performs its impairment test for indefinite-lived intangibles and goodwill using a discounted cash flow model to determine the assets' fair value. Certain assumptions are used in determining the fair value, including assumptions about the cash flow growth rates of the Company's businesses. Additionally, the fair values are significantly impacted by macro-economic factors including market multiples and long-term interest rates that exist at the time that the discounted cash flows models are prepared. Impairment charges, other than the charge taken under the transitional rules of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, are recorded in amortization expense in the statement of operations.

Other Investments
Other investments are composed primarily of equity securities. These securities are classified as available-for-sale or trading and are carried at fair value based on quoted market prices. Securities are carried at historical value when quoted market prices are unavailable. The net unrealized gains or losses on the available-for-sale securities, net of tax, are reported as a separate component of shareholders' equity. The net unrealized gains or losses on the trading securities are reported in the statement of operations. In addition, the Company holds investments that do not have quoted market prices. The Company periodically reviews the value of available-for-sale, trading and non-marketable securities and records impairment charges in the statement of operations for any decline in value that is determined to be other-than-temporary. The average cost method is used to compute the realized gains and losses on sales of equity securities.

Nonconsolidated Affiliates

In general, investments in which the Company owns 20 percent to 50 percent of the common stock or otherwise exercises significant influence over the company are accounted for under the equity method. The Company does not recognize gains or losses upon the issuance of securities by any of its equity method investees. The Company reviews the value of equity method investments and records impairment charges in the statement of operations for any decline in value that is determined to be other-than-temporary.

Financial Instruments

Due to their short maturity, the carrying amounts of accounts and notes receivable, accounts payable, accrued liabilities, and short-term borrowings approximated their fair values at December 31, 2003 and 2002.

Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting bases and tax bases of assets and liabilities and are measured using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. Deferred tax assets are reduced by valuation allowances if the Company believes it is more likely than not that some portion or all of the asset will not be realized. As all earnings from the Company's foreign operations are permanently reinvested and not distributed, the Company's income tax provision does not include additional U.S. taxes on foreign operations. It is not practical to determine the amount of federal income taxes, if any, that might become due in the event that the earnings were distributed.

Revenue Recognition

Radio broadcasting revenue is recognized as advertisements or programs are broadcast and is generally billed monthly. Outdoor advertising provides services under the terms of contracts covering periods up to three years, which are generally billed monthly. Revenue for outdoor advertising space rental is recognized ratably over the term of the contract. Advertising revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for the Company's broadcasting and outdoor operations. Clients remit the gross billing amount to the agency and the agency remits gross billings less their commission to the Company. Payments received in advance of being earned are recorded as deferred income.

Entertainment revenue from the presentation and production of an event is recognized on the date of the performance. Revenue collected in advance of the event is recorded as deferred income until the event occurs. Entertainment revenue collected from advertising and other revenue, which is not related to any single event, is classified as deferred revenue and generally amortized over the operating season or the term of the contract.

Barter transactions represent the exchange of airtime, display space or tickets for merchandise or services. These transactions are generally recorded at the fair market value of the airtime, display space or tickets relinquished or the fair value of the merchandise or services received. Revenue is recognized on barter and trade transactions when the advertisements are broadcasted or displayed, or the tickets are exchanged. Expenses are recorded when the merchandise or service received is utilized. Barter and trade revenues for the years ended December 31, 2003, 2002 and 2001, were approximately $170.3 million, $144.4 million and $103.6 million, respectively, and are included in total revenues. Barter and trade expenses for the years ended December 31, 2003, 2002 and 2001, were approximately $167.8 million, $145.9 million and $101.9 million, respectively, and are included in divisional operating expenses.

The Company believes that the credit risk, with respect to trade receivables is limited due to the large number and the geographic diversification of its customers.

Derivative Instruments and Hedging Activities
Financial Accounting Standard No. 133, *Accounting for Derivative Instruments and Hedging Activities*, ("Statement 133"), requires the Company to recognize all of its derivative instruments as either assets or liabilities in the consolidated balance sheet at fair value. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship, and further, on the type of hedging relationship. For derivative instruments that are designated and qualify as hedging instruments, the Company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge or a hedge of a net investment in a foreign operation. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Company formally assesses, both at inception and at least quarterly thereafter, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in either the fair value or cash flows of the hedged item. If a derivative ceases to be a highly effective hedge, the Company discontinues hedge accounting. The Company accounts for its derivative instruments that are not designated as hedges at fair value, with changes in fair value recorded in earnings. The Company does not enter into derivative instruments for speculation or trading purposes.

The Company has two types of hedges, fair value and cash flow hedges. The Company's interest rate swap agreements are fair value hedges which the Company accounts for using the short-cut method in accordance with Statement 133. These agreements involve the exchange of amounts based on fixed interest rates for amounts based on variable interest rates over the life of the agreement without an exchange of the notional amount upon which the payments are based. The differential to be paid or received as interest rates change is accrued and recognized as an adjustment to interest expense related to the debt. The fair value of the swap agreements and changes in the fair value as a result of changes in market interest rates are recognized in these consolidated financial statements.

The Company's cash flow hedge is a net purchased option used to limit the Company's exposure to and benefit from price fluctuations in XM Satellite Radio Holdings, Inc. ("XMSR") over the term of a secured forward exchange contract. Under this contract, the Company received an initial payment based upon the fair value of XMSR at inception of the contract and requires the Company to deliver XMSR shares or cash at maturity of the contract. The net purchased option meets the criteria in Statement 133 Implementation Issue G20, *Assessing and Measuring the Effectiveness of a Purchased Option Used in a Cash Flow Hedge*, and is recorded at fair value in the consolidated balance sheet with changes in fair value recorded to other comprehensive income. No amounts are expected to be reclassified into earnings during the term of the contract.

The Company has entered into an additional secured forward exchange contract involving its investment in American Tower Corporation ("AMT") that meets the definition of a derivative instrument under Statement 133. Under this contract, the Company received an initial payment based upon the fair value of AMT at inception of the contract and requires the Company to deliver AMT shares or cash at maturity of the contract. The contract limits the Company's exposure to and benefits from price fluctuations in AMT over the term of the contract. The contract is recorded at fair value in the consolidated balance sheet with changes in fair value recorded to "Gain (loss) on marketable securities" in the consolidated statements of operations.

Foreign Currency
Results of operations for foreign subsidiaries and foreign equity investees are translated into U.S. dollars using the average exchange rates during the year. The assets and liabilities of those subsidiaries and investees, other than those of operations in highly inflationary countries, are translated into U.S. dollars using the exchange rates at the balance sheet date. The related translation adjustments are recorded in a separate component of shareholders' equity, "Accumulated other comprehensive loss". Foreign currency transaction gains and losses, as well as gains and losses from translation of financial statements of subsidiaries and investees in highly inflationary countries, are included in operations.

Advertising Expense
The Company records advertising expense as it is incurred. Advertising expenses of $294.0 million, $256.4 million and $228.5 million were recorded during the year ended December 31, 2003, 2002 and 2001, respectively.

Stock Based Compensation

The Company accounts for its stock-based award plans in accordance with Accounting Principles Board ("APB") Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations, under which compensation expense is recorded to the extent that the current market price of the underlying stock exceeds the exercise price. Note J provides the assumptions used to calculate the pro forma net income (loss) and pro forma earnings (loss) per share disclosures as if the stock-based awards had been accounted for using the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, *Accounting for Stock-Based Compensation.* The required pro forma disclosures are as follows:

(In thousands, except per share data)

	2003	2002	2001
Net income (loss) before extraordinary item			
As reported	$1,145,591	$724,823	$(1,144,026)
Pro form stock compensation expense, net of tax	(43,788)	(52,611)	(49,469)
Pro Forma	$1,101,803	$672,212	$(1,193,495)
Net income (loss) before extraordinary item per common share			
Basic:			
As reported	$ 1.86	$ 1.20	$ (1.93)
Pro Forma	$ 1.79	$ 1.11	$ (2.02)
Diluted:			
As reported	$ 1.85	$ 1.18	$ (1.93)
Pro Forma	$ 1.78	$ 1.10	$ (2.02)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, judgments, and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

New Accounting Pronouncements

On January 1, 2003, the Company adopted Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations* ("Statement 143"). Statement 143 applies to legal obligations associated with the retirement of long-lived assets that result from acquisition, construction, development and/or the normal operation of a long-lived asset. Adoption of this statement did not materially impact the Company's financial position or results of operations.

On January 1, 2003, the Company adopted Statement of Financial Accounting Standards No. 146, *Accounting for Costs Associated with Exit or Disposal Activities* ("Statement 146"). Statement 146 addresses the accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Terminations Benefits and Other Costs to Exit an Activity." It also substantially nullifies EITF Issue No. 88-10, "Costs Associated with Lease Modification or Termination." Adoption of this statement did not materially impact the Company's financial position or results of operations.

On January 1, 2003, the Company adopted Financial Accounting Standards Board Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others* ("FIN 45"). FIN 45 applies to contracts or indemnification agreements that contingently require the guarantor to make payments to the guaranteed party based on changes in an underlying that is related to an asset, liability, or an equity security of the guaranteed party. FIN 45's disclosure requirements were effective for financial statements of interim or annual periods ending after December 15, 2002. FIN 45's initial recognition and initial measurement provisions were applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end. The Company adopted the disclosure requirements of this Interpretation for its 2002 annual report. Adoption of the initial recognition and initial measurement requirements of FIN 45 did not materially impact the Company's financial position or results of operations.

On January 1, 2003, the Financial Accounting Standards Board issued Financial Accounting Standards Board Interpretation No. 46, *Consolidation of Variable Interest Entities* ("FIN 46"). In addition, on December 24, 2003, the Financial Accounting Standards Board issued a revision of FIN 46 (the"Revised Interpretation"). The Revised Interpretation addresses consolidation of business enterprises of variable interest entities and is effective for variable interest entities for the first fiscal year or interim period ending after March 15, 2004. The Company does not believe the adoption of FIN 46 will have a material impact on the Company's financial position or results of operations.

NOTE B — INTANGIBLE ASSETS AND GOODWILL

On January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* ("Statement 142"). Statement 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes APB Opinion No. 17, *Intangible Assets*. Statement 142 establishes new accounting for goodwill and other intangible assets recorded in business combinations. Under the new rules, goodwill and intangible assets deemed to have indefinite lives are no longer amortized but are subject to annual impairment tests in accordance with the statement. Other intangible assets continue to be amortized over their useful lives.

The following table presents the impact of Statement 142 on net earnings (loss) and net earnings (loss) per share as if the standard had been in effect for the year ended December 31, 2001:

(In thousands, except per share data)	**2001**
Adjusted net income (loss):	
Reported net income (loss)	$(1,144,026)
Add back: goodwill amortization	894,467
Add back: license amortization	888,781
Tax impact	(390,633)
Adjusted net income	$ 248,589
Basic earnings (loss) per share:	
Reported net income (loss)	$ (1.93)
Add back: goodwill amortization	1.51
Add back: license amortization	1.50
Tax impact	(.66)
Adjusted earnings per share- Basic	$ .42
Diluted earnings (loss) per share:	
Reported net income (loss)	$ (1.93)
Anti-dilutive adjustment	.04
Add back: goodwill amortization	1.48
Add back: license amortization	1.47
Tax impact	(.65)
Adjusted earnings per share- Diluted	$ .41

Definite-lived Intangibles
The Company has definite-lived intangible assets recorded that continue to be amortized in accordance with Statement 142. These assets consist primarily of transit and street furniture contracts and other contractual rights in the outdoor segment, talent and program right contracts in the radio segment, and in the Company's other segment, representation contracts for non-affiliated television and radio stations, all of which are amortized over the respective lives of the agreements. Other definite-lived intangible assets are amortized over the period of time the assets are expected to contribute directly or indirectly to the Company's future cash flows. In accordance with the transitional requirements of Statement 142, the Company reassessed the useful lives of these intangibles and made no material

changes to their useful lives. The following table presents the gross carrying amount and accumulated amortization for each major class of definite-lived intangible assets at December 31, 2003 and 2002:

(In thousands)	2003		2002	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Transit, street furniture, and other outdoor contractual rights	$ 655,775	$289,821	$ 600,221	$228,037
Talent contracts	202,161	132,421	212,326	112,259
Representation contracts	238,951	62,678	197,636	37,846
Other	213,506	108,292	219,410	89,723
Total	$1,310,393	$593,212	$1,229,593	$467,865

Total amortization expense from definite-lived intangible assets for the years ended December 31, 2003, 2002 and 2001 was $138.2 million, $137.1 million and $185.1 million, respectively. The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets that exist at December 31, 2003:

(In thousands)	
2004	$133,322
2005	114,413
2006	96,068
2007	65,742
2008	55,525

As acquisitions and dispositions occur in the future and as purchase price allocations are finalized, amortization expense may vary.

Indefinite-lived Intangibles
The Company's indefinite-lived intangible assets consist of FCC broadcast licenses and billboard permits. FCC broadcast licenses are granted to both radio and television stations for up to eight years under the Telecommunications Act of 1996. The Act requires the FCC to renew a broadcast license if: it finds that the station has served the public interest, convenience and necessity; there have been no serious violations of either the Communications Act of 1934 or the FCC's rules and regulations by the licensee; and there have been no other serious violations which taken together constitute a pattern of abuse. The licenses may be renewed indefinitely at little or no cost. The Company does not believe that the technology of wireless broadcasting will be replaced in the foreseeable future. The Company's billboard permits are issued in perpetuity by state and local governments and are transferable or renewable at little or no cost. Permits typically include the location for which the permit allows the Company the right to operate an advertising structure. The Company's permits are located on either owned or leased land. In cases where the Company's permits are located on leased land, the leases are typically from 10 to 30 years and renew indefinitely, with rental payments generally escalating at an inflation based index. If the Company loses its lease, the Company will typically obtain permission to relocate the permit or bank it with the municipality for future use.

In accordance with Statement 142, the Company does not amortize its FCC broadcast licenses or billboard permits. The Company tests these indefinite-lived intangible assets for impairment at least annually. The following table presents the carrying amount for each major class of indefinite-lived intangible assets at December 31, 2003 and 2002:

(In thousands)	2003	2002
FCC Licenses	$11,797,742	$11,738,947
Billboard Permits	424,460	389,801
Total	$12,222,202	$12,128,748

In accordance with Statement 142, the Company tested these indefinite-lived intangible assets for impairment as of January 1, 2002 by comparing their fair value to their carrying value at that date. The test resulted in no impairment

to the Company's billboard permits. However, the Company recognized impairment on its FCC licenses of approximately $6.0 billion, net of deferred tax of $3.7 billion, which was recorded as a component of the cumulative effect of a change in accounting principle during the first quarter of 2002. The Company used the income approach to value FCC licenses, which involved estimating future cash flows expected to be generated from the licenses, discounted to their present value using a risk-adjusted discount rate. Terminal values were also estimated and discounted to their present value. In estimating future cash flows, the Company took into account the economic slow down in the radio industry at the end of 2001, coupled with the economic impact of the events of September 11th. The Company performed subsequent impairment tests at October 1, 2003 and 2002, which resulted in no further impairment charge.

Goodwill
Statement 142 requires the Company to test goodwill for impairment using a two-step process. The first step, used to screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. The second step, used to measure the amount of the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The Company completed the two-step impairment test during the first quarter of 2002. As a result of this test, the Company recognized impairment of approximately $10.8 billion, net of deferred taxes of $659.1 million related to tax deductible goodwill, as a component of the cumulative effect of a change in accounting principle during the first quarter of 2002. Consistent with the Company's approach to fair valuing FCC licenses, the income approach was used to determine the fair value of each of the Company's reporting units. Throughout 2001, unfavorable economic conditions persisted in the industries that the Company serves, which caused its customers to reduce the number of advertising dollars spent on the Company's media inventory and live entertainment events as compared to prior periods. These conditions adversely impacted the cash flow projections used to determine the fair value of each reporting unit, resulting in the write-off of a portion of goodwill. The following table presents the changes in the carrying amount of goodwill in each of the Company's reportable segments for the years ended December 31, 2003 and 2002:

(In thousands)	**Radio**	**Outdoor**	**Entertainment**	**Other**	**Total**
Balance as of December 31, 2001	$ 9,756,750	$ 4,216,618	$ 4,267,820	$26,118	$ 18,267,306
Acquisitions	15,581	414,054	16,353	1,753	447,741
Dispositions	(2,529)	(1,851)	—	—	(4,380)
Foreign currency	—	43,579	1,767	—	45,346
Adjustments	(64,539)	688	84	871	(62,896)
Impairment loss related to the adoption of FAS 142 (pre-tax)	(3,289,117)	(4,032,122)	(4,130,647)	—	(11,451,886)
Balance as of December 31, 2002	$ 6,416,146	$ 640,966	$ 155,377	$28,742	$ 7,241,231
Acquisitions	3,582	15,982	2,773	—	22,337
Dispositions	—	(894)	—	—	(894)
Foreign currency	—	48,392	1,422	—	49,814
Adjustments	(537)	6,369	(11,982)	—	(6,150)
Balance as of December 31, 2003	$ 6,419,191	$ 710,815	$ 147,590	$28,742	$ 7,306,338

Other
Statement 142 does not change the requirements of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*, for recognition of deferred taxes related to FCC licenses and tax-deductible goodwill. As a result of adopting Statement 142, a deferred tax benefit for the difference between book and tax amortization on the Company's FCC licenses and tax-deductible goodwill will no longer be recognized as these assets are no longer amortized for book purposes. As the majority of the Company's deferred tax liability recorded on the balance sheet relates to the difference between book and tax basis on FCC licenses, the deferred tax liability will not reverse over time unless future impairment charges are recognized on FCC licenses or the FCC licenses are sold.

Prior to adopting Statement 142, the Company recorded large amounts of non-deductible goodwill amortization, which resulted in a corresponding large permanent tax item, which adversely impacted the Company's effective tax rate. However, as a result of the Company's adoption of Statement 142, it no longer amortizes any goodwill for book and substantially all goodwill for tax purposes, thus its effective tax rate now more closely approximates statutory tax rates.

NOTE C — BUSINESS ACQUISITIONS

2003 Acquisitions:

During 2003 the Company acquired 16 radio stations in ten markets for $45.9 million in cash. The Company also acquired 727 outdoor display faces in eight domestic markets and 1,906 display faces in four international markets for a total of $28.3 million in cash. The Company's outdoor segment also acquired investments in nonconsolidated affiliates for a total of $10.7 million in cash and acquired an additional 10% interest in a subsidiary for $5.1 million in cash. The Company's live entertainment segment made cash payments of $2.8 million during the year ended December 31, 2003, primarily related to various earn-outs and deferred purchase price consideration on prior year acquisitions. Also, the Company's national representation business acquired new contracts for a total of $42.6 million, of which $12.6 million was paid in cash during the year ended December 31, 2003 and $30.0 million was recorded as a liability at December 31, 2003.

2002 Acquisitions:

Ackerley Merger

On June 14, 2002, the Company consummated its merger with The Ackerley Group, Inc. ("Ackerley"). Pursuant to the terms of the merger agreement, each share of Ackerley ordinary and Class B common stock was exchanged for 0.35 shares of the Company's common stock. After canceling 1.2 million shares of Ackerley common stock that were held by the Company prior to the signing of the merger agreement, approximately 12.0 million shares of the Company's common stock were issued to Ackerley shareholders. The Company also assumed all of Ackerley's outstanding employee stock options, which as of the merger date were exercisable for approximately 114,000 shares of the Company's common stock. The merger is valued at approximately $493.0 million based on the number of the Company's common shares issued, which were at the average share price at the signing of the merger agreement, the historical cost of the Ackerley shares held prior to the merger date and the fair value of the employee stock options at the merger date. In addition, the Company assumed all of Ackerley's outstanding debt, which had a fair value of $319.0 million at the merger date. The Company refinanced Ackerley's credit facility and made a tender offer for Ackerley's public debt concurrent with the merger. The tender offer was finalized on July 3, 2002 at a price of $1,129 per $1,000 tendered, resulting in the repurchase of substantially all of Ackerley's public debt.

This merger resulted in the recognition of approximately $361.0 million of goodwill. The goodwill was recorded as a result of the benefit to the existing inter-divisional and intra-divisional opportunities that the Company expects from the combined assets. The acquisition helps complete the Company's national platform and is expected to provide more efficient and cost-effective ways for the Company's clients to reach consumers. Therefore, the Company believes that combining Ackerley's assets with the Company's assets provides greater value than operating Ackerley's assets on a stand-alone basis.

Ackerley operated approximately 6,000 outdoor displays in the Boston, Seattle and Portland, Oregon metropolitan markets. In addition, Ackerley owned the FCC licenses of 16 television stations and provided some or all of the programming and sales for two other television stations. Ackerley also owned four radio stations in Seattle and provided sales and other services to one additional radio station. The merger allowed the Company to enter Boston, Seattle and Portland, Oregon, three of the top 25 U.S. outdoor advertising markets. Seattle is also a top 25 U.S. radio market where the Company had no presence. In addition, the acquisition enabled the Company to offer advertisers more cross-platform advertising opportunities, as the Company had radio broadcasting operations, outdoor advertising operations or live entertainment venue presence in 15 of Ackerley's 18 television markets.

The following table summarizes the estimated fair value of Ackerley's assets acquired and liabilities assumed at the date of merger.

(In thousands)	June 14, 2002
Current assets	$ 53,645
Property, plant and equipment	142,736
Intangible assets	785,724
Other assets	16,318
Total Assets Acquired	$ 998,423
Current liabilities	(67,485)
Long-term debt	(318,970)
Deferred income taxes	(94,525)
Other long-term liabilities	(24,443)
Total Liabilities Assumed	(505,423)
Net Assets Acquired	$ 493,000

Included in intangible assets is approximately $229.4 million and $194.8 million, for FCC licenses and billboard permits, respectively, which are not subject to amortization and $.5 million of definite-lived intangibles. Also included in intangible assets is $361.0 million of goodwill, of which $.4 million, $358.9 million, and $1.7 million were assigned to the radio, outdoor and other reporting segments, respectively.

The results of operations for the year ended December 31, 2002 include the operations of Ackerley from June 14, 2002. Unaudited pro forma consolidated results of operations, assuming the Ackerley acquisition had occurred on January 1, 2001 would have been as follows:

(In thousands, except per share data)	For the Year Ended December 31,	
	2002	2001
Revenue	$ 8,501,064	$ 8,168,680
Income (loss) before cumulative effect of a change in accounting principle	$ 720,324	$(1,160,541)
Net income (loss)	$(16,058,202)	$(1,160,541)
Income (loss) before cumulative effect of a change in accounting principle per common share — Basic	$ 1.18	$ (1.92)
Net income (loss) per common share — Basic	$ (26.23)	$ (1.92)
Income (loss) before cumulative effect of a change in accounting principle per common share — Diluted	$ 1.16	$ (1.92)
Net income (loss) per common share — Diluted	$ (25.35)	$ (1.92)

The pro forma information above is presented in response to applicable accounting rules relating to business acquisitions and is not necessarily indicative of the actual results that would have been achieved had the merger occurred at the beginning of 2001, nor is it indicative of future results of operations.

Other

In addition to the acquisition discussed above, during 2002 the Company acquired substantially all of the assets of 27 radio stations, 9,275 outdoor display faces and certain music, racing events promotional and exhibition related assets. The aggregate cash and restricted cash paid for these acquisitions was approximately $241.2 million.

2001 Acquisitions:

During 2001, the Company acquired substantially all of the assets of 183 radio stations, approximately 6,900 additional outdoor display faces and certain music, sports and racing events, promotional assets and sports talent representation contracts. The Company also acquired two television stations, both of which we had previously been operating under a local marketing agreement, national representation contracts, and other assets. In addition, the Company exchanged one television license for two television licenses and $10.0 million of cash that was placed in a restricted trust for future acquisitions. The exchange was accounted for at fair value, resulting in a gain of $168.0 million, which was recorded in “Other income (expense) — net”. The Company’s 2001 acquisitions resulted in additional licenses and goodwill of approximately $1.2 billion, including $233.7 million relating to non-cash asset exchanges.

Acquisition Summary

The following is a summary of the assets and liabilities acquired and the consideration given for all acquisitions made during 2003 and 2002:

(In thousands)	2003	2002
Property, plant and equipment	$ 14,607	$ 178,836
Accounts receivable	210	50,693
Goodwill and FCC licenses	72,598	964,953
Investments	11,993	2,176
Other assets	12,492	65,888
	111,900	1,262,546
Long-term debt	—	(318,970)
Other liabilities	(6,568)	(114,141)
Deferred tax	49	(95,224)
Ackerley shares held prior to merger	—	(14,153)
Common stock issued	—	(478,847)
	(6,519)	(1,021,335)
Total cash consideration	105,381	241,211
Less: Restricted cash used	—	(23,583)
Cash paid for acquisitions	$105,381	$ 217,628

The Company has entered into certain agreements relating to acquisitions that provide for purchase price adjustments and other future contingent payments based on the financial performance of the acquired company. The Company will continue to accrue additional amounts related to such contingent payments if and when it is determinable that the applicable financial performance targets will be met. The aggregate of these contingent payments, if performance targets were met, would not significantly impact the Company’s financial position or results of operations.

Restructuring

As a result of the Company's merger with The Ackerley Group, Inc. ("Ackerley") in June 2002, the Company recorded a $40.0 million accrual related to the restructuring of Ackerley's operations. Of the $40.0 million, $19.0 million is related to severance and $21.0 million is related to lease terminations. The Ackerley corporate office closed in July 2002. Also, in connection with the Company's mergers in 2000 with SFX and AMFM, the Company restructured the SFX and AMFM operations. The AMFM corporate offices in Dallas and Austin, Texas were closed on March 31, 2001 and a portion of the SFX corporate office in New York was closed on June 30, 2001. Other operations of AMFM have either been discontinued or integrated into existing similar operations. As of December 31, 2003, the restructuring has resulted in the actual termination of approximately 780 employees and the pending termination of approximately 20 more employees. The Company has recorded a liability in purchase accounting for Ackerley, SFX and AMFM, primarily related to severance for terminated employees and lease terminations as follows:

(In thousands)	**2003**	**2002**	**2001**
Severance and lease termination costs:			
Accrual at January 1	$ 73,573	$ 53,182	$ 84,291
Estimated costs charged to restructuring accrual in purchase accounting	—	40,043	—
Adjustments to restructuring accrual	—	(4,162)	41,624
Payments charged against restructuring accrual	(16,433)	(15,490)	(72,733)
Remaining severance and lease termination accrual at December 31	$ 57,140	$ 73,573	$ 53,182

The remaining severance and lease accrual is comprised of $39.2 million of severance and $17.9 million of lease termination. The severance accrual includes amounts that will be paid over the next several years related to deferred payments to former employees as well as other compensation. The lease termination accrual will be paid over the next five years. During 2003, $5.6 million was paid and charged to the restructuring reserve related to severance. The Company made adjustments to finalize the purchase price allocation for both the AMFM and SFX mergers during 2001 and the purchase price allocation related to the Ackerley merger was finalized in 2003. All adjustments have been made, and any future potential excess reserves will be recorded as an adjustment to the purchase price.

In addition to the restructuring described above, the Company restructured its outdoor advertising operations in France during the second quarter of 2003. As a result, the Company has recorded a $13.8 million accrual in divisional operating expenses. Of the $13.8 million, $12.5 million is related to severance and $1.3 million is related to lease terminations and consulting costs. As of December 31, 2003, this accrual balance was $4.8 million. This restructuring has resulted in the termination of 134 employees.

NOTE D — INVESTMENTS

The Company's most significant investments in nonconsolidated affiliates are listed below:

Australian Radio Network

The Company owns a fifty-percent (50%) interest in Australian Radio Network ("ARN"), an Australian company that owns and operates radio stations in Australia and New Zealand, a narrowcast radio broadcast service and a radio representation company in Australia.

Hispanic Broadcasting Corporation

On September 22, 2003, Univision Communications, Inc. ("Univision"), a Spanish language media group, completed its acquisition of Hispanic Broadcasting Corporation ("HBC"), in a stock-for-stock merger. Pursuant to the terms of the merger agreement, each share of HBC converted into 0.85 of a share of Univision. As a result, the Company received approximately 24.1 million shares of Univision in exchange for its investment in HBC. Prior to the merger of HBC with Univision, the Company owned 26 percent of HBC and accounted for its investment under the equity method of accounting. After the merger, the Company accounts for its investment as an available-for-sale security, as it now owns less than 20 percent of Univision.

Grupo ACIR Comunicaciones

The Company owns a forty-percent (40%) interest in Grupo ACIR Comunicaciones ("ACIR"), a Mexican radio broadcasting company. ACIR owns and operates radio stations throughout Mexico.

Clear Media

The Company owns 48.1% of the total number of shares of Hainan White Horse Advertising Media Investment Co. Ltd. ("Clear Media"), formerly known as White Horse, a Chinese company that operates street furniture displays throughout China. At December 31, 2003, the fair market value of the Company's shares of Clear Media was $157.0 million.

Summarized Financial Information

The following table summarizes the Company's investments in these nonconsolidated affiliates:

(In thousands)	ARN	HBC	ACIR	Clear Media	All Others	Total
At December 31, 2002	$ 86,073	$ 175,700	$52,138	$64,888	$163,415	$ 542,214
Acquisition (disposition) of investments	—	—	—	—	(33,423)	(33,423)
Transfers (to) from cost investments and other reclasses	—	(183,312)	—	—	(34,658)	(217,970)
Additional investment, net	(2,758)	282	—	6,860	(8,126)	(3,742)
Equity in net earnings (loss)	9,964	7,330	2,524	5,342	(9,127)	16,033
Foreign currency transaction adjustment	(5,464)	—	—	—	—	(5,464)
Foreign currency translation adjustment	35,382	—	(406)	167	20,341	55,484
At December 31, 2003	$123,197	$ —	$54,256	$77,257	$ 98,422	$ 353,132

The above investments are not consolidated, but are accounted for under the equity method of accounting, whereby the Company records its investments in these entities in the balance sheet as "Investments in, and advances to, nonconsolidated affiliates." The Company's interests in their operations are recorded in the statement of operations as "Equity in earnings of nonconsolidated affiliates". Other income derived from transactions with nonconsolidated affiliates consists of interest income of $6.0 million in 2003, $5.1 million in 2002 and $3.7 million in 2001, and are recorded in the statement of operations as "Equity in earnings of nonconsolidated affiliates." Accumulated undistributed earnings included in retained deficit for these investments were $83.5 million, $67.5 million and $45.7 million for December 31, 2003, 2002 and 2001, respectively.

The Company conducts business with certain of its equity method investees in the ordinary course of business. Transactions relate to venue rentals, management fees, sponsorship revenue, and reimbursement of certain costs. In 2003, payments made to and received from these equity investees for services rendered for these business ventures were approximately $3.9 million and $6.6 million, respectively. It is the Company's opinion, that these transactions were recorded at fair value.

Other Investments

Other investments of $926.4 million and $89.8 million at December 31, 2003 and 2002, respectively, include marketable equity securities classified as follows:

(In thousands)		Unrealized			
Investments	Fair Value	Gains	(Losses)	Net	Cost
2003					
Available-for sale	$861,047	$269,722	$—	$269,722	$591,325
Trading	33,677	14,496	—	14,496	19,181
Other cost investments	31,644	—	—	—	31,644
Total	$926,368	$284,218	$—	$284,218	$642,150

(In thousands)		Unrealized			
Investments	Fair Value	Gains	(Losses)	Net	Cost
2002					
Available-for sale	$54,430	$1,444	$(11,440)	$(9,996)	$64,426
Trading	7,097	663	—	663	6,434
Other cost investments	28,317	—	—	—	28,317
Total	$89,844	$2,107	$(11,440)	$(9,333)	$99,177

Accumulated net unrealized gain (loss) on available-for-sale securities, net of tax, of $106.3 million and $(3.1) million were recorded in shareholders' equity in "Accumulated other comprehensive income (loss)" at December 31, 2003 and 2002, respectively. The net unrealized gain (loss) on trading securities of $13.8 million and $(11.9) million for the year ended December 31, 2003 and 2002, respectively, is recorded on the statement of operations in "Gain (loss) on marketable securities". Other cost investments include various investments in companies for which there is no readily determinable market value.

During 2003 an unrealized gain of $657.3 million was recorded on the statement of operations in "Gain (loss) on marketable securities" related to the exchange of the Company's HBC investment, which had been accounted for as an equity method investment, for Univision Communications Inc. shares, which were recorded as an available-for-sale cost investment. On September 22, 2003, Univision completed its acquisition of HBC in a stock-for-stock merger. As a result, the Company received shares of Univision, which were recorded on the balance sheet at the date of the merger at their fair value. In addition, on September 23, 2003, the Company sold a portion of our Univision investment, which resulted in a realized pre-tax book loss of $6.4 million. Also, during 2003, the Company recorded an impairment charge on a radio technology investment for $7.0 million due to a decline in its market value that was considered to be other-than-temporary.

During 2002, an unrealized loss of $25.3 million was recorded on the statement of operations in "Gain (loss) on marketable securities" related to the impairment of investment in a media company that had declines in its market value that was considered to be other-than-temporary. Also during 2002, realized gains of $4.0 million, $4.6 million and $2.8 million were recorded on the statement of operations in "Gain (loss) on sale of assets related to mergers", "Gain (loss) on marketable securities" and "Other income expense - net", respectively. Finally, during 2002, the Company cancelled its investment of $14.2 million in Ackerley common shares as part of the consideration paid in that merger.

NOTE E — LONG-TERM DEBT

Long-term debt at December 31, 2003 and 2002 consisted of the following:

(In thousands)	December 31,	
	2003	2002
Bank credit facilities	$ 710,612	$2,152,265
Senior Notes:		
2.625% Convertible Notes Due 2003	—	517,581
7.25% Senior Notes Due 2003	—	736,975
7.875% Notes Due 2005	—	750,000
6.5% Notes (denominated in Euro) Due 2005	818,805	681,603
6.0% Senior Notes Due 2006	750,000	750,000
3.125% Senior Notes Due 2007	250,000	—
4.625% Senior Notes Due 2008	500,000	—
6.625% Senior Notes Due 2008	125,000	125,000
4.25% Senior Notes Due 2009	500,000	—
7.65% Senior Notes Due 2010	750,000	750,000
4.40% Senior Notes Due 2011	250,000	—
5.0% Senior Notes Due 2012	300,000	—
5.75% Senior Notes Due 2013	500,000	—
4.9% Senior Notes Due 2015	250,000	—
6.875% Senior Debentures Due 2018	175,000	175,000
7.25% Debentures Due 2027	300,000	300,000
Original issue (discount) premium	(4,479)	—
Fair value adjustments related to interest rate swaps	7,021	119,844
Liquid Yield Option Notes	—	252,133
Various subsidiary level notes	688,097	1,272,746
Other long-term debt	194,956	195,475
	7,065,012	8,778,622
Less: current portion	143,664	1,396,532
Total long-term debt	$6,921,348	$7,382,090

The bank credit facilities are supported by a limited subsidiary guaranty and a pledged intercompany note from AMFM Operating Inc., a wholly-owned subsidiary of the Company. The limited subsidiary guaranty guarantees and the pledged intercompany note secures a portion of the credit facility obligations. At December 31, 2003 the amounts of the limited subsidiary guaranty and pledged intercompany note were $1.0 billion and $300.0 million, respectively. AMFM Operating Inc.'s 8% senior notes due 2008 are unsecured obligations of AMFM Operating Inc. and rank equally in right of payment to the extent of the aforementioned guaranty of the Company's bank credit facilities, and senior in right of payment to on all other unsecured indebtedness of AMFM Operating Inc.

Bank Credit Facilities

The Company has two separate domestic bank credit facilities. Interest rates for each facility are based upon a prime, LIBOR, or Federal Funds rate selected at the Company's discretion, plus a margin. The first facility is a reducing revolving line of credit, originally in the amount of $2.0 billion that matures June 30, 2005. Beginning September 30, 2000, commitments under this facility began reducing on a quarterly basis and as a result, principal repayments may be required to the extent borrowings would otherwise exceed the available level of commitments. The reductions in amounts available for future borrowings total $109.4 million per quarter in 2004, $131.3 million in the first quarter of 2005 and $381.3 million in the second quarter of 2005. At December 31, 2003, $610.5 million was outstanding and $339.5 million was available for future borrowings. There were no outstanding letters of credit under this facility.

The second facility is a $1.5 billion, five-year multi-currency revolving credit facility. At December 31, 2003, the outstanding balance was $50.0 million and, taking into account letters of credit of $130.6 million, $1.3 billion was available for future borrowings, with the entire balance to be repaid on August 30, 2005.

The Company has a $150.0 million five-year revolving credit facility with a group of international banks. This facility allows for borrowings in various foreign currencies, which are used to hedge net assets in those currencies and provides funds to the Company's international operations for certain working capital needs. At December 31, 2003, $50.1 million was outstanding. This credit facility expires on December 8, 2005.

At December 31, 2003, interest rates on the bank credit facilities varied from 1.55% to 1.57% on borrowings denominated in US dollars and from 1.44% to 5.45% on borrowings in other currencies.

Senior Notes

On January 9, 2003, the Company completed a debt offering of $300.0 million 4.625% notes due January 15, 2008 and $500.0 million 5.75% notes due January 15, 2013. Interest is payable on January 15 and July 15 on both series of notes. The aggregate net proceeds of approximately $791.2 million were used to repay borrowings outstanding under the Company's bank credit facilities and to finance the redemption of AMFM Operating, Inc.'s outstanding 8.125% senior subordinated notes due 2007 and 8.75% senior subordinated notes due 2007 as described below.

On March 17, 2003, the Company completed a debt offering of $200.0 million 4.625% notes due January 15, 2008. Interest is payable on January 15 and July 15. The aggregate net proceeds of approximately $203.4 million were used to repay borrowings outstanding under the Company's bank credit facilities and to finance the redemption of all of the 4.75% LYONs due 2008.

On May 1, 2003, the Company completed a debt offering of $500.0 million 4.25% notes due May 15, 2009. Interest is payable on May 15 and November 15. The aggregate net proceeds of $497.0 million were used to repay borrowings outstanding on the $1.5 billion three-year term loan. In conjunction with the issuance, the Company entered into an interest rate swap agreement with a $500.0 million notional amount that effectively converts fixed to floating interest at a rate based upon LIBOR.

On May 21, 2003, the Company completed a debt offering of $250.0 million 4.40% notes due May 15, 2011 and $250.0 million 4.90% notes due May 15, 2015. Interest is payable on May 15 and November 15 on both series of notes. The aggregate net proceeds of approximately $496.1 million were used to repay borrowings outstanding on the $1.5 billion three-year term loan. Subsequent to the issuance of the 4.40% notes due 2011, the Company entered into an interest rate swap agreement with a $250.0 million notional amount that effectively floats interest at a rate based upon LIBOR.

On October 6, 2003, the Company exercised a call provision on its 7.875% senior notes due June 15, 2005. The redemption price of $842.6 million included the principal of $750.0 million, a premium of $74.4 million and accrued interest of $18.2 million. The redemption was funded with borrowings on our bank credit facilities. Concurrent with the redemption, the Company terminated a related interest rate swap agreement with a $750.0 million notional amount that effectively floated interest at a rate based upon LIBOR.

On November 5, 2003, the Company completed a debt offering of $250.0 million aggregate principal amount of 3.125% senior notes due February 1, 2007. Interest is payable each February 1 and August 1 commencing August 1, 2004. The net proceeds of approximately $249.1 million were used to repay borrowings outstanding on the Company's credit facilities. In conjunction with the issuance of these notes, the Company entered into an interest rate swap agreement with a $250.0 million notional amount that effectively floats interest at a rate based upon LIBOR.

On December 2, 2003, the Company completed a debt offering of $300.0 million aggregate principal amount of 5.0% senior notes due March 15, 2012. Interest is payable each March 15 and September 15 commencing March

15, 2004. The net proceeds of approximately $296.9 million were used to repay borrowings outstanding on the Company's credit facilities. In conjunction with the issuance of these notes, the Company entered into an interest rate swap agreement with a $300.0 million notional amount that effectively floats interest at a rate based upon LIBOR.

All fees and initial offering discounts are being amortized as interest expense over the life of the note. The aggregate face value and market value of the senior notes was approximately $6.1 billion and $6.6 billion, respectively, at December 31, 2003. The aggregate face value and market value of the senior notes was approximately $4.9 billion and $5.2 billion, respectively, at December 31, 2002.

Interest Rate Swaps: The Company entered into interest rate swap agreements on the 3.125% senior notes due 2007, the 4.25% senior notes due 2009, the 4.4% senior notes due 2011 and the 5.0% senior notes due 2012 whereby the Company pays interest at a floating rate and receives the fixed rate coupon. The Company terminated an interest rate swap agreement on the 7.875% notes due 2005 during 2003 and received $83.8 million in proceeds. The fair value of our swaps was $7.0 million and $119.8 million at December 31, 2003 and 2002, respectively.

Various Subsidiary Level Notes

The aggregate face value and market value of the various subsidiary level notes was approximately $688.1 million and $1.3 billion at December 31, 2003 and 2002, respectively.

Notes assumed in AMFM Merger: On February 10, 2003, the Company redeemed all of AMFM Operating Inc.'s outstanding 8.125% senior subordinated notes due 2007 for $379.2 million plus accrued interest. On February 18, 2003, the Company redeemed all of AMFM Operating Inc.'s outstanding 8.75% senior subordinated notes due 2007 for $193.4 million plus accrued interest. The AMFM notes were redeemed pursuant to call provisions in the indentures governing the notes. The redemptions resulted in a gain of $1.7 million recorded in "other income (expense) — net" on the statement of operations.

On January 15, 2002, the Company redeemed all of the outstanding 12.625% exchange debentures due 2006. The debentures were redeemed for $150.8 million plus accrued interest. The redemption resulted in a gain of $3.9 million, net of tax recorded in "other income (expense) — net" on the statement of operations.

The aggregate remaining balance of AMFM Operating Inc.'s long-term bonds, of which are all 8% senior notes due 2008, was $688.1 million at December 31, 2003, which includes a purchase accounting premium of $16.8 million.

Debt Covenants

The most significant covenants in the Company's debt are leverage and interest coverage ratio covenants contained in the credit facilities. The leverage ratio covenant requires the Company to maintain a ratio of total debt to EBITDA (as defined by the credit facilities) of less than 5.50x through June 30, 2003 and less than 5.00x from July 1, 2003 through the maturity of the facilities. The interest coverage covenant requires the Company to maintain a minimum ratio of EBITDA (as defined by the credit facilities) to interest expense of 2.00x. In the event that the Company does not meet these covenants, it is considered to be in default on the credit facilities at which time the credit facilities may become immediately due. The Company's bank credit facilities have cross-default provisions among the bank facilities only. No other debt agreements of the Company have cross-default or cross-acceleration provisions.

Additionally, the AMFM Operating Inc. long-term bonds contain certain restrictive covenants that limit the ability of AMFM Operating Inc., a wholly-owned subsidiary of the Company, to incur additional indebtedness, enter into certain transactions with affiliates, pay dividends, consolidate, or effect certain asset sales.

The Company's $1.5 billion five-year multi-currency revolving credit facility includes a provision for an increase in fees of 12.5 basis points on borrowings and 5 basis points on amounts available for future borrowings in the event that both of the Company's long-term debt ratings drop below its current ratings of BBB-/Baa3. Conversely, if the Company's long-term debt ratings improve, it has a proportionate decrease in fees. The Company's international subsidiary's $150.0 million credit facility includes a put option to the Company in the event that the Company's

long-term debt ratings fall below BB+/Ba1. The Company believes there are no other agreements that contain provisions that trigger an event upon a change in long-term debt ratings that would have a material impact to its financial statements. At December 31, 2003, the Company was in compliance with all debt covenants. The Company expects to be in compliance during 2004.

Liquid Yield Option Notes

On April 17, 2003, the Company redeemed all of the remaining 4.75% “LYONs”, pursuant to a call provision in the indenture governing the LYONs, for $208.2 million. As a result of the redemption, the Company recognized a non-cash gain on the extinguishment of debt of $41.3 million during the second quarter of 2003 which was recorded on the statement of operations in “Other income (expense) — net”.

Future maturities of long-term debt at December 31, 2003 are as follows:

(In thousands)	
2004	$ 143,664
2005	1,494,943
2006	804,324
2007	251,633
2008	1,317,796
Thereafter	3,052,652
Total	$7,065,012

NOTE F — FINANCIAL INSTRUMENTS

Interest Rate Swaps

The Company has $1.3 billion of interest rate swaps that are designated as fair value hedges that hedge the underlying fixed-rate debt obligations. The terms of the underlying debt and the interest rate swap agreements coincide; therefore the hedge qualifies for the short-cut method defined in Statement 133. Accordingly, no net gains or losses were recorded in income related to the Company’s underlying debt and interest rate swap agreements. On December 31, 2003 and 2002, the fair value of the interest rate swap agreements was recorded on the balance sheet as “Other assets” with the offset recorded in “Long-term debt” of approximately $7.0 million and $119.8 million, respectively. Accordingly, an adjustment was made to the asset and carrying value of the underlying debt on December 31, 2003 and 2002 to reflect the increase in fair value. The majority of the decline in the fair value of the Company’s interest rate swaps at December 31, 2003 as compared to 2002 relates to its termination of an interest rate swap agreement, which resulted in the Company receiving proceeds of $83.8 million.

Secured Forward Exchange Contracts

On June 5, 2003, Clear Channel Investments, Inc. (“CCI, Inc.”), a wholly owned subsidiary of the Company, entered into a five-year secured forward exchange contract (the “contract”) with respect to 8.3 million shares of its investment in XM Satellite Radio Holdings, Inc. (“XMSR”). Under the terms of the contract, the counterparty paid $83.5 million at inception of the contract, which the Company classified in “Other long-term borrowings”. The contract has a maturity value of $98.8 million, with an effective interest rate of 3.4%, which the Company will accrete over the life of the contract using the effective interest method. CCI, Inc. continues to hold the 8.3 million shares and retains ownership of the XMSR shares during the term of the contract.

Upon maturity of the contract, CCI, Inc. is obligated to deliver to the counterparty, at CCI, Inc.’s option, cash or a number of shares of XMSR equal to the cash payment, but no more than 8.3 million XMSR shares. The contract hedges the Company’s cash flow exposure of the forecasted sale of the XMSR shares by purchasing a put option and selling the counterparty a call option (the “collar”) on the XMSR shares. The net cost of the collar was $.5 million, which the Company initially classified in other long-term assets. The collar effectively limits the Company’s cash flow exposure upon the forecasted sale of XMSR shares to the counterparty between $11.86 and $15.58 per XMSR share.

The collar meets the requirements of Statement 133 Implementation Issue G20, *Assessing and Measuring the Effectiveness of a Purchased Option Used in a Cash Flow Hedge*. Under this guidance, complete hedging effectiveness is assumed and the entire change in fair value of the collar is recorded in other comprehensive income. Annual assessments are required to ensure that the critical terms of the contract have not changed. As of December 31, 2003, the fair value of the collar was a $101.7 million liability, and the amount recorded in other comprehensive income, net of tax, related to the change in fair value of the collar for the year ended December 31, 2003 was $63.5 million.

Also included in "Other long-term borrowings" is CCI, Inc.'s obligation under its secured forward exchange contracts on its investment in American Tower Corporation ("AMT"). In 2001, CCI, Inc. entered into two ten-year secured forward exchange contracts that monetized 2.9 million shares of its investment in AMT. The AMT contracts had a value of $47.3 million and $64.4 million at December 31, 2003 and December 31, 2002, respectively. These contracts are not designated as a hedge of the Company's cash flow exposure of the forecasted sale of the AMT shares. During the years ended December 31, 2003, 2002 and 2001, the Company recognized a loss of $17.1 million and gains of $29.5 million and $68.8 million, respectively, in "Gain (loss) on marketable securities" related to the change in the fair value of these contracts. To offset the change in the fair value of these contracts, the Company has recorded AMT shares as trading securities. During the years ended December 31, 2003, 2002 and 2001, the Company recognized income of $13.8 million and losses of $11.9 million and $57.2 million, respectively, in "Gain (loss) on marketable securities" related to the change in the fair value of the shares.

Foreign Currency Rate Management

As a result of the Company's foreign operations, the Company is exposed to foreign currency exchange risks related to its investment in net assets in foreign countries. To manage this risk, the Company enters into foreign denominated debt to hedge a portion of the effect of movements in currency exchange rates on these net investments. The Company's major foreign currency exposure involves markets with net investments in Euros and the British pound. The primary purpose of the Company's foreign currency hedging activities is to offset the translation gain or losses associated with the Company's net investments denominated in foreign currencies. Since the debt is designated as a hedge and denominated in the same currency as the foreign denominated net investment, the hedge, which is on an after-tax basis, will offset a portion of the translation changes in the corresponding net investment. Since an assessment of this hedge revealed no ineffectiveness, all of the translation gains and losses associated with this debt are reflected as a translation adjustment within accumulated other comprehensive income (loss) within shareholders' equity. As of December 31, 2003 and 2002, the cumulative translation gain (loss), net of tax of $88.1 million and $(44.7) million, respectively, have been reported as a part of "Accumulated other comprehensive income (loss)" within shareholders' equity.

NOTE G — COMMITMENTS AND CONTINGENCIES

The Company leases office space, certain broadcasting facilities, equipment and the majority of the land occupied by its outdoor advertising structures under long-term operating leases. Some of the lease agreements contain renewal options and annual rental escalation clauses (generally tied to the consumer price index or a maximum of 5%), as well as provisions for the payment of utilities and maintenance by the Company.

The Company has minimum franchise payments associated with non-cancelable contracts that enable it to display advertising on such media as buses, taxis, trains, bus shelters and terminals, as well as other type contacts. The majority of these contracts contain rent provisions that are calculated as the greater of a percentage of the relevant advertising revenue or a specified guaranteed minimum annual payment. Also, the Company has non-cancelable contracts in its live entertainment operations related to minimum performance payments with various artist as well as various other contracts in its radio broadcasting operations related to program rights and music license fees. In addition, the Company has commitments relating to required purchases of property, plant, and equipment under certain street furniture contracts, as well as construction commitments for facilities and venues.

As of December 31, 2003, the Company's future minimum rental commitments under non-cancelable operating lease agreements with terms in excess of one year, minimum payments under non-cancelable contracts in excess of one year, and capital expenditure commitments consist of the following:

(In thousands)	**Non-Cancelable Operating Leases**	**Non-Cancelable Contracts**	**Capital Expenditures**
2004	$ 390,343	$ 744,173	$226,525
2005	312,537	454,303	76,880
2006	275,041	326,545	16,374
2007	252,201	179,910	4,687
2008	221,499	134,627	5,198
Thereafter	1,319,038	536,755	519
Total	$2,770,659	$2,376,313	$330,183

Rent expense charged to operations for 2003, 2002 and 2001 was $968.5 million, $839.5 million and $773.3 million, respectively.

The Company is currently involved in certain legal proceedings and, as required, has accrued its estimate of the probable costs for the resolution of these claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in the Company's assumptions or the effectiveness of its strategies related to these proceedings.

In various areas in which the Company operates, outdoor advertising is the object of restrictive and, in some cases, prohibitive zoning and other regulatory provisions, either enacted or proposed. The impact to the Company of loss of displays due to governmental action has been somewhat mitigated by federal and state laws mandating compensation for such loss and constitutional restraints.

Various acquisition agreements include deferred consideration payments including future contingent payments based on the financial performance of the acquired companies, generally over a one to five year period. Contingent payments involving the financial performance of the acquired companies are typically based on the acquired company meeting certain EBITDA targets as defined in the agreement. The contingent payment amounts are generally calculated based on predetermined multiples of the achieved EBITDA not to exceed a predetermined maximum payment. At December 31, 2003, the Company believes its maximum aggregate contingency, which is subject to the financial performance of the acquired companies, is approximately $51.6 million. In addition, certain acquisition agreements include deferred consideration payments based on performance requirements by the seller, generally over a one to five year period. Contingent payments based on performance requirements by the seller typically involve the completion of a development or obtaining appropriate permits that enable the Company to construct additional advertising displays. At December 31, 2003, the Company believes its maximum aggregate contingency, which is subject to performance requirements by the seller, is approximately $28.2 million. As the contingencies have not been met or resolved as of December 31, 2003, these amounts are not recorded. If future payments are made, amounts will be recorded as additional purchase price.

The Company has various investments in nonconsolidated affiliates that are subject to agreements that contain provisions that may result in future additional investments to be made by the Company. The put values are contingent upon financial performance of the investee and typically based on the investee meeting certain EBITDA targets, as defined in the agreement. The contingent payment amounts are generally calculated based on predetermined multiples of the achieved EBITDA not to exceed a predetermined maximum amount.

NOTE H — GUARANTEES

As of December 31, 2003 and 2002, the Company guaranteed third party debt of approximately $57.2 million and $98.6 million, respectively. The guarantees arose primarily in 2000 in conjunction with the Company entering into long-term contracts with third parties. The guarantees will terminate at the earlier of the sale of the underlying assets or September 2004. The operating assets associated with these contracts secure the debt that the Company has guaranteed. Only to the extent that the assets are either sold by the third-party for less than the guaranteed amount or the third party is unable to service the debt will the Company be required to make a cash payment under the guarantee. As of December 31, 2003, it is not probable that the Company will be required to make a payment under these guarantees. Thus, as of December 31, 2003 and 2002, the guarantees associated with long-term operating contracts are not recorded on the Company's financial statements. These guarantees are included in the Company's calculation of its leverage ratio covenant under the bank credit facilities.

As of December 31, 2003, the Company has provided a guarantee under a certain performance contract of approximately $77.4 million that expires in 2004. Under this guarantee, if the amount collected from the third parties that receive the benefit under the performance contract does not exceed the guarantee amount, the Company must make payment for the shortfall. During 2003, 2002 and 2001, under this guarantee, the Company has made payments of $4.7 million, $3.8 million and $2.2 million, respectively. As of December 31, 2003, the Company cannot reasonably estimate whether it will have to make any future payments under this guarantee for the 2004 contract period. As such, possible losses on this executory performance contract will be appropriately recorded in the period that they are incurred.

The Company guarantees a $150.0 million five-year revolving credit facility between its international subsidiary and a group of international banks. The credit facility expires in 2005. The facility allows for borrowings in various foreign currencies, which are used to hedge net assets in those currencies and provides funds to the Company's international operations for certain working capital needs. At December 31, 2003 and 2002, the outstanding balance on the credit facility was $50.1 million and $95.7 million, respectively. The outstanding balance on the credit facility is recorded in "Long-term debt" on the Company's financial statements.

AMFM Operating Inc., an indirect wholly-owned subsidiary of the Company has guaranteed a portion of the Company's bank credit facilities including the reducing revolving line of credit facility and the $1.5 billion five-year multi-currency revolving credit with outstanding balances at December 31, 2003 of $610.5 million and $50.0 million, respectively. At December 31, 2003, the contingent liability under these guarantees was $1.0 billion. At December 31, 2003, these outstanding balances are recorded in "Long-term debt" on the Company's financial statements.

Within the Company's bank credit facilities agreements is a provision that requires the Company to reimburse lenders for any increased costs that they may incur in an event of a change in law, rule or regulation resulting in their reduced returns from any change in capital requirements. In addition to not being able to estimate the potential amount of any future payment under this provision, the Company is not able to predict if such event will ever occur.

The Company currently has guarantees that provide protection to its international subsidiary's banking institutions related to overdraft lines and credit card charge-back transactions up to approximately $65.8 million. As of December 31, 2003, no amounts were outstanding under these agreements.

As of December 31, 2003, the Company has outstanding commercial standby letters of credit and surety bonds of $131.5 million and $58.2 million, respectively, that primarily expire in 2004. These letters of credit and surety bonds relate to various operational matters including insurance, bid, and performance bonds as well as other items. These letters of credit reduce the borrowing availability on the Company's bank credit facilities, and are included in the Company's calculation of its leverage ratio covenant under the bank credit facilities. The surety bonds are not considered as borrowings under the Company's bank credit facilities.

NOTE I — INCOME TAXES

Significant components of the provision for income tax expense (benefit) are as follows:

(In thousands)	2003	2002	2001
Current — federal	$197,608	$102,785	$ 26,598
Current — foreign	25,542	33,594	19,450
Current — state	23,531	12,764	11,315
Total current	246,681	149,143	57,363
Deferred — federal	519,689	350,237	(137,213)
Deferred — foreign	(31,142)	(36,034)	(13,462)
Deferred — state	44,545	30,020	(11,659)
Total deferred	533,092	344,223	(162,334)
Income tax expense (benefit)	$779,773	$493,366	$(104,971)

Significant components of the Company's deferred tax liabilities and assets as of December 31, 2003 and 2002 are as follows:

(In thousands)	2003	2002
Deferred tax liabilities:		
Intangibles and fixed assets	$2,944,240	$2,605,842
Unrealized gain in marketable securities	208,854	—
Foreign	60,444	77,715
Equity in earnings	41,644	17,110
Investments	1,860	5,398
Other	11,830	12,417
Total deferred tax liabilities	3,268,872	2,718,482
Deferred tax assets:		
Unrealized loss in marketable securities	—	20,876
Accrued expenses	99,232	110,236
Long-term debt	97,167	81,044
Net operating loss carryforwards	9,522	21,438
Alternative minimum tax carryforwards	—	13,437
Bad debt reserves	17,473	21,259
Deferred income	20,028	13,416
Other	36,785	32,985
Total gross deferred tax assets	280,207	314,691
Valuation allowance	60,672	66,667
Total deferred tax assets	219,535	248,024
Net deferred tax liabilities	$3,049,337	$2,470,458

The deferred tax liability related to intangibles and fixed assets primarily relates to the difference in book and tax basis of acquired FCC licenses and goodwill created from the Company's various stock acquisitions. In accordance with Statement No. 142, the Company no longer amortizes FCC licenses. Thus, a deferred tax benefit for the difference between book and tax amortization for the Company's FCC licenses and tax-deductible goodwill is no longer recognized, as these assets are no longer amortized for book purposes. As a result, this deferred tax liability will not reverse over time unless the Company recognizes future impairment charges on its FCC licenses and tax deductible goodwill or sells its FCC licenses. As the Company continues to amortize its tax basis in its FCC licenses and tax deductible goodwill, the deferred tax liability will increase over time.

The reconciliation of income tax computed at the U.S. federal statutory tax rates to income tax expense (benefit) is:

(In thousands)	2003		2002		2001	
	Amount	Percent	Amount	Percent	Amount	Percent
Income tax expense (benefit) at statutory rates	$673,877	35%	$426,366	35%	$(437,149)	(35%)
State income taxes, net of federal tax benefit	68,076	4%	42,784	4%	(344)	0%
Amortization of goodwill			—	—	238,474	19%
Foreign taxes	(3,521)	(0%)	(6,248)	(1%)	34,766	3%
Nondeductible items	8,125	0%	8,527	1%	7,009	1%
Other, net	33,216	2%	21,937	2%	52,273	4%
	$779,773	41%	$493,366	41%	$(104,971)	(8%)

During 2003, the Company utilized approximately $31.4 million of net operating loss carryforwards, the majority of which were generated by certain acquired companies prior to their acquisition by the Company. The utilization of the net operating loss carryforwards reduced current taxes payable and current tax expense as of and for the year ended December 31, 2003. The reduction in the valuation allowance was recorded as an adjustment to the original purchase price allocation and did not impact total income tax expense.

During 2002, the Company utilized approximately $400.0 million of net operating loss carryforwards, the majority of which were generated by certain acquired companies prior to their acquisition by the Company. In connection with accounting for these acquisitions, a deferred tax asset valuation allowance was recorded based on the Company's assessment of the likelihood of realization of these net operating loss carryforwards and other deferred tax assets. The utilization of the net operating loss carryforwards reduced current taxes payable and current tax expense as of and for the year ended December 31, 2002, and resulted in a reduction of the deferred tax asset valuation allowance. The reduction in the valuation allowance was recorded as an adjustment to the original purchase price allocation and did not impact total income tax expense.

The remaining federal net operating loss carryforwards of $20.0 million expire in various amounts from 2004 to 2020.

NOTE J — SHAREHOLDERS' EQUITY

Dividends

The Company's Board of Directors declared a $.10 per share cash dividend payable on October 15, 2003 and January 15, 2004 to shareholders of record on September 30, 2003 and December 31, 2003, respectively. Total cash paid for dividends was $61.6 million during the year ended December 31, 2003.

Stock Options

The Company has granted options to purchase its common stock to employees and directors of the Company and its affiliates under various stock option plans at no less than the fair market value of the underlying stock on the date of grant. These options are granted for a term not exceeding ten years and are forfeited in the event the employee or director terminates his or her employment or relationship with the Company or one of its affiliates. All option plans contain anti-dilutive provisions that require the adjustment of the number of shares of the Company common stock represented by each option for any stock splits or dividends.

As a result of the mergers with Ackerley in 2002 the Company assumed .1 million stock options that were granted to employees and affiliates of this company. These options were granted in accordance with Ackerley's policy and under the terms of that company's stock option plan. Pursuant to the merger agreement, the Company assumed the obligation to fulfill all options granted in accordance with the original grant terms adjusted for the merger exchange ratio. At December 31, 2003, there were .05 million options assumed with the Ackerley merger that remain outstanding.

The following table presents a summary of the Company's stock options outstanding at and stock option activity during the years ended December 31, 2003, 2002 and 2001 ("Price" reflects the weighted average exercise price per share):

(In thousands, except per share data)

	2003		2002		2001	
	Options	**Price**	**Options**	**Price**	**Options**	**Price**
Outstanding, beginning of year	42,943	$44.57	47,147	$43.92	40,112	$41.10
Assumed in acquisitions	—	—	114	51.61	—	—
Granted	4,955	36.75	262	34.76	11,389	51.27
Exercised (1)	(2,477)	18.96	(2,508)	21.33	(2,928)	25.15
Forfeited	(2,327)	54.26	(2,072)	56.73	(1,426)	57.91
Outstanding, end of year	43,094	$44.64	42,943	$44.57	47,147	$43.92
Exercisable, end of year	27,267		29,614		32,385	
Weighted average fair value per option granted	$ 17.29		$ 16.35		$ 25.01	

(1) The Company received an income tax benefit of $20.6 million, $22.5 million and $32.8 million relating to the options exercised during 2003, 2002 and 2001, respectively. Such benefits are recorded as adjustments to "Additional paid-in capital" in the statement of shareholders' equity.

There were 43.7 million shares available for future grants under the various option plans at December 31, 2003. Vesting dates range from February 2004 to October 2008, and expiration dates range from February 2004 to October 2013 at exercise prices and average contractual lives as follows:

(In thousands of shares)

Range of Exercise Prices	Outstanding as of 12/31/03	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Exercisable as of 12/31/03	Weighted Average Exercise Price
$ .01 — $ 10.00	1,332	3.8	$ 5.2696	1,332	$ 5.2696
10.01 — 20.00	1,097	2.2	14.0861	1,097	14.0861
20.01 — 30.00	4,569	4.4	25.5974	4,185	25.4552
30.01 — 40.00	6,323	6.6	35.9601	1,918	34.1589
40.01 — 50.00	15,521	5.0	46.4916	11,176	46.6704
50.01 — 60.00	10,665	4.8	55.9275	6,174	55.2370
60.01 — 70.00	2,862	3.7	66.4318	796	66.9156
70.01 — 80.00	406	6.3	76.6902	326	77.0524
80.01 — 90.00	283	5.3	83.8277	232	83.0824
90.01 — 100.10	36	1.9	97.4699	31	98.2393
	43,094	5.0	$44.6476	27,267	$42.0231

The fair value for these options was estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted average assumptions for 2003, 2002 and 2001:

	2003	2002	2001
Risk-free interest rate	2.91% -4.03%	2.85% - 5.33%	4.9% - 5.2%
Dividend yield	0% - 1.01%	0%	0%
Volatility factors	43% - 47%	36% - 49%	36% - 37%
Weighted average expected life	5 - 7.5	3.5 - 7.5	6 - 8

Pro forma net income and earnings per share, assuming that the Company had accounted for its employee stock options using the fair value method and amortized such to expense over the options' vesting period is as follows:

(In thousands, except per share data)	2003	2002	2001
Net income before cumulative effect of a change in accounting principle:			
Reported	$1,145,591	$724,823	$(1,144,026)
Pro forma stock compensation expense, net of tax	(43,788)	(52,611)	(49,469)
Pro Forma	$1,101,803	$672,212	$(1,193,495)
Net income before cumulative effect of a change in accounting principle per common share:			
Basic:			
Reported	$ 1.86	$ 1.20	$ (1.93)
Pro Forma	$ 1.79	$ 1.11	$ (2.02)
Diluted:			
Reported	$ 1.85	$ 1.18	$ (1.93)
Pro Forma	$ 1.78	$ 1.10	$ (2.02)

The weighted average fair value of stock options granted is required to be based on a theoretical option pricing model. In actuality, because the company's employee stock options are not traded on an exchange, employees can receive no value nor derive any benefit from holding stock options under these plans without an increase in the market price of Clear Channel stock. Such an increase in stock price would benefit all stockholders commensurately.

Restricted Stock Awards

Beginning in 2003, the Company has granted 75,000 restricted stock awards to its key executives. These common shares hold a legend which restricts their transferability for a term of five years and are forfeited in the event the employee terminates his or her employment or relationship with the Company prior to the lapse of the restriction. The restricted stock awards were granted out of the Company's stock option plans. All option plans contain anti-dilutive provisions that require the adjustment of the number of shares of the Company common stock represented by each option for any stock splits or dividends. Additionally, recipients of the restricted stock awards are entitled to all cash dividends as of the date the award was granted.

Other

As a result of mergers during 2000, the Company assumed 2.7 million employee stock options with vesting dates that vary through April 2005. To the extent that these employees' options vest post-merger, the Company recognizes expense over the remaining vesting period. During the year ended December 31, 2003, 2002 and 2001, the Company recorded expense of $1.6 million, $4.4 million and $12.1 million, respectively, related to the post-merger vesting of employee stock options. Additionally, as a result of severance negotiations with 20 employees during 2001, the Company accelerated the vesting of 109,000 existing employee stock options. Accordingly, the Company recorded expense during 2001 equal to the intrinsic value of the accelerated options on the appropriate modification dates of $1.8 million. The expense associated with stock options is recorded on the statement of operations as a component of "non-cash compensation expense".

Common Stock Reserved for Future Issuance

Common stock is reserved for future issuances of, approximately 87.0 million shares for issuance upon the various stock option plans to purchase the Company's common stock (including 43.1 million options currently granted) and .3 million shares for the settlement of a performance contract.

Shares Held in Treasury

Included in the 427,971 and the 302,214 shares held in treasury are 356,656 and 242,534 shares that the Company holds in Rabbi trusts at December 31, 2003 and 2002, respectively.

Reconciliation of Earnings per Share

(In thousands, except per share data)	2003	2002	2001
NUMERATOR:			
Income (loss) before cumulative effect of a change in accounting principle	$1,145,591	$ 724,823	$(1,144,026)
Cumulative effect of a change in accounting principle	—	(16,778,526)	—
Net income (loss)	1,145,591	(16,053,703)	(1,144,026)
Effect of dilutive securities:			
Convertible debt - 2.625% issued in 1998	2,106	8,931	9,358*
Convertible debt - 1.5% issued in 1999	—	7,704	9,300*
LYONS - 1996 issue	—	—	(225)*
LYONS - 1998 issue	1,446	4,815 *	4,594*
Less: Anti-dilutive items	—	(4,815)	(23,027)
Numerator for net income (loss) before cumulative effect of a change in accounting principle per common share - diluted	1,149,143	741,458	(1,144,026)
Numerator for cumulative effect of a change in accounting principle per common share — diluted	—	(16,778,526)	—
Numerator for net income (loss) per common share - diluted	$1,149,143	$(16,037,068)	$(1,144,026)
DENOMINATOR:			
Weighted average common shares	614,651	606,861	591,965
Effect of dilutive securities:			
Stock options and common stock warrants	3,167	3,911	11,731*
Convertible debt - 2.625% issued in 1998	2,060	8,855	9,282*
Convertible debt - 1.5% is sued in 1999	—	7,813	9,454*
LYONS - 1996 issue	—	—	1,743*
LYONS - 1998 issue	892	3,085 *	3,085*
Less: Anti-dilutive items	—	(3,085)	(35,295)
Denominator for net income (loss) per common share - diluted	620,770	627,440	591,965
Net income (loss) per common share:			
Income (loss) before cumulative effect of a change in accounting principle — Basic	$ 1.86	$ 1.20	$ (1.93)
Cumulative effect of a change in accounting principle — Basic	—	(27.65)	—
Net income (loss) — Basic	$ 1.86	$ (26.45)	$ (1.93)
Income (loss) before cumulative effect of a change in accounting principle — Diluted	$ 1.85	$ 1.18	$ (1.93)
Cumulative effect of a change in accounting principle — Diluted	—	(26.74)	—
Net income (loss) — Diluted	$ 1.85	$ (25.56)	$ (1.93)

* Denotes items that are anti-dilutive to the calculation of earnings per share.

NOTE K — EMPLOYEE STOCK AND SAVINGS PLANS

The Company has various 401(K) savings and other plans for the purpose of providing retirement benefits for substantially all employees. Both the employees and the Company make contributions to the plan. The Company

matches a portion of an employee's contribution. Beginning January 1, 2003, the Company match was increased from 35% to 50% of the employee's first 5% of pay contributed to the plan. Company matched contributions vest to the employees based upon their years of service to the Company. Contributions to these plans of $27.5 million, $21.4 million and $21.9 million were charged to expense for 2003, 2002 and 2001, respectively.

The Company has a non-qualified employee stock purchase plan for all eligible employees. Under the plan, shares of the Company's common stock may be purchased at 85% of the market value on the day of purchase. Employees may purchase shares having a value not exceeding ten percent (10%) of their annual gross compensation or $25,000, whichever is lower. During 2003, 2002 and 2001, employees purchased 266,978, 319,817 and 265,862 shares at weighted average share prices of $34.01, $33.85 and $45.26, respectively.

In 2001, the Company initiated a non-qualified deferred compensation plan for highly compensated executives allowing deferrals of a portion of their annual salary and up to 80% of their bonus before taxes. The Company does not match any deferral amounts and retains ownership of all assets until distributed. The liability under this deferred compensation plan at December 31, 2003, 2002 and 2001 was approximately $8.9 million, $3.5 million and $.6 million, respectively.

NOTE L — OTHER INFORMATION

(In thousands)	For the year ended December 31,		
	2003	**2002**	**2001**
The following details the components of "Other income (expense) — net":			
Reimbursement of capital cost	$ (5,019)	$ (6,008)	$ (9,007)
Gain (loss) on disposal of fixed assets	(3,932)	(2,384)	(1,087)
Gain on sale of operating assets	13,976	43,617	167,317
Gain on sale of representation contracts	1,450	14,836	13,463
Software maintenance — third party	—	—	(14,071)
Asset retirement obligation	(7,000)	—	—
Minority interest	(7,186)	(1,033)	(6,289)
Gain on extinguishment of debt	36,735	11,980	—
Other	(8,065)	(3,578)	1,941
Total other income (expense) — net	$ 20,959	$ 57,430	$152,267
The following details the income tax expense (benefit) on items of other comprehensive income (loss):			
Foreign currency translation adjustments	$ 37,898	$ 25,096	$ (3,101)
Unrealized gain (loss) on securities and derivatives:			
Unrealized holding gain (loss)	$117,876	$(62,182)	$ (75,280)
Unrealized gain (loss) on cash flow derivatives	$ (38,936)	$ —	$ —
Reclassification adjustment for gains on securities transferred to trading	$ —	$ —	$ (24,400)
Reclassification adjustment for gains on shares held prior to merger	$ —	$ (2,441)	$ —
Reclassification adjustments for (gain) loss included in net income (loss)	$ (11,896)	$ 6,355	$102,725

(In thousands)	As of December 31,	
	2003	2002
The following details the components of "Other current assets":		
Current film rights	$ 21,185	$ 24,878
Inventory	36,985	25,603
Other	104,291	114,355
Total other current assets	$162,461	$164,836
The following details the components of "Accrued expenses":		
Acquisition accruals	$124,593	$155,648
Accrued commissions	108,230	138,922
Accrued liabilities — other	708,440	599,596
Total accrued expenses	$941,263	$894,166
The following details the components of "Accumulated other comprehensive income (loss)":		
Cumulative currency translation adjustment	$ 88,109	$ (44,707)
Cumulative unrealized gain on investments	106,297	(3,091)
Total accumulated other comprehensive income (loss)	$194,406	$ (47,798)

NOTE M — SEGMENT DATA

The Company has three reportable operating segments — radio broadcasting, outdoor advertising and live entertainment. Revenue and expenses earned and charged between segments are recorded at fair value and eliminated in consolidation. At December 31, 2003 the radio broadcasting segment included 1,182 radio stations for which the Company is the licensee and 46 radio stations operated under lease management or time brokerage agreements. The radio broadcasting segment also operates various radio networks. At December 31, 2003, the outdoor advertising segment owned or operated 787,575 advertising display faces. Of these, 145,895 are in U.S. markets and the remaining 641,680 displays are in international markets. At December 31, 2003, the live entertainment segment owned or operated 103 venues. Of these, 74 venues are in 39 domestic markets and the remaining 29 venues are in four international markets.

"Other" includes television broadcasting, sports representation and media representation.

(In thousands)	Radio Broadcasting	Outdoor Advertising	Live Entertainment	Other	Corporate	Eliminations	Consolidated
2003							
Revenue	$ 3,695,020	$2,174,597	$2,646,959	$ 556,599	$ —	$(142,276)	$ 8,930,899
Divisional operating expenses	2,130,054	1,593,736	2,455,897	451,445	—	(142,276)	6,488,856
Non-cash compensation	1,609	—	—	—	3,409	—	5,018
Depreciation and amortization	154,121	379,640	60,830	54,023	22,724	—	671,338
Corporate expenses	—	—	—	—	174,154	—	174,154
Operating income (loss)	$ 1,409,236	$ 201,221	$ 130,232	$ 51,131	$(200,287)	$ —	$ 1,591,533
Intersegment revenues	$ 56,698	$ 17,470	$ 3,788	$ 64,320	$ —	$ —	$ 142,276
Identifiable assets	$19,809,269	$4,873,109	$1,333,792	$2,019,877	$ 316,646	$ —	$28,352,693
Capital expenditures	$ 80,138	$ 199,521	$ 69,823	$ 26,211	$ 2,277	$ —	$ 377,970

(In thousands)	Radio Broadcasting	Outdoor Advertising	Live Entertainment	Other	Corporate	Eliminations	Consolidated
2002							
Revenue	$ 3,717,243	$1,859,643	$2,447,302	$ 528,374	$ —	$(131,507)	$ 8,421,055
Divisional operating expenses	2,126,139	1,354,092	2,289,654	414,383	—	(131,507)	6,052,761
Non-cash compensation	4,400	—	—	—	1,036	—	5,436
Depreciation and amortization	153,941	336,895	61,518	43,287	25,125	—	620,766
Corporate expenses	—	—	—	—	176,370	—	176,370
Operating income (loss)	$ 1,432,763	$ 168,656	$ 96,130	$ 70,704	$(202,531)	$ —	$ 1,565,722
Intersegment revenues	$ 55,832	$ 12,516	$ 1,277	$ 61,882	$ —	$ —	$ 131,507
Identifiable assets	$19,826,656	$4,647,200	$1,297,420	$1,422,661	$ 478,216	$ —	$27,672,153
Capital expenditures	$ 115,199	$ 292,618	$ 63,422	$ 23,850	$ 53,553	$ —	$ 548,642
2001							
Revenue	$ 3,455,553	$1,748,031	$2,477,640	$ 423,651	$ —	$(134,872)	$ 7,970,003
Divisional operating expenses	2,104,719	1,220,681	2,327,109	349,069	—	(134,872)	5,866,706
Non-cash compensation	12,373	—	—	738	3,966	—	17,077
Depreciation and amortization	1,619,986	559,498	290,047	69,957	22,992	—	2,562,480
Corporate expenses	—	—	—	—	187,434	—	187,434
Operating income (loss)	$ (281,525)	$ (32,148)	$ (139,516)	$ 3,887	$(214,392)	$ —	$ (663,694)
Intersegment revenues	$ 49,025	$ 13,127	$ 2,591	$ 70,129	$ —	$ —	$ 134,872
Identifiable assets	$33,406,019	$7,707,761	$5,412,507	$ 874,037	$ 202,818	$ —	$47,603,142
Capital expenditures	$ 144,786	$ 264,727	$ 67,555	$ 84,446	$ 36,874	$ —	$ 598,388

Revenue of $1.9 billion, $1.5 billion and $1.3 billion and identifiable assets of $2.5 billion, $2.2 billion and $2.9 billion derived from the Company’s foreign operations are included in the data above for the years ended December 31, 2003, 2002 and 2001, respectively.

NOTE N — QUARTERLY RESULTS OF OPERATIONS (Unaudited)
(In thousands, except per share data)

	March 31,		June 30,		September 30,		December 31,	
	2003	2002	2003	2002	2003	2002	2003	2002
Revenue	$1,779,443	$ 1,697,987	$2,317,249	$2,172,910	$2,544,146	$2,340,425	$2,290,061	$2,209,733
Operating expenses:								
Divisional operating expenses	1,361,075	1,288,977	1,641,905	1,506,401	1,842,329	1,680,371	1,643,547	1,577,012
Non-cash compensation	799	1,838	1,779	1,445	880	936	1,560	1,217
Depreciation and amortization	159,562	142,418	161,880	146,261	165,882	160,503	184,014	171,584
Corporate expenses	42,779	38,969	42,459	39,203	44,050	44,385	44,866	53,813
Operating income	215,228	225,785	469,226	479,600	491,005	454,230	416,074	406,107
Interest expense	100,952	110,367	95,311	108,350	98,192	107,935	93,545	106,134
Gain (loss) on sale of assets related to mergers	—	3,991	—	—	—	—	—	—
Gain on marketable securities	2,792	2,984	2,581	5,917	675,027	(16,009)	(1,554)	4,012
Equity in earnings (loss) of nonconsolidated affiliates	2,335	3,213	6,713	7,500	2,957	5,906	10,021	10,309
Other income (expense) — net	2	26,207	39,142	15,394	(1,840)	20,974	(16,345)	(5,145)
Income before income taxes and cumulative effect of a change in accounting principle	119,405	151,813	422,351	400,061	1,068,957	357,166	314,651	309,149
Income tax (expense) benefit	(48,359)	(61,484)	(171,051)	(162,025)	(432,928)	(144,652)	(127,435)	(125,205)
Income before cumulative effect of a change in accounting principle	71,046	90,329	251,300	238,036	636,029	212,514	187,216	183,944
Cumulative effect of a change in accounting principle, net of tax of $4,324,446	—	(16,778,526)	—	—	—	—	—	—
Net income (loss)	$ 71,046	$(16,688,197)	$ 251,300	$ 238,036	$ 636,029	$ 212,514	$ 187,216	$ 183,944
Net income (loss) per common share:								
Basic:								
Income before cumulative effect of a change in accounting principle	$ .12	$ .15	$ .41	$ .40	$ 1.03	$ .35	$ .30	$ .30
Cumulative effect of a change in accounting principle	—	(28.00)	—	—	—	—	—	—
Net income (loss)	$ .12	$ (27.85)	$ .41	$ .40	$ 1.03	$ .35	$ .30	$ .30
Diluted:								
Income before cumulative effect of a change in accounting principle	$ .12	$ .15	$ .41	$ .39	$ 1.03	$ .34	$ .30	$ .30
Cumulative effect of a change in accounting principle	—	(27.76)	—	—	—	—	—	—
Net income (loss)	$ .12	$ (27.61)	$ .41	$ .39	$ 1.03	$ .34	$ .30	$ .30
Stock price:								
High	$ 43.98	$ 54.90	$ 43.85	$ 53.97	$ 46.18	$ 37.95	$ 47.48	$ 44.99
Low	31.00	42.24	33.35	29.00	36.36	20.00	38.50	29.36

The Company's Common Stock is traded on the New York Stock Exchange under the symbol CCU.

NOTE O — SUBSEQUENT EVENTS

On January 12, 2004, the Company sold its investment in Univision Corporation for $599.4 million in proceeds. As a result, the Company recorded a gain of $47.0 million in “Gain (loss) on marketable securities”. Proceeds were used to pay down the Company’s domestic credit facilities.

On February 19, 2004, the Company’s Board of Directors declared a quarterly cash dividend of $0.10 per share on the Company’s Common Stock. The dividend is payable on April 15, 2004 to shareholders of record at the close of business on March 31, 2004.

On February 25, 2004, the Company redeemed €454.4 million of its 6.5% senior notes due July 7, 2005, for €477.7 million plus accrued interest. As a result of this redemption, the Company recorded a pre-tax loss of $30.3 million on the early extinguishment of debt. After this redemption, €195.6 million of the 6.5% senior notes remain outstanding. The remaining notes outstanding continue to be designated as a hedge of the Company’s net investment in Euro denominated assets. Additionally, on February 25, 2004, the Company entered into a United States dollar — Eurodollar cross currency swap with a notional amount of €497.0 million. The swap requires the Company to make fixed interest payments on the Euro notional amount while it receives fixed interest payments on the equivalent U.S. dollar notional amount, all on a semi-annual basis. The Company has designated the swap as a hedge of its net investment in Euro denominated assets.

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

Not Applicable

ITEM 9A. Controls and Procedures

Our principal executive and financial officers have concluded, based on their evaluation as of the end of the period covered by this Form 10-K, that our disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, are effective to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and include controls and procedures designed to ensure that information we are required to disclose in such reports is accumulated and communicated to management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

Subsequent to our evaluation, there were no significant changes in internal controls or other factors that could significantly affect these internal controls.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

We believe that one of our most important assets is our experienced management team. With respect to our operations, managers are responsible for the day-to-day operation of their respective location. We believe that the autonomy of our management enables us to attract top quality managers capable of implementing our aggressive marketing strategy and reacting to competition in the local markets. Most of our managers have options to purchase our common stock. As an additional incentive, a portion of each manager’s compensation is related to the performance of the profit centers for which he or she is responsible. In an effort to monitor expenses, corporate management routinely reviews staffing levels and operating costs. Combined with the centralized financial functions, this monitoring enables us to control expenses effectively. Corporate management also advises local managers on broad policy matters and is responsible for long-range planning, allocating resources, and financial reporting and controls.

The information required by this item with respect to our code of ethics and the directors and nominees for election to our Board of Directors is incorporated by reference to the information set forth under the captions “Code of Business Conduct and Ethics”, “Election of Directors” or “Compliance With Section 16(A) of the Exchange Act,” in our Definitive Proxy Statement, which will be filed with the Securities and Exchange Commission within 120 days of our fiscal year end.

The following information is submitted with respect to our executive officers as of December 31, 2003

Name	Age on December 31, 2003	Position	Officer Since
L. Lowry Mays	68	Chairman/Chief Executive Officer	1972
Mark P. Mays	40	President/Chief Operating Officer	1989
Randall T. Mays	38	Executive Vice President/Chief Financial Officer and Secretary	1993
Herbert W. Hill, Jr.	44	Senior Vice President/Chief Accounting Officer	1989
Kenneth E. Wyker	42	Senior Vice President/General Counsel	1993
Paul Meyer	61	President/Chief Executive Officer — Clear Channel Outdoor	1997
Roger Parry	50	Chief Executive Officer — Clear Channel International	1998
Juliana F. Hill	34	Senior Vice President/Finance	1999
Brian Becker	47	Chairman/Chief Executive Officer — Clear Channel Entertainment	2000
William Moll	66	President — Clear Channel Television	2001
John Hogan	47	Chief Executive Officer — Clear Channel Radio	2002

The officers named above serve until the next Board of Directors meeting immediately following the Annual Meeting of Shareholders.

Mr. L. Mays is our founder and was our President and Chief Executive Officer from 1972 to February 1997. Since that time, Mr. L. Mays has served as our Chairman and Chief Executive Officer. He has been one of our directors since our inception. Mr. L. Mays is the father of Mark P. Mays, our President and Chief Operating Officer, and Randall T. Mays, our Executive Vice President and Chief Financial Officer.

Mr. M. Mays was our Senior Vice President of Operations from February 1993 until his appointment as our President and Chief Operating Officer in February 1997. He has been one of our directors since May 1998. Mr. M. Mays is the son of L. Lowry Mays, our Chairman and Chief Executive Officer and the brother of Randall T. Mays, our Executive Vice President and Chief Financial Officer.

Mr. R. Mays was appointed Executive Vice President and Chief Financial Officer in February 1997. Prior thereto, he served as our Vice President and Treasurer since he joined us in January 1993. Mr. R. Mays is the son of L. Lowry Mays, our Chairman and Chief Executive Officer and the brother of Mark P. Mays, our President and Chief Operating Officer.

Mr. Hill was appointed Senior Vice President and Chief Accounting Officer in February 1997. Prior thereto, he served as our Vice President/Controller since January 1989.

Mr. Wyker was appointed Senior Vice President, General Counsel and Secretary in February 1997. Prior thereto he served as Vice President for Legal Affairs and Secretary since he joined us in July 1993.

Mr. Meyer was appointed President/Chief Executive Officer — Clear Channel Outdoor (formerly Eller Media) in January 2002. Prior thereto he was the President/Chief Operating Officer — Clear Channel Outdoor from March 1999 to January 2002 and he was the Executive Vice President and General Counsel of Eller Media from March 1996 to March 1999.

Mr. Parry was appointed Chief Executive Officer — Clear Channel International in June 1998. Prior thereto, he was the Chief Executive of More Group plc. since 1995.

Ms. Hill was appointed Senior Vice President/Finance in May 2000. Prior thereto, she was Vice President/Finance and Strategic Development from March 1999 to May 2000. She was an Associate at US WEST Communications for the remainder of the relevant five-year period.

Mr. Becker was appointed Chairman/Chief Executive Officer — Clear Channel Entertainment in August 2000. Prior thereto he was the Executive Vice President of SFX Entertainment, Inc. for the remainder of the relevant five-year period.

Mr. Moll was appointed President — Clear Channel Television in January 2001. Prior thereto, he was the President, WKRC-TV, Cincinnati, OH for the remainder of the relevant five-year period.

Mr. Hogan was appointed Chief Executive Officer of Clear Channel Radio in August 2002. Prior thereto he was Chief Operating Officer of Clear Channel Radio from August 2001 to August 2002 and he was a Senior Vice President of Clear Channel Radio from May 1999 to August 2001. Prior thereto he was a Senior Vice President of Jacor Communications, Inc. for the remainder of the relevant five-year period.

ITEM 11. Executive Compensation

The information required by this item is incorporated by reference to the information set forth under the caption “Executive Compensation” in our Definitive Proxy Statement, expected to be filed within 120 days of our fiscal year end.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item is incorporated by reference to our Definitive Proxy Statement under the heading “Security Ownership of Certain Beneficial Owners and Management”, expected to be filed within 120 days of our fiscal year end.

ITEM 13. Certain Relationships and Related Transactions

The information required by this item is incorporated by reference to our Definitive Proxy Statement under the heading “Certain Transactions”, expected to be filed within 120 days of our fiscal year end.

ITEM 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference to our Definitive Proxy Statement under the heading “Auditor Fees”, expected to be filed within 120 days of our fiscal year end.

ITEM 15. Exhibits, Financial Statement Schedule and Reports on Form 8-K

(a)1. Financial Statements.

The following consolidated financial statements are included in Item 8.

Consolidated Balance Sheets as of December 31, 2003 and 2002
Consolidated Statements of Operations for the Years Ended December 31, 2003, 2002 and 2001.
Consolidated Statements of Changes in Shareholders’ Equity for the Years Ended December 31, 2003, 2002 and 2001.
Consolidated Statements of Cash Flows for the Years Ended December 31, 2003, 2002 and 2001.
Notes to Consolidated Financial Statements

(a)2. Financial Statement Schedule.

The following financial statement schedule for the years ended December 31, 2003, 2002 and 2001 and related report of independent auditors is filed as part of this report and should be read in conjunction with the consolidated financial statements.

Schedule II Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Allowance for Doubtful Accounts

(In thousands)

Description	Balance at Beginning of period	Charges to Costs, Expenses and other	Write-off of Accounts Receivable	Other	Balance at end of Period
Year ended December 31, 2001	$60,631	$87,041	$88,122	$1,520(1)	$61,070
Year ended December 31, 2002	$61,070	$69,934	$64,303	$ 637(1)	$67,338
Year ended December 31, 2003	$67,338	$48,586	$60,176	$ 838(2)	$56,586

(1) Allowance for accounts receivable acquired in acquisitions net of deletions related to dispositions.

(2) Foreign currency adjustments.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Deferred Tax Asset Valuation Allowance

(In thousands)

Description	Balance at Beginning of period	Charges to Costs, Expenses and other	Deletions (2)	Other (1)	Balance at end of Period
Year ended December 31, 2001	$ —	$—	$ —	$164,070	$164,070
Year ended December 31, 2002	$164,070	$—	$97,403	$ —	$ 66,667
Year ended December 31, 2003	$ 66,667	$—	$ 5,995	$ —	$ 60,672

(1) Related to allowance for net operating loss carryforwards and other deferred tax assets assumed in acquisitions.

(2) Based on the Company’s reassessment of the likelihood of the realization of future benefits, the valuation allowance was reduced to zero during 2000. In 2002 and 2003, the Company utilized net operating loss carryforwards and certain deferred tax assets, which resulted in the reduction of the allowance for those net operating loss carryforwards and other assets.

(a)3. Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger dated as of October 2, 1999, among Clear Channel, CCU Merger Sub, Inc. and AMFM Inc. (incorporated by reference to the exhibits of Clear Channel's Current Report on Form 8-K filed October 5, 1999).
2.2	Agreement and Plan of Merger dated as of February 28, 2000, among Clear Channel, CCU II Merger Sub, Inc. and SFX Entertainment, Inc. (incorporated by reference to the exhibits of Clear Channel's Current Report on Form 8-K filed February 29, 2000).
2.3	Agreement and Plan of Merger dated as of October 5, 2001, by and among Clear Channel, CCMM Sub, Inc. and The Ackerley Group, Inc. (incorporated by reference to the exhibits of Clear Channel's Current Report on Form 8-K filed October 9, 2001).
3.1	Current Articles of Incorporation of the Company (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-3 (Reg. No. 333-33371) dated September 9, 1997).
3.2	Third Amended and Restated Bylaws of the Company (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-4 (Reg. No. 333-74196) dated November 29, 2001).
3.3	Amendment to the Company's Articles of Incorporation (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
3.4	Second Amendment to Clear Channel's Articles of Incorporation (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
3.5	Third Amendment to Clear Channel's Articles of Incorporation (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended May 31, 2000).
4.1	Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays, B.J. McCombs, John M. Schaefer and John W. Barger, dated August 3, 1998 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.2	Waiver and Second Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated August 17, 1998 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.3	Waiver and Third Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated July 26, 2002 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.4	Waiver and Fourth Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated September 27, 2002 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.5	Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays, B. J. McCombs, John M. Schaefer and John W. Barger, dated May 31, 1977 (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-1 (Reg. No. 33-289161) dated April 19, 1984).

Exhibit Number	Description
4.6	Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York as Trustee (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997).
4.7	First Supplemental Indenture dated March 30, 1998 to Senior Indenture dated October 1, 1997, by and between the Company and The Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
4.8	Second Supplemental Indenture dated June 16, 1998 to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and the Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated August 27, 1998).
4.9	Third Supplemental Indenture dated June 16, 1998 to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and the Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated August 27, 1998).
4.10	Fourth Supplement Indenture dated November 24, 1999 to Senior Indenture dated October 1, 1997, by and between Clear Channel and The Bank of New York as Trustee (incorporated by reference to the exhibits of the Company's Annual Report on Form 10-K for the year ended December 31, 1999).
4.11	Fifth Supplemental Indenture dated June 21, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
4.12	Sixth Supplemental Indenture dated June 21, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
4.13	Seventh Supplemental Indenture dated July 7, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
4.14	Eighth Supplemental Indenture dated September 12, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.15	Ninth Supplemental Indenture dated September 12, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.16	Tenth Supplemental Indenture dated October 26, 2001, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
4.17	Eleventh Supplemental Indenture dated January 9, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York as Trustee (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2002).

Exhibit Number	Description
14.18	Twelfth Supplemental Indenture dated March 17, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated March 18, 2003).
14.19	Thirteenth Supplemental Indenture dated May 1, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated May 2, 2003).
14.20	Fourteenth Supplemental Indenture dated May 21, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated May 22, 2003).
14.21	Fifteenth Supplemental Indenture dated November 5, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated November 14, 2003).
14.22	Sixteenth Supplemental Indenture dated December 9, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated December 10, 2003).
10.1	Clear Channel Communications, Inc. 1994 Incentive Stock Option Plan (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-8 dated November 20, 1995).
10.2	Clear Channel Communications, Inc. 1994 Nonqualified Stock Option Plan (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-8 dated November 20, 1995).
10.3	Clear Channel Communications, Inc. Directors' Nonqualified Stock Option Plan (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-8 dated November 20, 1995).
10.4	The Clear Channel Communications, Inc. 1998 Stock Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive 14A Proxy Statement dated March 24, 1998).
10.5	The Clear Channel Communications, Inc. 2001 Stock Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive 14A Proxy Statement dated March 20, 2001).
10.6	The Clear Channel Communications, Inc.2000 Employee Stock Purchase Plan (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2002).
10.7	Voting Agreement dated as of October 8, 1998, by and among Jacor Communications, Inc. and L. Lowry Mays, Mark P. Mays and Randall T. Mays and certain related family trusts (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).

Exhibit Number	Description
10.8	Shareholders Agreement dated October 2, 1999, by and among Clear Channel, L. Lowry Mays, 4-M Partners, Ltd., Hicks, Muse, Tate & Furst Equity Fund II, L.P., HM2/HMW, L.P., HM2/Chancellor, L.P., HM4/Chancellor, L.P., Capstar Broadcasting Partners, L.P., Capstar BT Partners, L.P., Capstar Boston Partners, L.L.C., and Thomas O. Hicks (incorporated by reference to Annex B to Clear Channel Communications, Inc.'s, Registration Statement on Form S-4 (Reg. No. 333-32532) dated March 15, 2000).
10.9	Registration Rights Agreement dated as of October 2, 1999, among Clear Channel and Hicks, Muse, Tate & Furst Equity Fund II, L.P., HM2/HMW, L.P., HM2/Chancellor, L.P., HM4/Chancellor, L.P., Capstar Broadcasting Partners, L.P., Capstar BT Partners, L.P., Capstar Boston Partners, L.L.C., Thomas O. Hicks, John R. Muse, Charles W. Tate, Jack D. Furst, Michael J. Levitt, Lawrence D. Stuart, Jr., David B Deniger and Dan H. Blanks (incorporated by reference to Annex C to Clear Channel Communications, Inc.'s, Registration Statement on Form S-4 (Reg. No. 333-32532) dated March 15, 2000).
10.10	Stockholder Voting and Support Agreement, dated as of October 5, 2001, by and between Clear Channel Communications, Inc. and Barry A. Ackerley (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K filed October 9, 2001).
10.11	Employment Agreement by and between Clear Channel Communications, Inc. and L. Lowry Mays dated October 1, 1999 (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.12	Employment Agreement by and between Clear Channel Communications, Inc. and Mark P. Mays dated October 1, 1999 (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.13	Employment Agreement by and between Clear Channel Communications, Inc. and Randall T. Mays dated October 1, 1999 (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.14	Employment Agreement by and between Clear Channel Communications, Inc. and Brian E. Becker dated March 21, 2001 (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2002).
10.15	Fourth Amended and Restated Credit Agreement by and among Clear Channel Communications, Inc., Bank of America, N.A., as administrative agent, Fleet National Bank, as documentation agent, the Bank of Montreal and Toronto Dominion (Texas), Inc., as co-syndication agents, and certain other lenders dated June 15, 2000 (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
10.16	Credit Agreement among Clear Channel Communications, Inc., Bank of America, N.A., as administrative agent, Chase Securities Inc., as syndication agent, and certain other lenders dated August 30, 2000 (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2000).
10.17	Termination Agreement by and among Clear Channel Communications, Inc., L. Lowry Mays, Thomas O. Hicks and certain other shareholders affiliated with Mr. Hicks dated March 10, 2004, terminating that certain Shareholders Agreement dated October 2, 1999.
10.18	Shareholder's Agreement by and between Clear Channel Communications, Inc. and L. Lowry Mays dated March 10, 2004.
10.19	Shareholders' Agreement by and among Clear Channel Communications, Inc., Thomas O. Hicks and certain other shareholders affiliated with Mr. Hicks dated March 10, 2004.
10.20	Employment Agreement by and between Clear Channel Communications, Inc. and Paul Meyer dated February 18, 2004.
10.21	Employment Agreement by and between Clear Channel Communications, Inc. and John Hogan dated February 18, 2004.
10.22	Amendment to Employment Agreement by and between Clear Channel Communications, Inc. and Brian E. Becker dated February 12, 2004.
11	Statement re: Computation of Per Share Earnings.
12	Statement re: Computation of Ratios.
21	Subsidiaries of the Company.
23.1	Consent of Ernst & Young LLP.

Exhibit Number	Description
24	Power of Attorney (included on signature page).
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Report of Independent Auditors on Financial Statement Schedules — Ernst & Young LLP.

The Company has not filed long-term debt instruments of its subsidiaries where the total amount under such instruments is less than ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. However, the Company will furnish a copy of such instruments to the Commission upon request.

(b) Reports on Form 8-K.

Filing	Date	Items Reported	Financial Statements Reported
8-K	10/1/03	Item 9	None
8-K	10/24/03	Item 5 & 7	None
8-K	11/5/03	Item 7 & 12	None
8-K	11/17/03	Item 5	None
8-K	12/10/03	Item 5 & 7	None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 12, 2004.

CLEAR CHANNEL COMMUNICATIONS, INC.

By: /S/ L. Lowry Mays
L. Lowry Mays
Chairman and Chief Executive Officer

Power of Attorney

Each person whose signature appears below authorizes L. Lowry Mays, Mark P. Mays, Randall T. Mays and Herbert W. Hill, Jr., or any one of them, each of whom may act without joinder of the others, to execute in the name of each such person who is then an officer or director of the Registrant and to file any amendments to this annual report on Form 10-K necessary or advisable to enable the Registrant to comply with the Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, which amendments may make such changes in such report as such attorney-in-fact may deem appropriate.

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

NAME	TITLE	DATE
/S/ L. Lowry Mays L. Lowry Mays	Chairman, Chief Executive Officer and Director	March 12, 2004
/S/ Mark P. Mays Mark P. Mays	President and Chief Operating Officer and Director	March 12, 2004
/S/ Randall T. Mays Randall T. Mays	Executive Vice President and Chief Financial Officer and Secretary (Principal Financial Officer) and Director	March 12, 2004
/S/ Herbert W. Hill, Jr. Herbert W. Hill, Jr.	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 12, 2004
/S/ Alan D. Feld Alan D. Feld	Director	March 12, 2004
/S/ Thomas O. Hicks Thomas O. Hicks	Director	March 12, 2004
/S/ Perry J. Lewis Perry J. Lewis	Director	March 12, 2004

NAME	TITLE	DATE
/S/ B. J. McCombs B. J. McCombs	Director	March 12, 2004
/S/ Phyllis Riggins Phyllis Riggins	Director	March 12, 2004
/S/ Theodore H. Strauss Theodore H. Strauss	Director	March 12, 2004
/S/ J.C. Watts J. C. Watts	Director	March 12, 2004
/S/ John H. Williams John H. Williams	Director	March 12, 2004

Exhibit Number	Description
2.1	Agreement and Plan of Merger dated as of October 2, 1999, among Clear Channel, CCU Merger Sub, Inc. and AMFM Inc. (incorporated by reference to the exhibits of Clear Channel's Current Report on Form 8-K filed October 5, 1999).
2.2	Agreement and Plan of Merger dated as of February 28, 2000, among Clear Channel, CCU II Merger Sub, Inc. and SFX Entertainment, Inc. (incorporated by reference to the exhibits of Clear Channel's Current Report on Form 8-K filed February 29, 2000).
2.3	Agreement and Plan of Merger dated as of October 5, 2001, by and among Clear Channel, CCMM Sub, Inc. and The Ackerley Group, Inc. (incorporated by reference to the exhibits of Clear Channel's Current Report on Form 8-K filed October 9, 2001).
3.1	Current Articles of Incorporation of the Company (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-3 (Reg. No. 333-33371) dated September 9, 1997).
3.2	Third Amended and Restated Bylaws of the Company (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-4 (Reg. No. 333-74196) dated November 29, 2001).
3.3	Amendment to the Company's Articles of Incorporation (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
3.4	Second Amendment to Clear Channel's Articles of Incorporation (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
3.5	Third Amendment to Clear Channel's Articles of Incorporation (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended May 31, 2000).
4.1	Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays, B.J. McCombs, John M. Schaefer and John W. Barger, dated August 3, 1998 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.2	Waiver and Second Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated August 17, 1998 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.3	Waiver and Third Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated July 26, 2002 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.4	Waiver and Fourth Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated September 27, 2002 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.5	Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays, B. J. McCombs, John M. Schaefer and John W. Barger, dated May 31, 1977 (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-1 (Reg. No. 33-289161) dated April 19, 1984).
4.6	Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York as Trustee (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997).

Exhibit Number	Description
4.7	First Supplemental Indenture dated March 30, 1998 to Senior Indenture dated October 1, 1997, by and between the Company and The Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998).
4.8	Second Supplemental Indenture dated June 16, 1998 to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and the Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated August 27, 1998).
4.9	Third Supplemental Indenture dated June 16, 1998 to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and the Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated August 27, 1998).
4.10	Fourth Supplement Indenture dated November 24, 1999 to Senior Indenture dated October 1, 1997, by and between Clear Channel and The Bank of New York as Trustee (incorporated by reference to the exhibits of the Company's Annual Report on Form 10-K for the year ended December 31, 1999).
4.11	Fifth Supplemental Indenture dated June 21, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
4.12	Sixth Supplemental Indenture dated June 21, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
4.13	Seventh Supplemental Indenture dated July 7, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
4.14	Eighth Supplemental Indenture dated September 12, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.15	Ninth Supplemental Indenture dated September 12, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.16	Tenth Supplemental Indenture dated October 26, 2001, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
4.17	Eleventh Supplemental Indenture dated January 9, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York as Trustee (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2002).

Exhibit Number	Description
14.18	Twelfth Supplemental Indenture dated March 17, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated March 18, 2003).
14.19	Thirteenth Supplemental Indenture dated May 1, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated May 2, 2003).
14.20	Fourteenth Supplemental Indenture dated May 21, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated May 22, 2003).
14.21	Fifteenth Supplemental Indenture dated November 5, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated November 14, 2003).
14.22	Sixteenth Supplemental Indenture dated December 9, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated December 10, 2003).
10.1	Clear Channel Communications, Inc. 1994 Incentive Stock Option Plan (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-8 dated November 20, 1995).
10.2	Clear Channel Communications, Inc. 1994 Nonqualified Stock Option Plan (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-8 dated November 20, 1995).
10.3	Clear Channel Communications, Inc. Directors' Nonqualified Stock Option Plan (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-8 dated November 20, 1995).
10.4	The Clear Channel Communications, Inc. 1998 Stock Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive 14A Proxy Statement dated March 24, 1998).
10.5	The Clear Channel Communications, Inc. 2001 Stock Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive 14A Proxy Statement dated March 20, 2001).
10.6	The Clear Channel Communications, Inc.2000 Employee Stock Purchase Plan (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2002).
10.7	Voting Agreement dated as of October 8, 1998, by and among Jacor Communications, Inc. and L. Lowry Mays, Mark P. Mays and Randall T. Mays and certain related family trusts (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).

Exhibit Number	Description
10.8	Shareholders Agreement dated October 2, 1999, by and among Clear Channel, L. Lowry Mays, 4-M Partners, Ltd., Hicks, Muse, Tate & Furst Equity Fund II, L.P., HM2/HMW, L.P., HM2/Chancellor, L.P., HM4/Chancellor, L.P., Capstar Broadcasting Partners, L.P., Capstar BT Partners, L.P., Capstar Boston Partners, L.L.C., and Thomas O. Hicks (incorporated by reference to Annex B to Clear Channel Communications, Inc.'s, Registration Statement on Form S-4 (Reg. No. 333-32532) dated March 15, 2000).
10.9	Registration Rights Agreement dated as of October 2, 1999, among Clear Channel and Hicks, Muse, Tate & Furst Equity Fund II, L.P., HM2/HMW, L.P., HM2/Chancellor, L.P., HM4/Chancellor, L.P., Capstar Broadcasting Partners, L.P., Capstar BT Partners, L.P., Capstar Boston Partners, L.L.C., Thomas O. Hicks, John R. Muse, Charles W. Tate, Jack D. Furst, Michael J. Levitt, Lawrence D. Stuart, Jr., David B Deniger and Dan H. Blanks (incorporated by reference to Annex C to Clear Channel Communications, Inc.'s, Registration Statement on Form S-4 (Reg. No. 333-32532) dated March 15, 2000).
10.10	Stockholder Voting and Support Agreement, dated as of October 5, 2001, by and between Clear Channel Communications, Inc. and Barry A. Ackerley (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K filed October 9, 2001).
10.11	Employment Agreement by and between Clear Channel Communications, Inc. and L. Lowry Mays dated October 1, 1999 (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.12	Employment Agreement by and between Clear Channel Communications, Inc. and Mark P. Mays dated October 1, 1999 (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.13	Employment Agreement by and between Clear Channel Communications, Inc. and Randall T. Mays dated October 1, 1999 (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999).
10.14	Employment Agreement by and between Clear Channel Communications, Inc. and Brian E. Becker dated March 21, 2001 (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2002).
10.15	Fourth Amended and Restated Credit Agreement by and among Clear Channel Communications, Inc., Bank of America, N.A., as administrative agent, Fleet National Bank, as documentation agent, the Bank of Montreal and Toronto Dominion (Texas), Inc., as co-syndication agents, and certain other lenders dated June 15, 2000 (incorporated by reference to the exhibits of Clear Channel's registration statement on Form S-3 (Reg. No. 333-42028) dated July 21, 2000).
10.16	Credit Agreement among Clear Channel Communications, Inc., Bank of America, N.A., as administrative agent, Chase Securities Inc., as syndication agent, and certain other lenders dated August 30, 2000 (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2000).
10.17	Termination Agreement by and among Clear Channel Communications, Inc., L. Lowry Mays, Thomas O. Hicks and certain other shareholders affiliated with Mr. Hicks dated March 10, 2004, terminating that certain Shareholders Agreement dated October 2, 1999.
10.18	Shareholder's Agreement by and between Clear Channel Communications, Inc. and L. Lowry Mays dated March 10, 2004.
10.19	Shareholders' Agreement by and among Clear Channel Communications, Inc., Thomas O. Hicks and certain other shareholders affiliated with Mr. Hicks dated March 10, 2004.
10.20	Employment Agreement by and between Clear Channel Communications, Inc. and Paul Meyer dated February 18, 2004.
10.21	Employment Agreement by and between Clear Channel Communications, Inc. and John Hogan dated February 18, 2004.
10.22	Amendment to Employment Agreement by and between Clear Channel Communications, Inc. and Brian E. Becker dated February 12, 2004.
11	Statement re: Computation of Per Share Earnings.
12	Statement re: Computation of Ratios.
21	Subsidiaries of the Company.
23.1	Consent of Ernst & Young LLP.
24	Power of Attorney (included on signature page).

Exhibit Number	Description
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Report of Independent Auditors on Financial Statement Schedules — Ernst & Young LLP.

The Company has not filed long-term debt instruments of its subsidiaries where the total amount under such instruments is less than ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. However, the Company will furnish a copy of such instruments to the Commission upon request.

EXHIBIT 10.17 - TERMINATION AGREEMENT

This TERMINATION AGREEMENT (this "Agreement") is entered into as of March 10th, 2004, by and among Clear Channel Communications, Inc., a Texas corporation ("Parent"), L. Lowry Mays and 4-M Partners, Ltd., a Texas limited partnership (the "Existing Shareholders"), and the other parties listed on the signature page hereof (the "New Shareholders"), parties to that certain Shareholders Agreement (the "Shareholders Agreement") dated October 2, 1999.

WHEREAS, pursuant to Section 6.1(iii) of the Shareholders Agreement, Parent, the Existing Holders and the New Shareholders may terminate the Shareholders Agreement by mutual consent;

WHEREAS, subsequent to entering into the Shareholders Agreement, each of HM2/HMW, L.P., HM2/Chancellor, L.P., Capstar Broadcasting Partners, L.P. and Capstar BT Partners, L.P., each a New Shareholder, and 4-M Partners, Ltd. distributed its assets to its partners and was dissolved, and such New Shareholders and 4-M Partners, Ltd. are no longer parties to the Shareholders Agreement; and

WHEREAS, each of Parent, the Existing Shareholders and the New Shareholders desire to terminate the Shareholders Agreement as of the date hereof.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Termination of Shareholders Agreement. The Shareholders Agreement is hereby terminated and is of no further force and effect, and no party thereto shall have any surviving obligations, rights, or duties thereunder.

2. Amendments. No amendment, change, modification, or termination of this Agreement or any part hereof shall be effective or binding unless made in writing and signed by each party hereto.

3. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

4. Captions. The captions to sections of this Agreement are solely for the convenience of the parties hereto and shall not affect the construction or interpretation of any provision of this Agreement.

5. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, and all of which when taken together shall constitute one and the same instrument as if the parties hereto had executed the same instrument.

6. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto in respect of the subject matter hereof and supersedes any and all prior agreements, understandings, and representations, whether written or oral, relating to the subject matter hereof.

7. Governing Law. This agreement and the rights and obligations hereunder shall be governed in all respects, including as to validity, interpretation, and effect, by the laws of the state of Texas, without giving effect to the principles thereof relating to conflicts of law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the date first above written.

CLEAR CHANNEL COMMUNICATIONS, INC.

By: /s/ RANDALL T. MAYS

Name: Randall T. Mays
Title: Executive Vice President and Chief Financial Officer

EXISTING SHAREHOLDERS:

/s/ L. LOWRY MAYS

L. Lowry Mays

NEW SHAREHOLDERS:

HICKS, MUSE, TATE & FURST EQUITY FUND II, L.P.

By: HM2/GP Partners, L.P., its general partner

By: Hicks, Muse GP Partners, L.P., its general partner

By: Hicks, Muse Fund II Incorporated, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HM4/CHANCELLOR, L.P.

By: Hicks, Muse Fund IV LLC, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HICKS, MUSE, TATE & FURST EQUITY FUND III, L.P.

By: HM3/GP Partners, L.P., its general partner

By: Hicks, Muse GP Partners III, L.P., its general partner

By: Hicks, Muse Fund III Incorporated, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HM3 COINVESTORS, L.P.

By: Hicks, Muse GP Partners III, L.P., its general partner

By: Hicks, Muse Fund III Incorporated, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HICKS, MUSE, TATE & FURST EQUITY FUND IV, L.P.

By: HM4 Partners, L.P., its general partner

By: Hicks, Muse GP Partners LA, L.P., its general partner

By: Hicks, Muse Latin America Fund I Incorporated, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HICKS, MUSE, TATE & FURST PRIVATE EQUITY FUND IV, L.P.

By: HM4 Partners, L.P., its general partner

By: Hicks, Muse GP Partners LA, L.P., its general partner

By: Hicks, Muse Latin America Fund I Incorporated, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HM 1-FOF COINVESTORS, L.P.

By: Hicks, Muse GP Partners LA, L.P., its general partner

By: Hicks, Muse Latin America Fund I Incorporated, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HM4-EQ COINVESTORS, L.P.

By: Hicks, Muse GP Partners IV, L.P., its general partner

By: Hicks, Muse Fund IV LLC, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HM4-EN COINVESTORS, L.P.

By: Hicks, Muse GP Partners IV, L.P., its general partner

By: Hicks, Muse Fund IV LLC, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

HM4-P COINVESTORS, L.P.

By: Hicks, Muse GP Partners IV, L.P., its general partner

By: Hicks, Muse Fund IV LLC, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

CAPSTAR BOSTON PARTNERS, L.L.C.

By: HM3/GP Partners, L.P., its managing member

By: Hicks, Muse GP Partners III, L.P., its general partner

By: Hicks, Muse Fund III Incorporated, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel
Title: Vice President, Treasurer and Secretary

/s/ THOMAS O. HICKS

Thomas O. Hicks

EXHIBIT 10.18 - SHAREHOLDER'S AGREEMENT

SHAREHOLDER'S AGREEMENT

This SHAREHOLDER'S AGREEMENT (this "AGREEMENT") is entered into this 10th day of March, 2004 by and among CLEAR CHANNEL COMMUNICATIONS, INC., a Texas corporation (the "COMPANY"), and L. LOWRY MAYS (the "SHAREHOLDER").

WITNESSETH:

WHEREAS, the Company, CCU Merger Sub, Inc., a Delaware corporation ("MERGER SUB"), and AMFM INC., a Delaware corporation ("AMFM"), entered into an Agreement and Plan of Merger, dated October 2, 1999, pursuant to which the parties thereto agreed, upon the terms and subject to the conditions set forth therein, to merge the Merger Sub with and into AMFM (the "MERGER");

WHEREAS, the Merger was consummated on August 30, 2000;

WHEREAS, in connection with the Merger, the Company, the Shareholder and certain other shareholders party thereto (the "HMTF SHAREHOLDERS") entered into that certain Shareholders Agreement, dated October 2, 1999 (the "ORIGINAL SHAREHOLDERS AGREEMENT");

WHEREAS, pursuant to Section 6.1 of the Original Shareholders Agreement, the Original Shareholders Agreement is being terminated concurrently herewith; and

WHEREAS, the Company and the Shareholder wish to provide for and acknowledge certain arrangements and understandings respecting the share ownership of the Shareholder and certain other matters by entering into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Company and the Shareholder hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

The following terms, as used in this Agreement, shall have the respective meanings set forth in this Article 1:

"AFFILIATE" of any Person, means (i) another Person that, directly or indirectly, through one or more intermediaries controls, is controlled by, or is under common control with, such first Person; (ii) another Person whose assets are attributable to such first Person pursuant to the attribution rules and regulations of the Communications Act; or (iii) another Person who is a member of a 13d Group with such first Person. Notwithstanding the foregoing, for purposes of this Agreement, no HMTF Shareholder shall constitute an "Affiliate" of the Shareholder, and the Shareholder shall not constitute an "Affiliate" of any HMTF Shareholder.

"BENEFICIAL OWNER" or "BENEFICIALLY OWNED" or "BENEFICIAL OWNERSHIP" shall have the meaning assigned to such term in Rule 13d-3 under the Exchange Act.

"BOARD" or "BOARD OF DIRECTORS" means the board of directors of the Company, as constituted from time to time.

"BUSINESS COMBINATION TRANSACTION" shall mean (A) a (i) merger, (ii) consolidation, (iii) "business combination" as defined in Part Thirteen of the Texas Business Corporation Act as in effect on the date hereof, (iv) compulsory share exchange, (v) recapitalization or (vi) a transaction in which the Company or any successor or Subsidiary of the Company is a constituent corporation or to which the Company or any successor or Subsidiary of the Company is a party or (B) a sale of a substantial portion of the assets of the Company or any successor, division or Subsidiary of the Company; provided, however, for purposes of this Agreement, none of the foregoing shall constitute a "Business Combination Transaction" if the beneficial ownership of the capital stock of the Company or the surviving entity (following a merger in which the Company ceases to exist) immediately after the consummation of the transaction is substantially the same as the beneficial ownership of the capital stock of the Company immediately prior to the transaction.

"BUY-SELL AGREEMENT" means that certain Buy-Sell Agreement, dated May 31, 1977, by and among the Company, L. Lowry Mays and B.J. McCombs.

"COMMON STOCK" means the common stock of the Company, par value $0.10 per share.

"COMMUNICATIONS ACT" means the Communications Act of 1934, as amended, and any regulations promulgated thereunder.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, as in effect from time to time.

"GOVERNMENTAL ENTITY" means any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"INDEPENDENT DIRECTOR" means, with respect to a matter presented to the Board of Directors for approval, any member of the Board of Directors who has been determined to be "independent" as defined in the listing standards of the New York Stock Exchange.

"PERSON" means any natural person, firm, individual, business trust, trust, association, corporation, partnership, joint venture, company, unincorporated entity or Governmental Entity.

"SUBSIDIARY" or "SUBSIDIARIES" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person.

"13d GROUP" means a group within the meaning of Section 13(d)(3) of the Exchange Act.

"VOTING POWER" means, with respect to Voting Securities, the maximum number of votes that the holders of Voting Securities are entitled (at the time of determination of Voting Power) to vote in the election of directors (except to the extent such voting rights are contingent upon dividend arrearages or similar circumstances).

"VOTING SECURITIES" means the Common Stock and any other securities of the Company or its successors that are entitled by their terms to vote generally in the election of directors of the Company or its successors and all options, rights, warrants and other securities convertible into, or exercisable or exchangeable for, any shares of the Common Stock or other securities possessing such voting rights.

ARTICLE 2

SHAREHOLDER ACTIVITIES

Section 2.1 Certain Agreements of the Shareholder.

(a) General. The Shareholder covenants and agrees that from and after the date hereof, except as specifically permitted or contemplated by this Agreement or unless previously approved in writing by the Company upon the approval of a majority of the Independent Directors, the Shareholder will not in any manner, directly or indirectly acting alone or in concert with others:

(i) beneficially own or seek to beneficially own, directly or indirectly, Voting Securities of the Company such that the aggregate beneficial ownership of the Shareholder exceeds 20% of the total Voting Securities of the Company outstanding at any time (such 20% limitation of the total Voting Securities outstanding from time to time shall be referred to as the "PERCENTAGE LIMITATION");

(ii) acquire or offer, agree, attempt, seek, propose or announce an intention to acquire, directly or indirectly, by purchase or otherwise, any Voting Securities (or any direct or indirect beneficial ownership, rights, options or interests therein), if after the consummation of such acquisition the Shareholder would have an aggregate beneficial ownership of Voting Securities in excess of the Percentage Limitation;

(iii) acquire or offer, agree, attempt, seek, propose or announce an intention to acquire, directly or indirectly, by purchase or otherwise, any assets of the Company or any of its successors or Subsidiaries;

(iv) (A) solicit proxies or consents or become a "participant" in a "solicitation" (as such terms are defined or used in Regulation 14A under the Exchange Act) of proxies or consents with respect to securities of the Company or any of its successors or Subsidiaries; (B) initiate any shareholder proposal or "election contest" (as such term is defined or used in Rule 14a-11 under Exchange Act) with respect to the Company or any of its

successors or Subsidiaries; or (C) directly or indirectly, advise, assist, encourage, induce or act as a financing source for others to take any such action;

(v) take any action for the purpose of (A) convening a meeting of the shareholders of the Company or any of its successors or Subsidiaries; (B) taking action by written consent of the shareholders of the Company or any of its successors or Subsidiaries; or (C) directly or indirectly, advise, assist, encourage, induce or act as a financing source for others to take such action;

(vi) except in connection with actions otherwise permitted by this Agreement, make any public announcement or disclosure relating to (A) the acquisition of Voting Securities that would result in the aggregate beneficial ownership of Voting Securities of the Shareholder exceeding the Percentage Limitation; (B) a proposal for a Business Combination Transaction; or (C) a tender offer or exchange offer for Voting Securities;

(vii) except as permitted by Section 3.1, enter into or agree, offer, commence, propose or seek to enter into, discuss or otherwise be involved in or part of, directly or indirectly, any (A) tender offer or exchange offer for Voting Securities or (B) any Business Combination Transaction;

(viii) request or solicit any Person or negotiate with any Person to (A) make a tender offer or exchange offer for Voting Securities or (B) make a Business Combination Transaction;

(ix) make any proposal for (A) any Business Combination Transaction to the Company or its Board of Directors or (B) a tender offer or exchange offer for Voting Securities;

(x) except in connection with bona fide estate planning activities undertaken by a Shareholder who is an individual, deposit Voting Securities into a voting trust or subject Voting Securities to voting agreements or grant any proxy with respect to any Voting Securities to any person not designated by the Company's Board of Directors, other than in connection with a bona fide pledge of Voting Securities by a Shareholder who is an individual;

(xi) form, join or in any way participate in a 13d Group for the purpose of taking any action restricted or prohibited under any clause of this Subsection (a) of Section 2.1;

(xii) disclose publicly any intention, plan or arrangement inconsistent with the foregoing or the other provisions of this Agreement relating to any Voting Securities; or

(xiii) enter into any discussions, negotiations, arrangements or understandings with any third party with a view to, or advise, aid, abet, solicit, induce, encourage or finance in whole or in part, any action prohibited by any clause of this Subsection (a) of Section 2.1 if such action were taken by a Shareholder or which action would be prohibited by any clause of this Subsection (a) of Section 2.1 if such third party were a Shareholder.

(b) Suspension. The agreements contained in Subsection (a) of this Section 2.1 shall not apply to prevent the parties to the Buy-Sell Agreement from exercising any and all rights thereunder and shall not apply during the pendency of a Business Combination Transaction approved by a majority of the Independent Directors.

ARTICLE 3

RESTRICTIONS ON TRANSFER

Section 3.1 Transfer Restrictions Applicable to the Shareholder. The parties hereto agree that from and after the date hereof the Shareholder may, at any time, directly or indirectly, sell, transfer any beneficial interest in, pledge, hypothecate or otherwise dispose, or offer or enter into any agreement or understanding to sell, any Voting Securities; provided, however, the Shareholder agrees that he may not sell Voting Securities to a Person, who after consummation of such sale, will beneficially own, directly or indirectly, more than 20% of the outstanding Voting Securities of the Company, except (a) upon the prior consent of a majority of the Independent Directors specifically expressed in a resolution; (b) in connection with a tender offer or exchange offer, Business Combination Transaction, or a similar transaction recommended by a majority of the Independent Directors; (c) in response to a tender offer or exchange offer not approved by the Independent Directors if (X) no Shareholder, directly or indirectly, initiated or commenced or advised, assisted, encouraged, induced or acted as a financing source for others to commence such tender offer or exchange offer; (Y) holders of no less than 51% (excluding the Voting Securities beneficially owned by the Shareholder) of the total outstanding Voting Securities (including the Voting Securities beneficially owned by the Shareholder) subject to the tender offer or exchange offer have affirmatively accepted such offer and deposited the Voting Securities in accordance with the terms of the offer; and (Z) no Shareholder made any public or private disclosure of its intention to participate in the tender offer or exchange offer prior to acceptance by no less than 51% of the total outstanding Voting Securities as described in (Y) above; or (d) in connection with a Business Combination Transaction, whether or not recommended by a majority of the Independent Directors, that occurred by operation of law, provided that the Shareholder was otherwise in compliance with this Agreement.

Section 3.2 Voting Restrictions.

(a) Non-Class Voting. In connection with any matter in which a Shareholder has voting rights related to Voting Securities not entitled to vote separately as a class but that vote together with all other Voting Securities not entitled to vote separately as a class on such matter, the number of votes which such Shareholder shall be entitled to cast at its sole discretion with respect to such matter shall not exceed one vote fewer than twenty percent (20%) of the aggregate number of votes entitled to be cast thereon by all securities of the Company entitled to vote on such matter, less the votes entitled to be cast by any other Shareholder not entitled to vote separately as a class.

(b) Class Voting. In connection with any matter in which the Shareholder has voting rights which are entitled to be counted separately as part of a class of securities entitled to vote as a class on such matter, the number of votes which the Shareholder shall be entitled to cast at his sole discretion with respect to such matter shall not exceed one vote fewer than twenty

percent (20%) of the aggregate number of votes entitled to be cast thereon by all securities of such class.

(c) Limitation. If the Shareholder would otherwise be entitled to cast votes in excess of the number calculated pursuant to clauses (a) and (b) above, then the balance of such votes shall be cast for, against or abstain in respect of such matter in the same proportion as the votes cast for, against or abstain by all other shareholders of the Company entitled to vote on the matter.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Shareholder.

(a) Binding Agreement. The Shareholder represents and warrants as follows: (i) the Shareholder has the capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (ii) the Shareholder has duly and validly executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) No Conflict. The Shareholder represents and warrants that neither the execution and delivery of this Agreement, nor the compliance with any of the provisions hereof in each case by the Shareholder (i) requires any consent, approval, authorization or permit of, registration, declaration or filing with, or notification to, any Governmental Entity (except for filings under the Exchange Act or Communications Act), (ii) results in a default (or an event which, with notice or lapse of time or both, will result in a default) or gives rise to any right of termination by any third party, cancellation, amendment or acceleration under any material contract, agreement, instrument, commitment, arrangement or understanding or results in the creation of a security interest, lien, charge, encumbrance, equity or claim with respect to any of the securities of the Company beneficially owned by the Shareholder, (iii) requires any material consent, authorization or approval of any person other than a Governmental Entity which has not been obtained, (iv) violates or conflicts with any order, writ, injunction, decree or law applicable to the Shareholder or the securities of the Company beneficially owned by the Shareholder or (v) violates or conflicts with the organizational documents, if any, of the Shareholder.

(c) Share Ownership. The Shareholder represents and warrants that (i) except as set forth in Schedule 4.1, the Shareholder is the record owner of the number of shares of Common Stock of the Company set forth on Schedule 4.1 (the "SHAREHOLDER SHARES"), free and clear of any restriction on the right to vote the Shareholder Shares; (ii) the Shareholder holds exclusive power to vote the Shareholder Shares, subject to the limitations set forth in that certain Voting Agreement, dated October 2, 1999, by and between the Shareholder and the Company; and (iii) the Shareholder Shares represent all of the shares of capital stock of the Company owned of record by the Shareholder.

ARTICLE 5

MISCELLANEOUS

Section 5.1 Termination. This Agreement shall terminate upon the earlier to occur of the following: (i) August 30, 2005, (ii) the agreement of the parties hereto to terminate this Agreement, or (iii) the date on which a person or group (not including the Shareholder or his Affiliates) beneficially owns more than 50% of the Voting Power, whether by way of tender or exchange offer or otherwise.

Section 5.2 Survival. The representations and warranties herein contained shall survive indefinitely following the termination of this Agreement, subject to applicable statutes of limitation, if any; provided, however, that no representations and warranties shall survive the termination of this Agreement pursuant to Section 5.1(ii).

Section 5.3 Specific Enforcement. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur and it would be extremely impracticable and difficult to measure damages. Accordingly, in addition to any other rights and remedies to which the parties may be entitled by law or equity, each party shall be entitled to seek specific performance of the terms hereof. Further, the parties hereto expressly waive (a) the defense that a remedy in damages will be adequate and (b) any requirement, in an action for specific performance, for the posting of a bond.

Section 5.4 No Waiver. The parties hereby agree that no failure or delay by a party to this Agreement, in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

Section 5.5 Governing Law. This Agreement shall be governed and construed in all respects in accordance with the laws of the State of Texas (without giving effect to the provisions thereof relating to conflicts of law). The Company and the Shareholder hereby consent to personal jurisdiction in any action brought with respect to this Agreement and the transactions contemplated hereby in the United States District Court for the Western District of Texas sitting in Bexar County, Texas.

Section 5.6 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the parties hereto.

Section 5.7 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth herein or therein. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the

party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

Section 5.8 Third Party Beneficiaries. The terms and provisions of this Agreement are enforceable by only the parties hereto. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any person or entity (including persons or entities subject to similar agreements) not a party to this Agreement.

Section 5.9 Interpretation. Headings of the Articles and Sections of this Agreement are for convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

Section 5.10 Notices. Unless otherwise provided, any notice, request, demand or other communication required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified, or when sent by telex or telecopier (with receipt confirmed), or one business day following deposit with overnight courier or three business days following deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed as follows (or at such other address as a party may designate by notice to the other):

If to the Company:

Clear Channel Communications, Inc.
200 East Basse Road
San Antonio, Texas 78209
Attention: Randall T. Mays
Telephone: (210) 822-2828
Facsimile: (210) 822-2299

With a copy to:

Akin, Gump, Strauss, Hauer & Feld, L.L.P.
1700 Pacific Avenue
Suite 4100
Dallas, Texas 75201-4675
Attention: Kenneth J. Menges, P.C.
Telephone: (214) 969-2800
Facsimile: (214) 969-4343

If to the Shareholder:

L. Lowry Mays
c/o Clear Channel Communications, Inc.
200 East Basse Road
San Antonio, Texas 78209
Telephone: (210) 822-2828
Facsimile: (210) 822-2299

Section 5.11 Assignment. Without the prior written consent of the other parties hereto, no party hereto may assign this Agreement or any of its rights or obligations hereunder, in whole or in part, by operation of law or otherwise except that the Company may, without the prior written consent of the other parties, assign this Agreement upon a merger, consolidation, "business combination" as defined in Part Thirteen of the Texas Business Corporation Act as in effect on the date hereof, compulsory share exchange, recapitalization or other similar transaction, provided that holders of the capital stock of the Company or the surviving entity immediately prior to such transaction hold at least a majority of the capital stock of the Company or the surviving entity immediately after such transaction.

Section 5.12 Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

Section 5.13 Facsimile Signatures. Any signature page delivered by a fax machine or telecopy machine shall be binding to the same extent as an original signature page, with regard to any agreement subject to the terms hereof or any amendment thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party which requests it.

Section 5.14 Counterparts. This Agreement may be executed in counterpart, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

Section 5.15 Shareholder Capacity. No covenant or agreement of the Shareholder contained herein is made by the Shareholder in his capacity as a director or officer.

Section 5.16 No Recourse Against Others. No past, present or future partner, director, officer, employee, member or stockholder of a Shareholder or any of their respective partners, directors, officers, employees, members or stockholders (unless such person has executed this Agreement) shall have any liability for any obligations of the Shareholder under this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

CLEAR CHANNEL COMMUNICATIONS, INC.,
A TEXAS CORPORATION

By: /s/ RANDALL T. MAYS

Name: Randall T. Mays
Title: Executive Vice President and
Chief Financial Officer

SHAREHOLDER:

/s/ L. LOWRY MAYS

L. Lowry Mays

SCHEDULE 4.1

Share Ownership

Shareholder	Shares Owned	Class
L. Lowry Mays	31,840,668(1)	Common

----

(1) Includes 2,395,000 shares subject to options held by Mr. Mays, 48,456 shares held by trusts of which Mr. Mays is the trustee, but not a beneficiary, 9,826,354 shares held by certain grantor retained annuity trusts of which Mr. Mays is not the trustee, but is the beneficiary, 16,698,566 held by the LLM Partners Ltd of which Mr. Mays is the general partner, and 174,123 shares held by the Mays Family 2000 Charitable Lead Annuity Trust, over which Mr. Mays has either sole or shared investment or voting authority.

EXHIBIT 10.19 - SHAREHOLDERS' AGREEMENT

SHAREHOLDERS' AGREEMENT

This SHAREHOLDERS' AGREEMENT (this "AGREEMENT") is entered into this 10th day of March, 2004 by and among CLEAR CHANNEL COMMUNICATIONS, INC., a Texas corporation (the "COMPANY"), and the shareholders of the Company listed on the signature page hereof (the "SHAREHOLDERS").

WITNESSETH:

WHEREAS, the Company, CCU Merger Sub, Inc., a Delaware corporation ("MERGER SUB"), and AMFM INC., a Delaware corporation ("AMFM"), entered into an Agreement and Plan of Merger, dated October 2, 1999, pursuant to which the parties thereto agreed, upon the terms and subject to the conditions set forth therein, to merge the Merger Sub with and into AMFM (the "MERGER");

WHEREAS, the Merger was consummated on August 30, 2000;

WHEREAS, in connection with the Merger, the Company, L. Lowry Mays, 4-M Partners, Ltd., a Texas limited partnership, and the Shareholders entered into that certain Shareholders Agreement, dated October 2, 1999 (the "ORIGINAL SHAREHOLDERS AGREEMENT");

WHEREAS, pursuant to Section 6.1 of the Original Shareholders Agreement, the Original Shareholders Agreement is being terminated concurrently herewith; and

WHEREAS, the Company and the Shareholders wish to provide for and acknowledge certain arrangements and understandings respecting the share ownership of the Shareholders and certain other matters by entering into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Company and the Shareholders hereby agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

The following terms, as used in this Agreement, shall have the respective meanings set forth in this Article 1:

"AFFILIATE" of any Person, means (i) another Person that, directly or indirectly, through one or more intermediaries controls, is controlled by, or is under common control with, such first Person; (ii) another Person whose assets are attributable to such first Person pursuant to the attribution rules and regulations of the Communications Act; or (iii) another Person who is a member of a 13d Group with such first Person. Notwithstanding the foregoing, for purposes of this Agreement, L. Lowry Mays shall not constitute an "Affiliate" of any Shareholder, and no Shareholder shall constitute an "Affiliate" of L. Lowry Mays.

"BENEFICIAL OWNER" or "BENEFICIALLY OWNED" or "BENEFICIAL OWNERSHIP" shall have the meaning assigned to such term in Rule 13d-3 under the Exchange Act.

"BOARD" or "BOARD OF DIRECTORS" means the board of directors of the Company, as constituted from time to time.

"BUSINESS COMBINATION TRANSACTION" shall mean (A) a (i) merger, (ii) consolidation, (iii) "BUSINESS COMBINATION" as defined in Part Thirteen of the Texas Business Corporation Act as in effect on the date hereof, (iv) compulsory share exchange, (v) recapitalization or (vi) a transaction in which the Company or any successor or Subsidiary of the Company is a constituent corporation or to which the Company or any successor or Subsidiary of the Company is a party or (B) a sale of a substantial portion of the assets of the Company or any successor, division or Subsidiary of the Company; provided, however, for purposes of this Agreement, none of the foregoing shall constitute a "Business Combination Transaction" if the beneficial ownership of the capital stock of the Company or the surviving entity (following a merger in which the Company ceases to exist) immediately after the consummation of the transaction is substantially the same as the beneficial ownership of the capital stock of the Company immediately prior to the transaction.

"COMMON STOCK" means the common stock of the Company, par value $0.10 per share.

"COMMUNICATIONS ACT" means the Communications Act of 1934, as amended, and any regulations promulgated thereunder.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, or any successor federal statute, as in effect from time to time.

"FCC" means the Federal Communications Commission.

"FCC RULE" means any FCC rule, regulation or policy regarding ownership of, control over, or any relationship with any medium of mass communication.

"GOVERNMENTAL ENTITY" means any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"INDEPENDENT DIRECTOR" means, with respect to a matter presented to the Board of Directors for approval, any member of the Board of Directors who under the Texas Business Corporation Act, does not have an interest in the matter presented for approval.

"NON-LISTED ASSETS" means all radio, television, and outdoor advertising assets owned by any Shareholder or any Affiliate of a Shareholder from time to time that are not listed on Schedule 4.1 hereto.

"PERSON" means any natural person, firm, individual, business trust, trust, association, corporation, partnership, joint venture, company, unincorporated entity or Governmental Entity.

"SUBSIDIARY" or "SUBSIDIARIES" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by such first Person.

"13d GROUP" means a group within the meaning of Section 13(d)(3) of the Exchange Act.

"VOTING POWER" means, with respect to Voting Securities, the maximum number of votes that the holders of Voting Securities are entitled (at the time of determination of Voting Power) to vote in the election of directors (except to the extent such voting rights are contingent upon dividend arrearages or similar circumstances).

"VOTING SECURITIES" means the Common Stock and any other securities of the Company or its successors that are entitled by their terms to vote generally in the election of directors of the Company or its successors and all options, rights, warrants and other securities convertible into, or exercisable or exchangeable for, any shares of the Common Stock or other securities possessing such voting rights.

ARTICLE 2

SHAREHOLDER ACTIVITIES

Section 2.1 Certain Agreements of the Shareholders.

(a) General. The Shareholders jointly and severally covenant and agree that from and after the date hereof, except as specifically permitted or contemplated by this Agreement or unless previously approved in writing by the Company upon the approval of a majority of the Independent Directors, the Shareholders and their Affiliates will not in any manner, directly or indirectly, acting alone or in concert with others:

(i) beneficially own or seek to beneficially own, directly or indirectly, Voting Securities of the Company such that the aggregate beneficial ownership of the Shareholders and their Affiliates exceeds 20% of the total Voting Securities of the Company outstanding at any time (such 20% limitation of the total Voting Securities outstanding from time to time shall be referred to as the "PERCENTAGE LIMITATION");

(ii) acquire or offer, agree, attempt, seek, propose or announce an intention to acquire, directly or indirectly, by purchase or otherwise, any Voting Securities (or any direct or indirect beneficial ownership, rights, options or interests therein), if after the consummation of such acquisition the Shareholders and their Affiliates would have an aggregate beneficial ownership of Voting Securities in excess of the Percentage Limitation;

(iii) acquire or offer, agree, attempt, seek, propose or announce an intention to acquire, directly or indirectly, by purchase or otherwise, any assets of the Company or any of its successors or Subsidiaries;

(iv) (A) solicit proxies or consents or become a "participant" in a "solicitation" (as such terms are defined or used in Regulation 14A under the Exchange Act) of proxies or consents with respect to securities of the Company or any of its successors or Subsidiaries; (B) initiate any shareholder proposal or "election contest" (as such term is defined or used in Rule 14a-11 under Exchange Act) with respect to the Company or any of its successors or Subsidiaries; or (C) directly or indirectly, advise, assist, encourage, induce or act as a financing source for others to take any such action;

(v) take any action for the purpose of (A) convening a meeting of the shareholders of the Company or any of its successors or Subsidiaries; (B) taking action by written consent of the shareholders of the Company or any of its successors or Subsidiaries; or (C) directly or indirectly, advise, assist, encourage, induce or act as a financing source for others to take such action;

(vi) except in connection with actions otherwise permitted by this Agreement, make any public announcement or disclosure relating to (A) the acquisition of Voting Securities that would result in the aggregate beneficial ownership of Voting Securities of the Shareholders and their Affiliates exceeding the Percentage Limitation; (B) a proposal for a Business Combination Transaction; or (C) a tender offer or exchange offer for Voting Securities;

(vii) except as permitted by Section 3.1, enter into or agree, offer, commence, propose or seek to enter into, discuss or otherwise be involved in or part of, directly or indirectly, any (A) tender offer or exchange offer for Voting Securities or (B) any Business Combination Transaction;

(viii) request or solicit any Person or negotiate with any Person to (A) make a tender offer or exchange offer for Voting Securities or (B) make a Business Combination Transaction;

(ix) make any proposal (A) to the Company or its Board of Directors for a Business Combination Transaction or (B) for a tender offer or exchange offer for Voting Securities;

(x) except in connection with bona fide estate planning activities undertaken by a Shareholder who is an individual, deposit Voting Securities into a voting trust or subject Voting Securities to voting agreements, or grant any proxy with respect to any Voting Securities to any person not designated by the Company's Board of Directors, other than in connection with a bona fide pledge of Voting Securities by a Shareholder who is an individual;

(xi) form, join or in any way participate in a 13d Group for the purpose of taking any action restricted or prohibited under any clause of this Subsection (a) of Section 2.1;

(xii) disclose publicly any intention, plan or arrangement inconsistent with the foregoing or the other provisions of this Agreement relating to any Voting Securities; or

(xiii) enter into any discussions, negotiations, arrangements or understandings with any third party with a view to, or advise, aid, abet, solicit, induce, encourage

or finance in whole or in part, any action prohibited by any clause of this Subsection (a) of Section 2.1 if such action were taken by the Shareholders or their Affiliates or which action would be prohibited by any clause of this Subsection (a) of Section 2.1 if such third party were a Shareholder or an Affiliate of a Shareholder.

(b) Suspension. The agreements contained in Subsection (a) of this Section 2.1 shall not apply during the pendency of a Business Combination Transaction approved by a majority of the Independent Directors.

ARTICLE 3

RESTRICTIONS ON TRANSFER

Section 3.1 Transfer Restrictions Applicable to the Shareholders. The parties hereto agree that from and after the date hereof the Shareholders and their Affiliates may, at any time, directly or indirectly, sell, transfer any beneficial interest in, pledge, hypothecate or otherwise dispose, or offer or enter into any agreement or understanding to sell, any Voting Securities; provided, however, the Shareholders agree that they and their Affiliates may not sell Voting Securities, to a Person who, after consummation of such sale, will beneficially own, directly or indirectly, more than 20% of the outstanding Voting Securities, except (a) upon the prior consent of a majority of the Independent Directors specifically expressed in a resolution; (b) in connection with a tender offer or exchange offer, Business Combination Transaction, or a similar transaction recommended by a majority of the Independent Directors; (c) in response to a tender offer or exchange offer not approved by the Independent Directors if (X) no Shareholder or Affiliate of a Shareholder, directly or indirectly, initiated or commenced or advised, assisted, encouraged, induced or acted as a financing source for others to commence such tender offer or exchange offer; (Y) holders of no less than 51% (excluding the Voting Securities beneficially owned by the Shareholders and their Affiliates) of the total outstanding Voting Securities (including the Voting Securities beneficially owned by the Shareholders and their Affiliates) subject to the tender offer or exchange offer have affirmatively accepted such offer and deposited the Voting Securities in accordance with the terms of the offer; and (Z) no Shareholder or Affiliate of a Shareholder made any public or private disclosure of its intention to participate in the tender offer or exchange offer prior to acceptance by no less than 51% of the total outstanding Voting Securities as described in (Y) above; or (d) in connection with a Business Combination Transaction, whether or not recommended by a majority of the Independent Directors, that occurred by operation of law provided that the Shareholders and their Affiliates were otherwise in compliance with this Agreement.

Section 3.2 Notice of Distributions. In connection with any dividend or distribution of Voting Securities to the holders of equity interests of any Shareholder that is a partnership, corporation or other entity, each Shareholder that is a partnership, corporation or other entity severally agrees to provide the Company with at least ten (10) days prior written notice of such dividend or distribution to its equity holders.

Section 3.3 Voting Restrictions.

(a) Non-Class Voting. In connection with any matter in which a Shareholder has voting rights related to Voting Securities not entitled to vote separately as a class but that vote together with all other Voting Securities not entitled to vote separately as a class on such matter, the number of votes which such Shareholder shall be entitled to cast at its sole discretion with respect to such matter shall not exceed one vote fewer than twenty percent (20%) of the aggregate number of votes entitled to be cast thereon by all securities of the Company entitled to vote on such matter, less the votes entitled to be cast by all other Shareholders and the votes entitled to be cast by all Affiliates of the Shareholders relating to Voting Securities not entitled to vote separately as a class.

(b) Class Voting. In connection with any matter in which a Shareholder has voting rights which are entitled to be counted separately as part of a class of securities entitled to vote as a class on such matter, the number of votes which such Shareholder shall be entitled to cast at its sole discretion with respect to such matter shall not exceed one vote fewer than twenty percent (20%) of the aggregate number of votes entitled to be cast thereon by all securities of such class, less the votes entitled to be cast by all other Shareholders and the votes entitled to be cast by all Affiliates of the Shareholders relating to Voting Securities of the same class.

(c) Limitation. If any Shareholder would otherwise be entitled to cast votes in excess of the number calculated pursuant to clauses (a) and (b) above, then the balance of such votes shall be cast for, against or abstain in respect of such matter in the same proportion as the votes cast for, against or abstain by all other shareholders of the Company entitled to vote on the matter.

ARTICLE 4

OTHER COVENANTS OF THE SHAREHOLDERS

Section 4.1 Regulatory Compliance Responsibilities. The Shareholders jointly and severally covenant and agree that from and after the date hereof:

(a) the Shareholders and their Affiliates will (i) sell or otherwise dispose of, or hold separate and agree to sell or otherwise dispose of, assets, categories of assets or businesses, (ii) amend or terminate existing relationships (including, but not limited to positional interests and debtor-creditor relationships) and contractual rights and obligations, (iii) amend or terminate existing licenses or other intellectual property agreements and enter into new licenses or other intellectual property agreements and (iv) take any and all other action, if any of the foregoing is reasonably likely to be necessary for the purpose of avoiding or preventing any Action; provided that the foregoing clauses (i)-(iv) shall not apply to any assets listed on Schedule 4.1. As used herein, "ACTION" shall mean any action or inaction by the FCC or any Governmental Entity that (A) would adversely affect the ability of the Company and its Affiliates to acquire additional media properties, expand its media properties or enter into joint ventures or other relationships respecting media properties and media-related activities and (B) was caused by or resulted in any way from (i) the attribution to the Company and its Affiliates of the ownership of Non-Listed Assets of a Shareholder and its Affiliates pursuant to the Communications Act which causes the Company or a Shareholder to violate the FCC Rules or (ii) the ownership of Non-Listed Assets of a Shareholder and its Affiliates under applicable

federal, state and local antitrust laws or any other federal, state or local laws. For example, "ACTION" as used herein may include the FCC's failure to grant its consent to an application filed by the Company or an Affiliate of the Company seeking approval for an acquisition of new media of mass communication including, but not limited to, radio and television stations; and

(b) the Shareholders and their Affiliates shall take promptly, in the event that any permanent or preliminary injunction or other order is entered or becomes reasonably foreseeable to be entered in any proceeding that would make consummation of any agreement to which the Company or an Affiliate of the Company is a party in accordance with its terms unlawful or that would prevent or delay consummation of such transaction, any and all steps (including the appeal thereof, the posting of a bond or the taking of the steps contemplated above) necessary to vacate, modify or suspend such injunction or order so as to permit the consummation of such transaction prior to the deadline agreed upon by the parties to such transaction, provided that such injunction or order was caused by or resulted in any way from (x) the attribution to the Company and its Affiliates of the ownership of Non-Listed Assets of a Shareholder and its Affiliates pursuant to the Communications Act which causes the Company or a Shareholder or any of its Affiliates to violate the FCC Rules or (y) the ownership of Non-Listed Assets of a Shareholder and its Affiliates under applicable federal, state and local antitrust laws or any other federal, state or local laws. The foregoing obligations of each Shareholder and its Affiliates shall apply regardless of whether the conflict or violation results in whole or in part from actions of the Company or its Affiliates, actions of the Shareholder or its Affiliates, or changes in any applicable laws.

(c) The Company will promptly provide notice to the Shareholders upon the execution of a definitive agreement for a new acquisition or other transaction which the Company reasonably believes will cause the Shareholders or their Affiliates to incur obligations under this Section 4.1.

Section 4.2 Scope. The foregoing obligations in Section 4.1 shall apply only to radio and television assets of the Shareholders and their Affiliates which assets are located in the United States and outdoor advertising assets of the Shareholders and their Affiliates which assets are located anywhere in the world excluding South America.

Section 4.3 Survival. This Article 4 shall survive the termination of this Agreement for so long as the assets or actions of each Shareholder or its Affiliates are attributable to or deemed to be owned or taken by the Company pursuant to attribution, control or ownership laws, rules or policies of any Governmental Entity.

Section 4.4 Liability Under Article 4. Thomas O. Hicks, a Shareholder, shall not be personally liable for monetary damages arising from a breach or violation of this Article 4 by any other Shareholder; provided, however, all other Shareholders shall be jointly and severally liable for any and all losses or damages, direct or indirect, consequential or otherwise, arising from a breach or violation of this Article 4. Except as set forth above, Thomas O. Hicks shall not in any way be released from the obligations of the Shareholders hereunder.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of the Shareholders.

(a) Binding Agreement. Each Shareholder severally represents and warrants as follows: (i) the Shareholder, if not an individual, is duly organized and validly existing under the laws of the State of its organization; (ii) the Shareholder has the capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (iii) the Shareholder has duly and validly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) No Conflict. Each Shareholder severally represents and warrants that neither the execution and delivery of this Agreement, nor the compliance with any of the provisions hereof in each case by the Shareholder (i) requires any consent, approval, authorization or permit of, registration, declaration or filing with, or notification to, any Governmental Entity (except for filings or notifications under the Exchange Act or Communications Act), (ii) results in a default (or an event which, with notice or lapse of time or both, will result in a default) or gives rise to any right of termination by any third party, cancellation, amendment or acceleration under any material contract, agreement, instrument, commitment, arrangement or understanding, or results in the creation of a security interest, lien, charge, encumbrance, equity or claim with respect to any of the securities of the Company beneficially owned by the Shareholder, (iii) requires any material consent, authorization, or approval of any person other than a Governmental Entity which has not been obtained, (iv) violates or conflicts with any order, writ, injunction, decree or law applicable to the Shareholder or the securities of the Company beneficially owned by the Shareholder or (v) violates or conflicts with the organizational documents, if any, of the Shareholder.

(c) Share Ownership. Each Shareholder severally represents and warrants that (i) except as set forth in Schedule 5.1, the Shareholder is the record owner of the number of shares of Common Stock of the Company set forth opposite his or its name on Schedule 5.1 (the "SHAREHOLDER SHARES"), free and clear of any restriction on the right to vote the Shareholder Shares; (ii) the Shareholder holds exclusive power to vote the Shareholder Shares; and (iii) the Shareholder Shares represent all of the shares of capital stock of the Company owned of record by the Shareholder.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Termination. Except for Article 4, which shall survive for the period specified therein, this Agreement shall terminate upon the earlier to occur of the following: (i)

August 30, 2005, (ii) the agreement of the parties hereto to terminate this Agreement or (iii) the date on which a person or group (not including the Shareholders or their respective Affiliates) beneficially owns more than 50% of the Voting Power, whether by way of tender or exchange offer or otherwise.

Section 6.2 Survival. The representations and warranties herein contained shall survive indefinitely following the termination of this Agreement, subject to applicable statutes of limitation, if any; provided, however, that no representations and warranties shall survive the termination of this Agreement pursuant to Section 6.1(ii).

Section 6.3 Specific Enforcement. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur and it would be extremely impracticable and difficult to measure damages. Accordingly, in addition to any other rights and remedies to which the parties may be entitled by law or equity, each party shall be entitled to seek specific performance of the terms hereof. Further, the parties hereto expressly waive (a) the defense that a remedy in damages will be adequate and (b) any requirement, in an action for specific performance, for the posting of a bond. The Shareholders further agree to use their best efforts to cause their respective partners, trustees, directors, officers, employees and agents to waive, any requirement for the posting of a bond in connection with such remedy.

Section 6.4 No Waiver. The parties hereby agree that no failure or delay by a party to this Agreement, in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

Section 6.5 Governing Law. This Agreement shall be governed and construed in all respects in accordance with the laws of the State of Texas (without giving effect to the provisions thereof relating to conflicts of law). The Company and the Shareholders hereby consent to personal jurisdiction in any action brought with respect to this Agreement and the transactions contemplated hereby in the United States District Court for the Western District of Texas sitting in Bexar County, Texas.

Section 6.6 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the parties hereto.

Section 6.7 Third Party Beneficiaries. The terms and provisions of this Agreement are enforceable by only the parties hereto. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any person or entity (including persons or entities subject to similar agreements) not a party to this Agreement.

Section 6.8 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth herein or therein.

Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

Section 6.9 Interpretation. Headings of the Articles and Sections of this Agreement are for convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever.

Section 6.10 Notices. Unless otherwise provided, any notice, request, demand or other communication required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified, or when sent by telex or telecopier (with receipt confirmed), or one business day following deposit with overnight courier or three business days following deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed as follows (or at such other address as a party may designate by notice to the other):

If to the Company:

Clear Channel Communications, Inc.
200 East Basse Road
San Antonio, Texas 78209
Attention: Randall T. Mays
Telephone: (210) 822-2828
Facsimile: (210) 822-2299

With a copy to:

Akin Gump Strauss Hauer & Feld LLP
1700 Pacific Avenue
Suite 4100
Dallas, Texas 75201-4675
Attention: Kenneth J. Menges, P.C.
Telephone: (214) 969-2800
Facsimile: (214) 969-4343

If to the Shareholders:

c/o Hicks, Muse, Tate & Furst Incorporated
200 Crescent Court
Suite 1600
Dallas, Texas 75201
Attention: Thomas O. Hicks
Telephone: (214) 740-7300
Facsimile: (214) 740-7313

With a copy to:

Hicks, Muse, Tate & Furst Incorporated
200 Crescent Court
Suite 1600
Dallas, Texas 75201
Attention: Legal Department
Telephone: (214) 740-7300
Facsimile: (214) 740-7313

Section 6.11 Assignment. Without the prior written consent of the other parties hereto, no party hereto may assign this Agreement or any of its rights or obligations hereunder, in whole or in part, by operation of law or otherwise except that the Company may, without the prior written consent of the other parties, assign this Agreement upon a merger, consolidation, "business combination" as defined in Part Thirteen of the Texas Business Corporation Act as in effect on the date hereof, compulsory share exchange, recapitalization or other similar transaction, provided that holders of the capital stock of the Company or the surviving entity immediately prior to such transaction hold at least a majority of the capital stock of the Company or the surviving entity immediately after such transaction.

Section 6.12 Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

Section 6.13 Facsimile Signatures. Any signature page delivered by a fax machine or telecopy machine shall be binding to the same extent as an original signature page, with regard to any agreement subject to the terms hereof or any amendment thereto. Any party who delivers such a signature page agrees to later deliver an original counterpart to any party which requests it.

Section 6.14 Counterparts. This Agreement may be executed in counterpart, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

Section 6.15 Shareholder Capacity. No covenant or agreement of Thomas O. Hicks contained herein shall be deemed to be made by him in his capacity as a director or officer. All Shareholders other than Thomas O. Hicks shall be jointly and severally liable for any breach of this Agreement by any Shareholder, including Thomas O. Hicks.

Section 6.16 No Recourse Against Others. No past, present or future partner, director, officer, employee, member or stockholder of a Shareholder or any of their respective partners, directors, officers, employees, members or stockholders (unless such person has executed this Agreement) shall have any liability for any obligations of the other Shareholders under this

Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

[signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

CLEAR CHANNEL COMMUNICATIONS,
INC., A TEXAS CORPORATION

By: /s/ RANDALL T. MAYS

Name: Randall T. Mays

Title: Executive Vice President and
Chief Financial Officer

SHAREHOLDERS:

HICKS, MUSE, TATE & FURST EQUITY FUND III, L.P.

By: HM3/GP PARTNERS, L.P.,
its general partner

By: HICKS, MUSE GP PARTNERS III, L.P.,
its general partner

By: HICKS, MUSE FUND III INCORPORATED,
its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HM3 COINVESTORS, L.P.

By: HICKS, MUSE GP PARTNERS III, L.P.,
its general partner

By: HICKS, MUSE FUND III INCORPORATED,
its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HICKS, MUSE, TATE & FURST EQUITY
FUND IV, L.P.

By: HM4 PARTNERS, L.P., its general
partner

By: HICKS, MUSE GP PARTNERS LA,
L.P., its general partner

By: HICKS, MUSE LATIN
AMERICA FUND I
INCORPORATED, its general
partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HICKS, MUSE, TATE & FURST PRIVATE EQUITY
FUND IV, L.P.

By: HM4 PARTNERS, L.P., its general
partner

By: HICKS, MUSE GP PARTNERS LA,
L.P., its general partner

By: HICKS, MUSE LATIN
AMERICA FUND I
INCORPORATED, its general
partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HM 1-FOF COINVESTORS, L.P.

By: HICKS, MUSE GP PARTNERS LA, L.P.,
its general partner

By: HICKS, MUSE LATIN AMERICA
FUND I INCORPORATED, its
general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HM4-EQ COINVESTORS, L.P.

By: HICKS, MUSE GP PARTNERS IV, L.P.,
its general partner

By: HICKS, MUSE FUND IV LLC,
its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HM4-EN COINVESTORS, L.P.

By: HICKS, MUSE GP PARTNERS IV, L.P.,
its general partner

By: HICKS, MUSE FUND IV LLC,
its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HM4-P COINVESTORS, L.P.

By: HICKS, MUSE GP PARTNERS IV, L.P.,
its general partner

By: HICKS, MUSE FUND IV LLC,
its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

CAPSTAR BOSTON PARTNERS, L.L.C.

By: HM3/GP PARTNERS, L.P., its managing
member

By: HICKS, MUSE GP PARTNERS III,
L.P., its general partner

By: HICKS, MUSE FUND III INCORPORATED, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

HM4/CHANCELLOR, L.P.

By: HICKS, MUSE FUND IV LLC, its general partner

By: /s/ DAVID W. KNICKEL

Name: David W. Knickel

Title: Vice President, Treasurer and Secretary

/s/ THOMAS O. HICKS

THOMAS O. HICKS

SCHEDULE 4.1

Listed Assets

1. Any assets, categories of assets or businesses of LIN TV Corp. and its subsidiaries.

2. Any assets, categories of assets or businesses of Banks Broadcasting, Inc. and its subsidiaries.

SCHEDULE 5.1

Share Ownership

Shareholder	Shares Owned	Class
Hicks, Muse, Tate & Furst Equity Fund III, L.P.	16,553,871	Common
HM3 Coinvestors, L.P.	219,608	Common
Hicks, Muse, Tate & Furst Equity Fund IV, L.P.	9,545,585	Common
Hicks, Muse, Tate & Furst Private Equity Fund IV, L.P.	64,207	Common
HM 1-FOF Coinvestors, L.P.	259	Common
HM4-EQ Coinvestors, L.P.	148,137	Common
HM4-EN Coinvestors, L.P.	26,478	Common
HM4-P Coinvestors, L.P.	16,670	Common
Capstar Boston Partners, L.L.C.	127,027	Common
HM4 Chancellor, L.P.	8,029,935	Common
Thomas O. Hicks	2,781,744(1)	Common

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(1) As of the date hereof, of the 2,781,744 shares of Common Stock for which Mr. Hicks has sole voting and dispositive power, 2,036,472 shares are held of record by Mr. Hicks, 237,989 shares are held of record by Mr. Hicks as the trustee of certain trusts for the benefit of Mr. Hicks' children, 102,366 shares are held of record by a private foundation controlled by Mr. Hicks, and 149,059 shares are owned of record by two limited partnerships, the general partner of each of which is a limited liability company of which Mr. Hicks is the sole member. Included in the 2,781,744 shares of Common Stock for which Mr. Hicks has sole voting and dispositive power are options to purchase shares of Common Stock which are exercisable within sixty days and are held as follows: options held of record by Mr. Hicks to purchase 2,000 shares of Common Stock and 1,500 shares of Common Stock at a price of $57.47 and $46,95, respectively, and options held of record by Mr. Hicks as the trustee of certain trusts for the benefit of Mr. Hicks' children to purchase 252,358 shares of Common Stock at a price of $55.32. Of the 34,806,777 shares of Common Stock for which Mr. Hicks has shared voting and dispositive power, 75,000 shares are owned by Mr. Hicks of record as the co-trustee of a trust for the benefit of unrelated parties.

EXHIBIT 10.20 - EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT

This Employment Agreement is entered into this 18th day of February 2004 effective the 1st day of February, 2004 (the "Effective Date") between Clear Channel Broadcasting, Inc. (the "Company") and Paul Meyer (the "Employee").

WHEREAS, the Company and the Employee desire to enter into an employment relationship under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. TERM OF EMPLOYMENT.

The Employee's current Term of employment starts on the Effective Date, above, and ends on January 31, 2006 unless neither party has given the notice described in Section 7(c)or 7(d), below. If such notice has not been given on or before January 31, 2005 the Term shall automatically extend, beginning February 1, 2005, one day at a time, until such notice has been given.

2. TITLE AND DUTIES.

The Employee's title is President and Chief Executive Officer, Clear Channel Outdoor. The Employee will perform job duties that are usual and customary for this position, and will perform additional services and duties that the Company may from time to time designate that are consistent with the usual and customary duties of this position. The Employee will report to Mark Mays, President and Chief Operating Officer, Clear Channel Broadcasting, Inc. The Employee will devote his full working time and efforts to the business and affairs of Clear Channel Outdoor.

3. COMPENSATION AND BENEFITS

(a) BASE SALARY. The Company will pay the Employee an annual base salary of $475,000 for the period from February 1, 2004 through January 31, 2005; and $500,000 for the period from February 1, 2005 through January 31, 2006. The Employee will be eligible for additional annual raises after January 31, 2006 commensurate with Company policy. All payments of base salary will be made in installments according to the Company's regular payroll practice, prorated monthly or weekly where appropriate, and subject to any increases that are determined to be appropriate by the Board or its Compensation Committee

(b) PERFORMANCE BONUS. No later than March 31 of each calendar year during the term, Employee will be eligible to receive a performance bonus as set forth in the Performance Bonus Calculation attached as "Exhibit A" to this Employment Agreement.

(c) EMPLOYMENT BENEFIT PLANS. The Employee will be entitled to participate in all pension, profit sharing, and other retirement plans, all incentive compensation plans, and all

group health, hospitalization and disability or other insurance plans, paid vacation, sick leave and other employee welfare benefit plans in which other similarly situated employees of the Company may participate as stated in the employee guide.

(d) EXPENSES. The Company will pay or reimburse the Employee for all normal and reasonable travel and entertainment expenses incurred by the Employee in connection with the Employee's responsibilities to the Company upon submission of proper vouchers in accordance with the Company's expense reimbursement policy.

(e) STOCK OPTIONS. As additional, specific consideration to Employee for entering into this Agreement, Employee shall receive 25,000 options to purchase Clear Channel Stock subject to the terms and conditions as set by the Board at its February 2004 meeting. Any future stock option grants will be granted based upon the performance of the Employee, which will be assessed in the sole discretion of the Company and the Compensation Committee of the Board. All option grants shall be made under the terms and conditions set forth in the applicable Clear Channel Communications Stock Option Plan under which they are issued. The Company reserves the right to modify any future Company incentive compensation or stock option plan with respect to the change of control, the granting of restricted stock or any other provision of such plans. The Company's obligations under this agreement to the Employee in the area of stock options are conditioned upon and subject to the Company's future decision, in its sole discretion, to: 1) alter, suspend or discontinue its stock option grant program; or 2) replace the program with an alternative form or method of compensation.

4. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.

During the course of the Employee's employment with the Company, the Company will provide the Employee with access to certain confidential information, trade secrets, and other matters which are of a confidential or proprietary nature, including but not limited to the Company's customer lists, pricing information, production and cost data, compensation and fee information, strategic business plans, budgets, financial statements, and other information the Company treats as confidential or proprietary (collectively the "Confidential Information"). The Company provides on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid the Employee in the performance of his duties. The Employee understands and acknowledges that such Confidential Information is confidential and proprietary, and agrees not to disclose such Confidential Information to anyone outside the Company except to the extent that (i) the Employee deems such disclosure or use reasonably necessary or appropriate in connection with performing his duties on behalf of the Company; (ii) the Employee is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, the Employee shall promptly inform the Company of such event, shall cooperate with the Company in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order; or (iii) such Confidential Information becomes generally known to and available for use in the industries in which the Company does business, other than as a result of any action or inaction by the Employee. The Employee further agrees that he will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company. At such time as the Employee shall cease to be employed by the Company, he will immediately turn over to the Company all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of

them, provided to or created by him during the course of his employment with the Company. This nondisclosure covenant is binding on the Employee, as well as his heirs, successors, and legal representatives, and will survive the termination of this Agreement for any reason.

5. NONHIRE OF COMPANY EMPLOYEES.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee’s employment with the Company and for a period of twelve months thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, (i) hire any current or prospective employee of the Company, or any subsidiary or affiliate of the Company (including, without limitation, any current or prospective employee of the Company within the 6-month period preceding the Employee’s last day of employment with the Company or within the 12-month period of this covenant) who worked, works, or has been offered employment by the Company; (ii) solicit or encourage any such employee to terminate their employment with the Company, or any subsidiary or affiliate of the Company; or (iii) solicit or encourage any such employee to accept employment with any business, operation, corporation, partnership, association, agency, or other person or entity with which the Employee may be associated. If, during the term of this non-hire covenant, the Employee learns that any such employee has accepted employment with any business, operation, corporation, partnership, association, agency, or other person or entity with which the Employee may be associated (other than the Company), the Employee will immediately send notice to the Company identifying the employee and certifying that the Employee did not breach any provision of this non-hire covenant.

6. NON-COMPETITION.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the Employee’s employment with the Company and for a period of one year thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is in the same business as the Company in any location in which the Company, or any subsidiary or affiliate of the Company, operates or has plans or has projected to operate during the Employee’s employment with the Company, including any area within a 50-mile radius of any such location. The foregoing shall not prohibit the Employee from owning up to 5.0% of the outstanding stock of any publicly held company. Notwithstanding the foregoing, after the Employee’s employment with the Company has terminated, upon receiving written permission by the Board, the Employee shall be permitted to engage in such competing activities that would otherwise be prohibited by this covenant if such activities are determined in the sole discretion of the Board in good faith to be immaterial to the operations of the Company, or any subsidiary or affiliate of the Company, in the location in question.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee’s employment with the Company and for a period of one year thereafter, regardless of the reason for termination of employment, the Employee will not,

directly or indirectly, either for himself or for any other business, operation, corporation, partnership, association, agency, or other person or entity, call upon, compete for, solicit, divert, or take away, or attempt to divert or take away current or prospective customers (including, without limitation, any customer with whom the Company, or any subsidiary or affiliate of the Company, (i) has an existing agreement or business relationship; (ii) has had an agreement or business relationship within the six-month period preceding the Employee’s last day of employment with the Company; or (iii) has included as a prospect in its applicable pipeline) of the Company, or any subsidiary or affiliate of the Company.

The Company and the Employee agree that the restrictions contained in this noncompetition covenant are reasonable in scope and duration and are necessary to protect the Company’s business interests and Confidential Information. If any provision of this noncompetition covenant as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the scope, duration, or geographic area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the scope and/or duration and/or geographic area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced. The parties agree and acknowledge that the breach of this noncompetition covenant will cause irreparable damage to the Company, and upon breach of any provision of this noncompetition covenant, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief; provided, however, that this shall in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages).

Should the Employee violate the provisions of this noncompetition covenant, then in addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which the Employee began such violation until he permanently ceases such violation

7. TERMINATION.

The Employee’s employment with the Company may be terminated under the following circumstances:

(a) DEATH. The Employee’s employment with the Company shall terminate upon his death.

(b) DISABILITY. The Company may terminate the Employee’s employment with the Company if, as a result of the Employee’s incapacity due to physical or mental illness, the Employee is unable to perform his duties under this Agreement on a full-time basis for more than 90 days in any 12 month period, as determined by the Company.

(c) TERMINATION BY THE COMPANY. The Company may terminate the Employee’s employment with the Company for any reason at any time upon one year’s written notice. The Company may also terminate his employment for Cause. A termination for Cause must be for one or more of the following reasons: (i) conduct by the Employee constituting a material act of willful misconduct in connection with the performance of his duties, including, without

limitation, violation of the Company's policy on sexual harassment, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes, or other willful misconduct as determined in the sole discretion of the Company; (ii) continued, willful and deliberate non-performance by the Employee of his duties hereunder (other than by reason of the Employee's physical or mental illness, incapacity or disability) where such non-performance has continued for more than 10 days following written notice of such non-performance; (iii) the Employee's refusal or failure to follow lawful directives where such refusal or failure has continued for more than 30 days following written notice of such refusal or failure; (iv) a criminal or civil conviction of the Employee, a plea of nolo contendere by the Employee, or other conduct by the Employee that, as determined in the sole discretion of the Board, has resulted in, or would result in if he were retained in his position with the Company, material injury to the reputation of the Company, including, without limitation, conviction of fraud, theft, embezzlement, or a crime involving moral turpitude; (v) a breach by the Employee of any of the provisions of this Agreement; or (vi) a violation by the Employee of the Company's employment policies.

(d) TERMINATION BY THE EMPLOYEE. The Employee may terminate his employment with the Company at any time with a one year written notice to Company.

8. COMPENSATION UPON TERMINATION.

(a) DEATH. If the Employee's employment with the Company terminates by reason of his death, the Company will, within 90 days, pay in a lump sum amount to such person as the Employee shall designate in a notice filed with the Company or, if no such person is designated, to the Employee's estate, the Employee's accrued and unpaid base salary and prorated bonus, if any (See Exhibit A), and any payments to which the Employee's spouse, beneficiaries, or estate may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(b) DISABILITY. If the Employee's employment with the Company terminates by reason of his disability, the Company shall, within 90 days, pay in a lump sum amount to the Employee his accrued and unpaid base salary and prorated bonus, if any (See Exhibit A), and any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(c) TERMINATION BY THE COMPANY FOR CAUSE. If the Employee's employment with the Company is terminated by the Company for Cause the Company will, within 90 days, pay in a lump sum amount to the Employee his accrued and unpaid base salary and any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(d) TERMINATION BY THE COMPANY WITHOUT CAUSE. If the Employee's employment with the Company is terminated by the Company without Cause, the Company will, within 90 days after the effective date of the termination, pay in a lump sum amount to the Employee his accrued and unpaid base salary and prorated bonus, if any (See Exhibit A), and any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(e) EFFECT OF COMPLIANCE WITH COMPENSATION UPON TERMINATION PROVISIONS. Upon complying with Subparagraphs 8(a) through 8(d) above, as applicable, the Company will have no further obligations to the Employee except as otherwise expressly provided under this Agreement, provided that such compliance will not adversely affect or alter the Employee’s rights under any employee benefit plan of the Company in which the Employee has a vested interest, unless, otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

9. PARTIES BENEFITED; ASSIGNMENTS.

This Agreement shall be binding upon the Employee, his heirs and his personal representative or representatives, and upon the Company and its respective successors and assigns. Neither this Agreement nor any rights or obligations hereunder may be assigned by the Employee, other than by will or by the laws of descent and distribution.

10. NOTICES.

Any notice provided for in this Agreement will be in writing and will be deemed to have been given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid. If to the Board or the Company, the notice will be sent to Mark P. Mays, 200 E. Basse Road, San Antonio, TX 78209 and a copy of the notice will be sent to Kenneth E. Wyker, 200 E. Basse Road, San Antonio, TX 78209 . If to the Employee, the notice will be sent to ____. Such notices may alternatively be sent to such other address as any party may have furnished to the other in writing in accordance with this Agreement, except that notices of change of address shall be effective only upon receipt.

11. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice of law or conflict provisions or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Texas and the Employee hereby expressly consents to the personal jurisdiction of the state and federal courts located in the State of Texas for any lawsuit arising from or relating to this Agreement.

12. DEFINITION OF COMPANY.

As used in this Agreement, the term "Company" shall include any of its past, present and future divisions, operating companies, subsidiaries and affiliates.

13. LITIGATION AND REGULATORY COOPERATION.

During and after the Employee’s employment, the Employee shall reasonably cooperate with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Employee was employed by the Company; provided, however, that such cooperation shall not materially and adversely affect the Employee or expose the Employee to an increased probability of civil or criminal litigation. The Employee’s cooperation in connection with such claims or actions shall include, but not be limited to, being

available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Employee’s employment, the Employee also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Employee was employed by the Company. The Company will pay the Employee on an hourly basis (to be derived from his base salary) for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse the Employee for all costs and expenses incurred in connection with his performance under this paragraph, including, but not limited to, reasonable attorneys’ fees and costs.

14. INDEMNIFICATION AND INSURANCE; LEGAL EXPENSES.

The Company shall indemnify the Employee to the fullest extent permitted by law, in effect at the time of the subject act or omission, and shall advance to the Employee reasonable attorneys’ fees and expenses as such fees and expenses are incurred (subject to an undertaking from the Employee to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that the Employee was not entitled to the reimbursement of such fees and expenses), and the Employee will be entitled to the protection of any insurance policies that the Company may elect to maintain generally for the benefit of its directors and officers against all costs, charges and expenses incurred or sustained by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or employee of the Company or any of its subsidiaries, or his serving or having served any other enterprise as a director, officer or employee at the request of the Company (other than any dispute, claim or controversy arising under or relating to this Agreement). The Company covenants to maintain during the Employee’s employment for the benefit of the Employee (in his capacity as an officer and director of the Company) Directors and Officers Insurance providing benefits to the Employee no less favorable, taken as a whole, than the benefits provided to the other similarly situated employees of the Company by the Directors and Officers Insurance maintained by the Company on the date hereof; provided, however, that the Board may elect to terminate Directors and Officers Insurance for all officers and directors, including the Employee, if the Board determines in good faith that such insurance is not available or is available only at unreasonable expense.

15. ARBITRATION.

The parties agree that any dispute, controversy or claim, whether based on contract, tort, statute, discrimination, retaliation, or otherwise, relating to, arising from or connected in any manner to this Agreement, or to the alleged breach of this Agreement, or arising out of or relating to Employee’s employment or termination of employment, shall, upon timely written request of either party be submitted to and resolved by binding arbitration. The arbitration shall be conducted in San Antonio, Texas. The arbitration shall proceed in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association ("AAA") in effect at the time the claim or dispute arose, unless other rules are agreed upon by the parties. Unless otherwise agreed to by the parties in writing, the arbitration shall be conducted by one arbitrator who is a member of the AAA and who is selected pursuant to the methods set out in the National Rules for Resolution of Employment Disputes of the AAA. Any claims received after the applicable/relevant statute of limitations period has passed shall be deemed null and void. The award of the arbitrator shall be a reasoned award with findings of fact and conclusions

of law. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement, to enforce an arbitration award, and to vacate an arbitration award. However, in actions seeking to vacate an award, the standard of review to be applied by said court to the arbitrator's findings of fact and conclusions of law will be the same as that applied by an appellate court reviewing a decision of a trial court sitting without a jury. The Company will pay the actual costs of arbitration excluding attorney's fees. Each party will pay its own attorneys fees and other costs incurred by their respective attorneys.

16. REPRESENTATIONS AND WARRANTIES OF THE EMPLOYEE.

The Employee represents and warrants to the Company that he is under no contractual or other restriction which is inconsistent with the execution of this Agreement, the performance of his duties hereunder or the other rights of Company hereunder. The Employee also represents and warrants to the Company that he is under no physical or mental disability that would hinder the performance of his duties under this Agreement.

17. MISCELLANEOUS.

This Agreement contains the entire agreement of the parties relating to the subject matter hereof. This Agreement supersedes any prior written or oral agreements or understandings between the parties relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of the parties hereto. The failure of a party to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later time to enforce any provision of this Agreement. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held invalid or unenforceable, such invalidity and unenforceability shall not affect the remaining provisions hereof or the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement as of the date first written above.

DATE:______________ PAUL MEYER

/s/ PAUL MEYER

CLEAR CHANNEL BROADCASTING, INC.

DATE: 2-19-04 By: /s/ MARK P. MAYS

Name: Mark P. Mays
Title: President and Chief Executive Officer

EXHIBIT A

PERFORMANCE BONUS CALCUATION

Paul Meyer

<TABLE>
<CAPTION>

EBIT Growth Rate	% of Bonus Opportunity	70% Individual Bonus Target	Bonus 1	30% Group Bonus Target	Bonus 2	100% Total Bonus Target	Total
1%	2.5%	1.75%	7,000	0.75%	3,000		10,000
2%	5.0%	3.50%	14,000	1.50%	6,000		20,000
3%	7.5%	5.25%	21,000	2.25%	9,000		30,000
4%	10.0%	7.00%	28,000	3.00%	12,000		40,000
5%	12.5%	8.75%	35,000	3.75%	15,000		50,000
6%	20.0%	14.00%	56,000	6.00%	24,000		80,000
7%	27.5%	19.25%	77,000	8.25%	33,000		110,000
8%	35.0%	24.50%	98,000	10.50%	42,000		140,000
9%	42.5%	29.75%	119,000	12.75%	51,000		170,000
10%	50.0%	35.00%	140,000	15.00%	60,000		200,000
11%	60.0%	42.00%	168,000	18.00%	72,000		240,000
12%	70.0%	49.00%	196,000	21.00%	84,000		280,000
13%	80.0%	56.00%	224,000	24.00%	96,000		320,000
14%	90.0%	63.00%	252,000	27.00%	108,000		360,000
15%	100.0%	70.00%	280,000	30.00%	120,000		400,000
16%	110.0%	77.00%	308,000	33.00%	132,000		440,000
17%	120.0%	84.00%	336,000	36.00%	144,000		480,000
18%	130.0%	91.00%	364,000	39.00%	156,000		520,000
19%	140.0%	98.00%	392,000	42.00%	168,000		560,000
20%	150.0%	105.00%	420,000	45.00%	180,000		600,000
21%	160.0%	112.00%	448,000	48.00%	192,000		640,000
22%	170.0%	119.00%	476,000	51.00%	204,000		680,000
23%	180.0%	126.00%	504,000	54.00%	216,000		720,000
24%	190.0%	133.00%	532,000	57.00%	228,000		760,000
25%	200.0%	140.00%	560,000	60.00%	240,000		800,000

</TABLE>

EXHIBIT 10.21 - EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT

This Employment Agreement is entered into this 18th day of February 2004 effective the 1st day of February, 2004 (the "Effective Date") between Clear Channel Broadcasting, Inc. (the "Company") and John Hogan (the "Employee").

WHEREAS, the Company and the Employee desire to enter into an employment relationship under the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. TERM OF EMPLOYMENT.

The Employee's current Term of employment starts on the Effective Date, above, and ends on January 31, 2006 unless neither party has given the notice described in either Section 7(c) or 7(d), below. If such notice has not been given on or before January 31, 2005 the Term shall automatically extend, beginning February 1, 2005, one day at a time, until such notice has been given.

2. TITLE AND DUTIES.

The Employee's title is President and Chief Executive Officer, Clear Channel Radio. The Employee will perform job duties that are usual and customary for this position, and will perform additional services and duties that the Company may from time to time designate that are consistent with the usual and customary duties of this position. The Employee will report to Mark Mays, President and Chief Operating Officer, Clear Channel Broadcasting, Inc. The Employee will devote his full working time and efforts to the business and affairs of Clear Channel Radio.

3. COMPENSATION AND BENEFITS

(A) BASE SALARY. The Company will pay the Employee an annual base salary of $550,000 for the period from February 1, 2004 through January 31, 2005; and $600,000 for the period from February 1, 2005 through January 31, 2006. The Employee will be eligible for additional annual raises after January 31, 2006 commensurate with Company policy. All payments of base salary will be made in installments according to the Company's regular payroll practice, prorated monthly or weekly where appropriate, and subject to any increases that are determined to be appropriate by the Board or its Compensation Committee

(B) PERFORMANCE BONUS. No later than March 31 of each calendar year during the term, Employee will be eligible to receive a performance bonus as set forth in the Performance Bonus Calculation attached as "Exhibit A" to this Employment Agreement.

(C) EMPLOYMENT BENEFIT PLANS. The Employee will be entitled to participate in all pension, profit sharing, and other retirement plans, all incentive compensation plans, and all

group health, hospitalization and disability or other insurance plans, paid vacation, sick leave and other employee welfare benefit plans in which other similarly situated employees of the Company may participate as stated in the employee guide.

(D) EXPENSES. The Company will pay or reimburse the Employee for all normal and reasonable travel and entertainment expenses incurred by the Employee in connection with the Employee's responsibilities to the Company upon submission of proper vouchers in accordance with the Company's expense reimbursement policy.

(E) STOCK OPTIONS. As additional, specific consideration to Employee for entering into this Agreement, Employee shall receive 50,000 options to purchase Clear Channel Stock subject to the terms and conditions as set by the Board at its February 2004 meeting. Any future stock option grants will be granted based upon the performance of the Employee, which will be assessed in the sole discretion of the Company and the Compensation Committee of the Board. All option grants shall be made under the terms and conditions set forth in the applicable Clear Channel Communications Stock Option Plan under which they are issued. The Company reserves the right to modify any future Company incentive compensation or stock option plan with respect to the change of control, the granting of restricted stock or any other provision of such plans. The Company's obligations under this agreement to the Employee in the area of stock options are conditioned upon and subject to the Company's future decision, in its sole discretion, to: 1) alter, suspend or discontinue its stock option grant program; or 2) replace the program with an alternative form or method of compensation.

4. NONDISCLOSURE OF CONFIDENTIAL INFORMATION.

During the course of the Employee's employment with the Company, the Company will provide the Employee with access to certain confidential information, trade secrets, and other matters which are of a confidential or proprietary nature, including but not limited to the Company's customer lists, pricing information, production and cost data, compensation and fee information, strategic business plans, budgets, financial statements, and other information the Company treats as confidential or proprietary (collectively the "Confidential Information"). The Company provides on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid the Employee in the performance of his duties. The Employee understands and acknowledges that such Confidential Information is confidential and proprietary, and agrees not to disclose such Confidential Information to anyone outside the Company except to the extent that (i) the Employee deems such disclosure or use reasonably necessary or appropriate in connection with performing his duties on behalf of the Company; (ii) the Employee is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, the Employee shall promptly inform the Company of such event, shall cooperate with the Company in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order; or (iii) such Confidential Information becomes generally known to and available for use in the industries in which the Company does business, other than as a result of any action or inaction by the Employee. The Employee further agrees that he will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company. At such time as the Employee shall cease to be employed by the Company, he will immediately turn over to the Company all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of

them, provided to or created by him during the course of his employment with the Company. This nondisclosure covenant is binding on the Employee, as well as his heirs, successors, and legal representatives, and will survive the termination of this Agreement for any reason.

5. NONHIRE OF COMPANY EMPLOYEES.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee’s employment with the Company and for a period of twelve months thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, (i) hire any current or prospective employee of the Company, or any subsidiary or affiliate of the Company (including, without limitation, any current or prospective employee of the Company within the 6-month period preceding the Employee’s last day of employment with the Company or within the 12-month period of this covenant) who worked, works, or has been offered employment by the Company; (ii) solicit or encourage any such employee to terminate their employment with the Company, or any subsidiary or affiliate of the Company; or (iii) solicit or encourage any such employee to accept employment with any business, operation, corporation, partnership, association, agency, or other person or entity with which the Employee may be associated.

6. NON-COMPETITION.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the Employee’s employment with the Company and for a period of one year thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is in the same business as the Company in any location in which the Company, or any subsidiary or affiliate of the Company, operates or has plans or has projected to operate during the Employee’s employment with the Company, including any area within a 50-mile radius of any such location. The foregoing shall not prohibit the Employee from owning up to 5.0% of the outstanding stock of any publicly held company. Notwithstanding the foregoing, after the Employee’s employment with the Company has terminated, upon receiving written permission by the Board, the Employee shall be permitted to engage in such competing activities that would otherwise be prohibited by this covenant if such activities are determined in the sole discretion of the Board in good faith to be immaterial to the operations of the Company, or any subsidiary or affiliate of the Company, in the location in question.

To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee’s employment with the Company and for a period of one year thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, either for himself or for any other business, operation, corporation, partnership, association, agency, or other person or entity, call upon, compete for, solicit, divert, or take away, or attempt to divert or take away current or prospective customers (including, without limitation, any customer with whom the Company, or any subsidiary or affiliate of the Company, (i) has an existing agreement or business relationship; (ii) has had an agreement or

business relationship within the six-month period preceding the Employee’s last day of employment with the Company; or (iii) has included as a prospect in its applicable pipeline) of the Company, or any subsidiary or affiliate of the Company.

The Company and the Employee agree that the restrictions contained in this noncompetition covenant are reasonable in scope and duration and are necessary to protect the Company’s business interests and Confidential Information. If any provision of this noncompetition covenant as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the scope, duration, or geographic area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the scope and/or duration and/or geographic area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced. The parties agree and acknowledge that the breach of this noncompetition covenant will cause irreparable damage to the Company, and upon breach of any provision of this noncompetition covenant, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief; provided, however, that this shall in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages).

Should the Employee violate the provisions of this noncompetition covenant, then in addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which the Employee began such violation until he permanently ceases such violation

7. TERMINATION.

The Employee’s employment with the Company may be terminated under the following circumstances:

(A) DEATH. The Employee’s employment with the Company shall terminate upon his death.

(B) DISABILITY. The Company may terminate the Employee’s employment with the Company if, as a result of the Employee’s incapacity due to physical or mental illness, the Employee is unable to perform his duties under this Agreement on a full-time basis for more than 90 days in any 12 month period, as determined by the Company.

(C) TERMINATION BY THE COMPANY. The Company may terminate the Employee’s employment with the Company for any reason at any time upon one year’s written notice. The Company may also terminate his employment for Cause. A termination for Cause must be for one or more of the following reasons: (i) conduct by the Employee constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, violation of the Company’s policy on sexual harassment, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes, or other willful misconduct as determined in the sole reasonable discretion of the Company; (ii) continued, willful and deliberate non-performance by the Employee of his duties hereunder (other than by reason of the

Employee’s physical or mental illness, incapacity or disability) where such non-performance has continued for more than 10 days following written notice of such non-performance; (iii) the Employee’s refusal or failure to follow lawful directives where such refusal or failure has continued for more than 30 days following written notice of such refusal or failure; (iv) a criminal or civil conviction of the Employee, a plea of nolo contendere by the Employee, or other conduct by the Employee that, as determined in the sole reasonable discretion of the Board, has resulted in, or would result in if he were retained in his position with the Company, material injury to the reputation of the Company, including, without limitation, conviction of fraud, theft, embezzlement, or a crime involving moral turpitude; (v) a material breach by the Employee of any of the provisions of this Agreement; or (vi) a material violation by the Employee of the Company’s employment policies.

(D) TERMINATION BY THE EMPLOYEE. The Employee may terminate his employment with the Company at any time with a one year written notice to Company.

(E) KEY MAN. (This provision has been approved by the Compensation Committee of the Board of Directors.) In the event that during the Term of this Agreement the circumstance arises that the Employee does not report directly to Lowry Mays, Mark Mays, or Randall Mays, Employee may terminate this Agreement, in writing, but in no event later than 90 days after such circumstance occurs. Compensation as a result of a Termination under this provision shall be treated the same as if the Company had terminated the Employee For Cause (See Section 8(c), below).

8. COMPENSATION UPON TERMINATION.

(A) DEATH. If the Employee’s employment with the Company terminates by reason of his death, the Company will, within 45 days, pay in a lump sum amount to such person as the Employee shall designate in a notice filed with the Company or, if no such person is designated, to the Employee’s estate, the Employee’s accrued and unpaid base salary and prorated bonus, if any (See Exhibit A), and any payments to which the Employee’s spouse, beneficiaries, or estate may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(B) DISABILITY. If the Employee’s employment with the Company terminates by reason of his disability, the Company shall, within 45 days, pay in a lump sum amount to the Employee his accrued and unpaid base salary and prorated bonus, if any (See Exhibit A), and any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(C) TERMINATION BY THE COMPANY FOR CAUSE. If the Employee’s employment with the Company is terminated by the Company for Cause the Company will, within 45 days, pay in a lump sum amount to the Employee his accrued and unpaid base salary and any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

(D) TERMINATION BY THE COMPANY WITHOUT CAUSE. If the Employee’s employment with the Company is terminated by the Company without Cause, the Company will: (1) Pay the Employee the greater of: (A) Employee’s unpaid base salary and prorated bonus, if any (See Exhibit A), through January 31, 2006; or (B) the one year notice period in Section 7(c) provided

such notice has been given on or after February 1, 2005 and provided Employee is ready, willing and able to perform such reasonable duties as the Company may direct during such notice period; and (2) Pay Employee any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies); and (3) Pay Employee $1,600,000.00 over 3 years commencing on the effective date of the termination and in accordance with the Company's standard payroll practices as consideration for the non-compete obligations in Section 6, above.

(E) TERMINATION BY EMPLOYEE. If the Employee gives the notice described above in Section 7(d) the Company shall continue to pay Employee during the remainder of the one year notice period and after the expiration of this Agreement shall pay Employee an additional year of his then current salary as consideration for the non-compete obligations of Section 6, above.

(F) EFFECT OF COMPLIANCE WITH COMPENSATION UPON TERMINATION PROVISIONS. Upon complying with Subparagraphs 8(a) through 8(e) above, as applicable, the Company will have no further obligations to the Employee except as otherwise expressly provided under this Agreement, provided that such compliance will not adversely affect or alter the Employee's rights under any employee benefit plan of the Company in which the Employee has a vested interest, unless, otherwise provided in such employee benefit plan or any agreement or other instrument attendant thereto.

9. PARTIES BENEFITED; ASSIGNMENTS.

This Agreement shall be binding upon the Employee, his heirs and his personal representative or representatives, and upon the Company and its respective successors and assigns. Neither this Agreement nor any rights or obligations hereunder may be assigned by the Employee, other than by will or by the laws of descent and distribution.

10. NOTICES.

Any notice provided for in this Agreement will be in writing and will be deemed to have been given when delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid. If to the Board or the Company, the notice will be sent to Mark P. Mays, 200 E. Basse Road, San Antonio, TX 78209 and a copy of the notice will be sent to Kenneth J. Wyker, 200 E. Basse Road, San Antonio, TX 78209. If to the Employee, the notice will be sent to 30899 Venturer, Fair Oaks Ranch, TX 78015 and a copy of the notice will be sent to Michael Hogan____. Such notices may alternatively be sent to such other address as any party may have furnished to the other in writing in accordance with this Agreement, except that notices of change of address shall be effective only upon receipt.

11. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Texas without giving effect to any choice of law or conflict provisions or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Texas and the Employee hereby expressly

consents to the personal jurisdiction of the state and federal courts located in the State of Texas for any lawsuit arising from or relating to this Agreement.

12. DEFINITION OF COMPANY.

As used in this Agreement, the term "Company" shall include any of its present and future divisions, operating companies, subsidiaries and affiliates.

13. LITIGATION AND REGULATORY COOPERATION.

During and after the Employee's employment, the Employee shall reasonably cooperate with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Employee was employed by the Company; provided, however, that such cooperation shall not materially and adversely affect the Employee or expose the Employee to an increased probability of civil or criminal litigation. The Employee's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Employee's employment, the Employee also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Employee was employed by the Company. The Company will pay the Employee on an hourly basis (to be derived from his base salary) for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse the Employee for all costs and expenses incurred in connection with his performance under this paragraph, including, but not limited to, reasonable attorneys' fees and costs.

14. INDEMNIFICATION AND INSURANCE; LEGAL EXPENSES.

The Company shall indemnify the Employee to the fullest extent permitted by law, in effect at the time of the subject act or omission, and shall advance to the Employee reasonable attorneys' fees and expenses as such fees and expenses are incurred (subject to an undertaking from the Employee to repay such advances if it shall be finally determined by a judicial decision which is not subject to further appeal that the Employee was not entitled to the reimbursement of such fees and expenses), and the Employee will be entitled to the protection of any insurance policies that the Company may elect to maintain generally for the benefit of its directors and officers against all costs, charges and expenses incurred or sustained by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or employee of the Company or any of its subsidiaries, or his serving or having served any other enterprise as a director, officer or employee at the request of the Company (other than any dispute, claim or controversy arising under or relating to this Agreement). The Company covenants to maintain during the Employee's employment for the benefit of the Employee (in his capacity as an officer and director of the Company) Directors and Officers Insurance providing benefits to the Employee no less favorable, taken as a whole, than the benefits provided to the other similarly situated employees of the Company by the Directors and Officers Insurance maintained by the Company on the date hereof; provided, however, that

the Board may elect to terminate Directors and Officers Insurance for all officers and directors, including the Employee, if the Board determines in good faith that such insurance is not available or is available only at unreasonable expense.

15. ARBITRATION.

The parties agree that any dispute, controversy or claim, whether based on contract, tort, statute, discrimination, retaliation, or otherwise, relating to, arising from or connected in any manner to this Agreement, or to the alleged breach of this Agreement, or arising out of or relating to Employee's employment or termination of employment, shall, upon timely written request of either party be submitted to and resolved by binding arbitration. The arbitration shall be conducted in San Antonio, Texas. The arbitration shall proceed in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association ("AAA") in effect at the time the claim or dispute arose, unless other rules are agreed upon by the parties. Unless otherwise agreed to by the parties in writing, the arbitration shall be conducted by one arbitrator who is a member of the AAA and who is selected pursuant to the methods set out in the National Rules for Resolution of Employment Disputes of the AAA. Any claims received after the applicable/relevant statute of limitations period has passed shall be deemed null and void. The award of the arbitrator shall be a reasoned award with findings of fact and conclusions of law. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement, to enforce an arbitration award, and to vacate an arbitration award. However, in actions seeking to vacate an award, the standard of review to be applied by said court to the arbitrator's findings of fact and conclusions of law will be the same as that applied by an appellate court reviewing a decision of a trial court sitting without a jury. The Company will pay the actual costs of arbitration excluding attorney's fees. Each party will pay its own attorneys fees and other costs incurred by their respective attorneys.

16. REPRESENTATIONS AND WARRANTIES OF THE EMPLOYEE.

The Employee represents and warrants to the Company that he is under no contractual or other restriction which is inconsistent with the execution of this Agreement, the performance of his duties hereunder or the other rights of Company hereunder. The Employee also represents and warrants to the Company that he is under no physical or mental disability that would hinder the performance of his duties under this Agreement.

17. MISCELLANEOUS.

This Agreement contains the entire agreement of the parties relating to the subject matter hereof. This Agreement supersedes any prior written or oral agreements or understandings between the parties relating to the subject matter hereof. No modification or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of the parties hereto. The failure of a party to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later time to enforce any provision of this Agreement. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable

laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held invalid or unenforceable, such invalidity and unenforceability shall not affect the remaining provisions hereof or the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement as of the date first written above.

DATE: 2/18/04

JOHN HOGAN

/s/ JOHN HOGAN

CLEAR CHANNEL BROADCASTING, INC.

DATE: 2/19/04

By: /s/ MARK P. MAYS

Name: Mark P. Mays
Title: President and
Chief Executive Officer

EXHIBIT A - PERFORMANCE BONUS CALCULATION

JOHN HOGAN

<TABLE>
<CAPTION>

2.8%	EBIT Growth Rate	% of Bonus Opportunity	70% Individual Bonus Target	Bonus 1	30% Group Bonus Target	Bonus 2	100% Total Bonus Target	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	2%	2.5%	1.75%	10,500	0.75%	4,500		15,000
	3%	5.0%	3.50%	21,000	1.50%	9,000		30,000
	4%	7.5%	5.25%	31,500	2.25%	13,500		45,000
	5%	10.0%	7.00%	42,000	3.00%	18,000		60,000
	6%	12.5%	8.75%	52,500	3.75%	22,500		75,000
	7%	20.0%	14.00%	84,000	6.00%	36,000		120,000
	8%	27.5%	19.25%	115,500	8.25%	49,500		165,000
	9%	35.0%	24.50%	147,000	10.50%	63,000		210,000
	10%	42.5%	29.75%	178,500	12.75%	76,500		255,000
	11%	50.0%	35.00%	210,000	15.00%	90,000		300,000
	12%	60.0%	42.00%	252,000	18.00%	108,000		360,000
	13%	70.0%	49.00%	294,000	21.00%	126,000		420,000
	14%	80.0%	56.00%	336,000	24.00%	144,000		480,000
	15%	90.0%	63.00%	378,000	27.00%	162,000		540,000
	16%	100.0%	70.00%	420,000	30.00%	180,000		600,000
	17%	110.0%	77.00%	462,000	33.00%	198,000		660,000
	18%	120.0%	84.00%	504,000	36.00%	216,000		720,000
	19%	130.0%	91.00%	546,000	39.00%	234,000		780,000
	20%	140.0%	98.00%	588,000	42.00%	252,000		840,000
	21%	150.0%	105.00%	630,000	45.00%	270,000		900,000
	22%	160.0%	112.00%	672,000	48.00%	288,000		960,000
	23%	170.0%	119.00%	714,000	51.00%	306,000		1,020,000
	24%	180.0%	126.00%	756,000	54.00%	324,000		1,080,000
	25%	190.0%	133.00%	798,000	57.00%	342,000		1,140,000
	26%	200.0%	140.00%	840,000	60.00%	360,000		1,200,000

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EXHIBIT 10.22 - AMENDMENT TO EMPLOYMENT AGREEMENT

February 12, 2004

Brian Becker
848 Little John
Houston, Texas 77024

Re: Amendment to Employment Agreement

Dear Brian:

This document is intended to memorialize the amendment of your Employment Agreement, dated March 21, 2001, which remains effective through February 13, 2006.

Our signatures below confirm that we have agreed to modify the Employment Agreement in Sections 1, 3 and 15 in their entirety and Sections 7 and 8 only as described below as follows:

1. TERM OF EMPLOYMENT.

The Executive's current Term of employment starts on August 1, 2000 and ends on the close of business on February 13, 2006. The Term shall automatically extend, beginning February 14, 2006, one day at a time unless either the Company or the Executive notifies the other in writing that the Term will expire one year following such notice of expiration. The Company or the Executive may give such written notice of expiration at any time on or after, but not before, February 13, 2005. If the Company notifies the Executive in writing that the Term will expire one year following such notice, such notice given by the Company to the Executive shall constitute the Company's termination without Cause (as defined in Section 7(c)) of the Executive's employment with the Company and the effective date of such termination without Cause shall be the same date as the expiration date of the Term stated in such notice. If the Executive notifies the Company in writing that the Term will expire one year following such notice, such notice given by the Executive to the Company shall constitute the Executive's termination without Good Reason (as defined in Section 7(d)) of the Executive's employment with the Company and the effective date of such termination without Good Reason shall be the same date as the expiration date of the Term stated in such notice.

3. COMPENSATION AND BENEFITS

(l) ADDITIONAL STOCK OPTION GRANT. As additional, specific consideration to Executive for entering into this Amendment, Executive shall receive 25,000 options to purchase Clear Channel Stock subject to the terms and conditions as set by the Board at its February 2004 meeting. Notwithstanding any terms or conditions to the contrary

contained in "Exhibit B" of the Employment Agreement, any future stock option grants will be granted based upon the performance of the Executive, which will be assessed in the sole discretion of the Company and the Compensation Committee of the Board. All option grants shall be made under the terms and conditions set forth in the applicable Clear Channel Communications Stock Option Plan under which they are issued. The Company reserves the right to modify any future Company incentive compensation or stock option plan with respect to the change of control, the granting of restricted stock or any other provision of such plans. The Company's obligations under this agreement to the Executive in the area of stock options are conditioned upon and subject to the Company's future decision, in its sole discretion, to: 1) alter, suspend or discontinue its stock option grant program; or 2) replace the program with an alternative form or method of compensation.

7. TERMINATION.

(c) TERMINATION BY THE COMPANY. The Company (i) may terminate the Executive's employment with the Company for any reason upon one year's written notice, or (ii) may terminate his employment with the Company for Cause. [The remainder of the paragraph remains unchanged save for the first sentence hereinabove]

(d) TERMINATION BY THE EXECUTIVE. The Executive (i) may terminate his employment with the Company for any reason upon one year's written notice to the Company, or (ii) may terminate his employment for Good Reason. [The remainder of the paragraph remains unchanged save for the first sentence hereinabove]

8. COMPENSATION UPON TERMINATION.

(d) TERMINATION BY THE COMPANY WITHOUT CAUSE OR TERMINATION BY THE EXECUTIVE FOR GOOD REASON. If the Executive's employment with the Company is terminated by the Company without Cause or if the Executive terminates his employment with the Company for Good Reason, the Company will, within 30 days after the effective date of such termination, ... [The remainder of the paragraph remains unchanged save for the first sentence hereinabove]

(g) NONCOMPETITION PAYMENT. If the Executive terminates his employment with the Company pursuant to Section 7(d)(i), the Executive shall be and remain subject to his noncompetition covenant contained in Section 5 of this Agreement for a period of 12 months after the effective date of such termination in consideration for the promise by the Company, during such 12 months period, to pay to the Executive his annual base salary and any payments to which he may be entitled under any applicable employee benefit plan (according to the terms thereof). During such 12 months period, all payments under this Section 8(g) shall be made by the Company to the Executive according to the Company's regular payroll practice, prorated monthly or weekly where appropriate.

15. ARBITRATION.

The parties agree that any dispute, controversy or claim, whether based on contract, tort, statute, discrimination, retaliation, or otherwise, relating to, arising from or connected in any manner to this Agreement, or to the alleged breach of this Agreement, or arising out of or relating to Executive's employment or termination of employment, shall, upon timely written request of either party be submitted to and resolved by binding arbitration. The arbitration shall be conducted in San Antonio, Texas. The arbitration shall proceed in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association ("AAA") in effect at the time the claim or dispute arose, unless other rules are agreed upon by the parties. Unless otherwise agreed to by the parties in writing, the arbitration shall be conducted by one arbitrator who is a member of the AAA and who is selected pursuant to the methods set out in the National Rules for Resolution of Employment Disputes of the AAA. Any claims received after the applicable/relevant statute of limitations period has passed shall be deemed null and void. The award of the arbitrator shall be a reasoned award with findings of fact and conclusions of law. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement, to enforce an arbitration award, and to vacate an arbitration award. However, in actions seeking to vacate an award, the standard of review to be applied by said court to the arbitrator's findings of fact and conclusions of law will be the same as that applied by an appellate court reviewing a decision of a trial court sitting without a jury. The Company will pay the actual costs of arbitration excluding attorney's fees. Each party will pay its own attorneys fees and other costs incurred by their respective attorneys.

APPROVED AND AGREED:

DATE: ---------------------

Brian E. Becker

/s/ BRIAN E. BECKER

DATE: ---------------------

Clear Channel Communications, Inc.

/s/ MARK P. MAYS

Mark P. Mays
President and Chief Operating Officer

cc: Marvin D. Nathan
Nathan Sommers Jacobs + Gorman, P.C.
2800 Post Oak Blvd. 61st Floor
Houston, Texas 77056

AIRCRAFT TIME-SHARE AGREEMENT

THIS AIRCRAFT TIME SHARE AGREEMENT (this "Agreement") is made and entered as of January 1, 2004 (the "Effective Date"), between Clear Channel Communications, Inc., a Texas corporation ("Operator"), and L. Lowry Mays, Mark P. Mays and Randall T. Mays (each individually referred to herein as a "User" and collectively as "Users" as the context requires).

WHEREAS, Operator agrees to provide aircraft to Users on a time sharing basis under Federal Aviation Regulation ("FAR") sections 91.501(b)(6) and (c)(1) (the "Aircraft") and Users agree to pay for such usage upon the terms herein;

WHEREAS, the Aircraft presently owned or leased by Operator and its subsidiaries and available for Users' use are listed on the attached Schedule A.

NOW, THEREFORE, in consideration of the promises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Operator and Users agree as follows:

1. Aircraft Use.

(a) The parties hereto expressly agree that the execution of this Agreement shall be deemed to create three distinct contracts, i.e., one contract between each of the Users, on the one hand, and the Operator, on the other hand. For purposes of determining the rights, privileges, duties, liabilities and obligations of the parties hereunder, the User who makes a request hereunder to Operator for use of the Aircraft shall be deemed the "User" of the Aircraft with respect to that flight and shall have all of the rights, privileges, duties, liabilities and obligations provided for under this Agreement with respect to such flight. No other party designated as a "User" under this Agreement shall have any of the rights, privileges, duties, liabilities and obligations of the User with respect to such flight even if another party designated as a User to this Agreement is a passenger on such flight. This Agreement does not create joint and several liabilities or obligations with respect to the use of the Aircraft, it being expressly understood and agreed that the party designated as the "User" for each flight shall have all of the rights, privileges, duties, liabilities and obligations with respect to any such flight.

(b) Nothing contained herein shall obligate User to any minimum usage of any Aircraft, it being understood that User's usage shall be on an "as-needed" and "as-available" basis. User acknowledges that each of the Aircraft may be subject to the rights of Operator and third parties pursuant to other time sharing agreements, leases, charter agreements, interchange agreements and/or other similar agreements.

(c) User shall make all requests for use of any Aircraft pursuant to this Agreement to Operator. Operator shall advise User of the identity of the person or department representative responsible for receiving such requests. Operator shall be responsible for scheduling the use by User of any Aircraft.

(d) Requests for use of the Aircraft by User shall be made to Operator as far in advance as is practicable. Such requests shall indicate the dates of requested use, the

proposed itinerary, the number and identity of the persons who will be passengers on such flight, the identity of any passengers who are guests of the User and any requests related to special services, catering, provisions, ground transportation and/or insurance. All requests for use shall be subject to, among other things, prior conflicting requests for use, Operator's use of the Aircraft, the availability of the Aircraft and scheduled and unscheduled maintenance, repair and inspections. Operator, in its sole and absolute discretion, shall have the final authority to accept or reject any such request and the right to cancel or rescind any confirmed or unconfirmed request for any reason whatsoever. Operator shall use reasonable efforts to confirm any accepted requests for use and cancellations of any previously confirmed request. Operator shall not be responsible or liable for any delays or cancellations nor shall Operator be responsible for any consequential or punitive damages resulting therefrom.

(e) Operator and User agree to use the Aircraft covered by this Agreement in accordance with the time-share provisions contained in 91.501 of the Federal Aviation Regulations, as well as any other applicable portions of FAR Part 91.

2. Consideration. Operator shall incur and pay all costs and expenses associated with operation of the Aircraft, including all fuel, oil and other supplies necessary for Aircraft use and maintenance, all airport charges, landing and tie down fees, and all pilots' living expenses, food and transportation when an Aircraft is required by User to be away from its home base of operation. Users shall reimburse Operator for the costs of fuel and pilot expenses at a fixed rate determined by Operator to be reasonably allocable to such User's use of the Aircraft pursuant hereto. However, such share of allocable costs shall not in any event exceed the costs permitted to be charged by Operator to User pursuant to Section 91.501(d) of the Federal Aviation Regulations, or any successor or replacement regulations. Operator will invoice each User for expenses as incurred and permissible under FAR SEC. 91.501 which will be due upon receipt. Payment of reimbursement shall be made in full to Operator at 200 E. Basse Road, San Antonio, Texas 78209, or as otherwise agreed by the parties.

3. Taxes. The amounts paid by Users under Section 91.501(d) for Time-Sharing agreements are subject to a Federal Excise tax as imposed under I.R.C. SEC. 4261. It is the responsibility of Operator to collect and remit the tax on the amounts paid. The Operator is responsible for the collection and payment of all other State or Federal taxes that may arise under this Agreement.

4. Operational Control. Operator shall at all times during the use of the Aircraft by the Users be responsible for and retain full and complete operational control of the Aircraft. Operator is responsible for providing the crew, the physical and technical operation of the Aircraft, and the safe performance of all flights. Operator will furnish two experienced and competent pilots satisfactory to the Users on all occasions when any Aircraft is in use. Such pilots shall be under the direction and control of Operator at all times. One of such pilots shall be the captain of the Aircraft and at all times shall have full control of its operations, and the judgment of such pilot as to the suitability of the weather, terrain, mechanical condition or capacity of the Aircraft and other similar decisions shall be conclusive. The Aircraft shall be operated in compliance with the Operator's current aircraft operating manual.

5. Maintenance. Operator, at its own cost and expense, will service, maintain, and repair the Aircraft in compliance with all maintenance standards of the Aircraft and all requirements of FAR Part 91. Operator will also provide suitable hangar and storage facilities for the Aircraft at its own expense. Aircraft maintenance and inspection takes precedence over Aircraft scheduling unless such maintenance or inspections can be safely deferred in accordance with applicable laws and regulations and within the sound discretion of the captain.

6. Insurance. Operator, at its own expense, shall cause to be kept in full force and effect with regard to its Aircraft, liability insurance upon the Aircraft with limits for bodily injury and for property damage, which are satisfactory to the Users. In addition, Operator shall maintain or cause to be maintained in full force and effect and at Operator's own expense, passenger liability, public liability, property damage, baggage and cargo insurance in such form, for such amounts, and for such other coverages, and with such insurers as shall be acceptable to Operator, insuring Operator and User as their interests may appear against claims for death of or injury to persons, or loss of or damage to property in connection with the possession, use, or operation of the Aircraft by User. Notwithstanding the foregoing and subject to the limitations of Section 91.501 (d), upon Operator's request, User shall reimburse Operator for the cost and expense of any insurance obtained for any specific flight. Operator shall be liable for any loss or damage to the Aircraft during the term of this Agreement in connection with the possession, use or operation of the Aircraft by User and, at Operator's own expense, shall keep the Aircraft insured (at its then current fair market value) together with all its equipment and accessories, at such times against loss or damage from crash, fire, windstorm, collision, or other casualty.

7. Indemnification. Operator agrees to indemnify, defend, and hold the Users harmless from any claims, suits, liabilities, losses, costs or expense for injury to persons, or damage to property in any way arising out of the operation of the Aircraft.

8. Term. This Agreement shall be effective as of the Effective Date, and shall continue in full force and effect for a term of one year, and shall be automatically renewed for continuous periods of one year without re-execution. Any party may terminate this Agreement at any time for any or no reason by giving thirty (30) days' prior written notice to the other party of its intention to terminate. This Agreement supersedes any prior agreements between the parties relating to Aircraft operations and use.

9. Assignment. No party shall have the right to assign its interest or rights hereunder, in whole or in part, without the prior written consent of the other party, except that the Operator may assign its interest hereunder to a wholly-owned affiliate without the consent of the Users.

10. Notice. Any statement, consent, or notice required or permitted by this Agreement shall be given by mail to the party concerned at the addresses listed below except that notice with respect to the operation or use of the Aircraft may be given by telephone.

11. Warranties. Users warrant to Operator that during the use of the Aircraft said Aircraft shall not be used or employed, except as authorized by the Federal Aviation Regulations. Operator warrants that each of the Aircraft listed herein have been maintained under Part 91 of the Federal Aviation Regulations for the twelve (12) month period immediately preceding the date of this Agreement.

12. No Carriage For Compensation or Hire. It is understood and agreed that Operator and Users shall neither sell seats to passengers or space for cargo, nor in any manner otherwise use any of the Aircraft listed herein for the carriage of goods or passengers for compensation or hire, and that the Aircraft is operated within the applicable rules of Subpart D of Part 91 of the Federal Aviation Regulations during the operation of this Agreement.

13. Counterparts. This Agreement may be executed in counterparts, all of which when executed shall constitute an original.

14. Truth-In-Leasing Statement Under FAR 91.23.

AN EXECUTED COPY OF THIS AGREEMENT WILL BE MAILED TO THE FEDERAL AVIATION ADMINISTRATION, FLIGHT STANDARDS TECHNICAL DIVISION, POST OFFICE BOX 25724, OKLAHOMA CITY, OKLAHOMA 73125, WITHIN 24 HOURS OF THE TIME OF EXECUTION HEREOF.

THE AIRCRAFT LISTED AND REFERENCED HEREIN HAVE BEEN MAINTAINED AND INSPECTED UNDER FAR PART 91 FOR THE 12 MONTH PERIOD PRECEDING THE DATE HEREOF. SAID AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS FOR OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT DURING THE DURATION OF THIS AGREEMENT.

OPERATOR, LOCATED AT THE ABOVE LISTED ADDRESS, IS CONSIDERED TO BE IN OPERATIONAL CONTROL OF THE AIRCRAFT AND UNDERSTANDS AND IS FAMILIAR WITH ITS RESPONSIBILITIES WITH REGARD TO THE OPERATION OF AIRCRAFT UNDER THE FEDERAL AVIATION REGULATIONS.

A COPY OF THIS AGREEMENT SHALL BE CARRIED ON EACH AIRCRAFT AT ALL TIMES AND SHALL BE MADE AVAILABLE FOR REVIEW UPON REQUEST BY THE ADMINISTRATOR OR HIS REPRESENTATIVE.

AN EXPLANATION OF THE FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

OPERATOR CERTIFIES THAT IT UNDERSTANDS THE OPERATOR'S RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

IN WITNESS WHEREOF, the parties hereto have cause this Agreement to be executed on their behalf by their duly authorized representatives, as of the date first above written.

Operator:

CLEAR CHANNEL COMMUNICATIONS, INC.

By: /s/RICHARD W. WOLF

Name: Richard W. Wolf

Title: Vice President/Corporate Counsel

Address: 200 E. Basse Road
San Antonio, Texas 78209

Users:

/s/L. LOWRY MAYS

L. Lowry Mays
500 Alameda Circle, San Antonio, Texas 78212

/s/MARK P. MAYS

Mark P. Mays
120 Primrose, San Antonio, Texas 78209

/s/RANDALL T. MAYS

Randall T. Mays
400 Geneseo, San Antonio, Texas 78209

SCHEDULE A

Aircraft	FAA Registration No.
Gulfstream Aerospace G-IV SP	N616CC
Cessna 750	N724CC

This Agreement does not prohibit Operator, in its discretion, from increasing or decreasing the number or type of Aircraft subject to this Agreement.

EXHIBIT 11 -- Computation of Per Share Earnings

<Table>
<Caption>

(In thousands, except per share data)	2003	2002		2001	
<S>	<C>	<C>		<C>	<C>
NUMERATOR:					
Income (loss) before cumulative effect of a change in accounting principle	$ 1,145,591	$ 724,823		$ (1,144,026)	
Cumulative effect of a change in accounting principle	--	(16,778,526)		--	
Net income (loss)	1,145,591	(16,053,703)		(1,144,026)	
Effect of dilutive securities:					
Convertible debt -- 2.625% issued in 1998	2,106	8,931		9,358	*
Convertible debt -- 1.5% issued in 1999	--	7,704		9,300	*
LYONS -- 1996 issue	--	--		(225)	*
LYONS -- 1998 issue	1,446	4,815	*	4,594	*
Less: Anti-dilutive items	--	(4,815)		(23,027)	
Numerator for net income (loss) before cumulative effect of a change in accounting principle per common share - diluted	1,149,143	741,458		(1,144,026)	
Numerator for cumulative effect of a change in accounting principle per common share - diluted	--	(16,778,526)		--	
Numerator for net income (loss) per common share - diluted	$ 1,149,143	$(16,037,068)		$ (1,144,026)	
DENOMINATOR:					
Weighted average common shares	614,651	606,861		591,965	
Effect of dilutive securities:					
Stock options and common stock warrants	3,167	3,911		11,731	*
Convertible debt -- 2.625% issued in 1998	2,060	8,855		9,282	*
Convertible debt -- 1.5% issued in 1999	--	7,813		9,454	*
LYONS -- 1996 issue	--	--		1,743	*
LYONS -- 1998 issue	892	3,085	*	3,085	*
Less: Anti-dilutive items	--	(3,085)		(35,295)	
Denominator for net income (loss) per common share - diluted	620,770	627,440		591,965	
Net income (loss) per common share:					
Income (loss) before cumulative effect of a change in accounting principle - Basic	$ 1.86	$ 1.20		$ (1.93)	
Cumulative effect of a change in accounting principle - Basic	--	(27.65)		--	
Net income (loss) - Basic	$ 1.86	$ (26.45)		$ (1.93)	
Income (loss) before cumulative effect of a change in accounting principle - Diluted	$ 1.85	$ 1.18		$ (1.93)	
Cumulative effect of a change in accounting principle - Diluted	--	(26.74)		--	
Net income (loss) - Diluted	$ 1.85	$ (25.56)		$ (1.93)	

</Table>

* Denotes items that are anti-dilutive to the calculation of earnings per share.

EXHIBIT 12 -- COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

<Table>
<Caption>

(In thousands, except ratio)	Year Ended				
	2003	2002	2001	2000	1999
Income (loss) before income taxes, equity in earnings of non-consolidated affiliates, extraordinary item and cumulative effect of a change in accounting principle	$ 1,903,338	$ 1,191,261	$(1,259,390)	$ 688,384	$ 220,213
Dividends and other received from nonconsolidated affiliates	2,096	6,295	7,426	4,934	7,079
Total	1,905,434	1,197,556	(1,251,964)	693,318	227,292
Fixed Charges					
Interest expense	388,000	432,786	560,077	413,425	192,321
Amortization of loan fees	*	12,077	14,648	12,401	1,970
Interest portion of rentals	338,965	293,831	270,653	150,317	24,511
Total fixed charges	726,965	738,694	845,378	576,143	218,802
Preferred stock dividends					
Tax effect of preferred dividends	--	--	--	--	--
After tax preferred dividends	--	--	--	--	--
Total fixed charges and preferred dividends	726,965	738,694	845,378	576,143	218,802
Total earnings available for payment of fixed charges	$ 2,632,399	$ 1,936,250	$ (406,586)	$ 1,269,461	$ 446,094
Ratio of earnings to fixed charges	3.62	2.62	**	2.20	2.04
Rental fees and charges	968,470	839,516	773,293	429,476	306,393
Interest rate	35%	35%	35%	35%	8%

</Table>

* Amortization of loan fees is included in Interest expense beginning January 1, 2003.

** For the year ended December 31, 2001, fixed charges exceeded earnings before income taxes and fixed charges by $1.3 billion.

EXHIBIT 21 - Subsidiaries of Registrant, Clear Channel Communications, Inc.

Name	State of Incorporation
Clear Channel Communications, Inc.	Texas
Clear Channel Broadcasting, Inc.	Nevada
Clear Channel Broadcasting Licenses, Inc.	Nevada
Clear Channel Holdings, Inc.	Nevada
Eller Media Corporation	Delaware
Clear Channel Outdoor, Inc.(1)	Delaware
Universal Outdoor Holdings, Inc.	Delaware
Clear Channel International, Ltd.	United Kingdom
Jacor Communications Company(2)	Florida
AMFM Inc.(3)	Delaware
Katz Media Corporation	Delaware
SFX Entertainment, Inc.(4)	Delaware

(1) List omits 43 domestic consolidated wholly-owned subsidiaries carrying on the same line of business.

(2) List omits 66 domestic and 5 foreign consolidated wholly-owned subsidiaries carrying on the same line of business.

(3) List omits 50 domestic consolidated wholly-owned subsidiaries carrying on the same line of business.

(4) List omits 281 domestic and 391 foreign consolidated wholly-owned subsidiaries carrying on the same line of business.

EXHIBIT 23.1 - CONSENT OF INDEPENDENT AUDITORS - ERNST & YOUNG LLP

We consent to the incorporation by reference in the shelf Registration Statement (Form S-3 No. 333-76942) and the Registration Statement (Form S-4 No. 333-57987) of Clear Channel Communications, Inc. and related prospectuses of our reports dated February 11, 2004, except for Note O, as to which the date is February 25, 2004 with respect to the consolidated financial statements and schedule of Clear Channel Communications, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2003.

We also consent to the incorporation by reference in the Registration Statements (Forms S-8) pertaining to the Clear Channel Communications, Inc. Nonqualified Stock Option Plan (No. 33-59772); the Clear Channel Communications, Inc. 1994 Incentive Stock Option Plan, the Clear Channel Communications, Inc. 1994 Nonqualified Stock Option Plan, the Clear Channel Communications, Inc. Directors' Nonqualified Stock Option Plan, the Option Agreement for Officer (No. 33-64463); the Clear Channel Communications, Inc. 1998 Stock Incentive Plan (No. 333-61883) and the Clear Channel Communications, Inc. Employee Stock Purchase Plan (No. 333-30784); various other non-qualified stock option agreements and warrants assumed by Clear Channel Communications, Inc. in connection with the merger with AMFM Inc. (No. 333-45126); the Eller Media Company 401(k) Plan (No. 333-49702); the Universal Outdoor, Inc. Salary Reduction Profit Sharing Plan (No. 333-49704); the Clear Channel Communications, Inc. 401(k) Savings Plan (No. 333-49698); the Clear Channel Communications, Inc. 2001 Stock Incentive Plan (No. 333-74330); the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan (No. 333-74332); the SFX Entertainment Profit Sharing and 401(k) Plan (No. 333-74430); and the Clear Channel Communications, Inc. 2001 Stock Incentive Plan and the Clear Channel Sharesave Scheme (No. 333-90656) of our reports dated February 11, 2004, except for Note O, as to which the date is February 25, 2004 with respect to the consolidated financial statements and schedule of Clear Channel Communications, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2003.

We also consent to the incorporation by reference in the post-effective amendments to the Registration Statements (Forms S-4) on Form S-8 pertaining to various stock plans, stock option plans, and non-qualified stock option agreements assumed by Clear Channel Communications, Inc. in connection with the merger with Jacor Communications, Inc. (No. 333-72839); non-qualified stock option agreements and stock option agreements pursuant to a stock award plan, a long-term incentive plan, and stock option plans assumed by Clear Channel Communications, Inc. in connection with the merger with AMFM Inc. (No. 333-32532); various agreements, including option agreements, employment agreements and stock option agreements pursuant to stock option plans, stock option and restricted stock plans, and a deferred stock ownership plan assumed by Clear Channel Communications, Inc. in connection with the merger with SFX Entertainment, Inc. (No. 333-38582); and the Fifth Amended and Restated Employee Stock Option Plan assumed by Clear Channel Communications, Inc. in connection with the merger with the Ackerley Group, Inc. (No. 333-74196) of our reports dated February 11, 2004, except for Note O, as to which the date is February 25, 2004 with respect to the consolidated financial statements and schedule of Clear Channel Communications, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2003.

We also consent to the incorporation by reference in the Post-effective Amendment No. 2 to the Registration Statement (Form S-4) on Form S-3 pertaining to the Jacor Liquid Yield Option Notes (TM) and common stock purchase warrants (No. 333-72839) of Clear Channel Communications, Inc. and related prospectus of our reports dated February 11, 2004, except for Note O, as to which the date is February 25, 2004 with respect to the consolidated financial statements and schedule of Clear Channel Communications, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2003.

/s/ Ernst & Young LLP
San Antonio, Texas
March 9, 2004

EXHIBIT 31.1 - CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, L. Lowry Mays, Chief Executive Officer and Chairman of Clear Channel Communications, Inc. certify that:

1. I have reviewed this annual report on Form 10-K of Clear Channel Communications, Inc.;

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

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

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 12, 2004

/s/ L. LOWRY MAYS

L. Lowry Mays
Chief Executive Officer

EXHIBIT 31.2 - CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Randall T. Mays, Chief Financial Officer of Clear Channel Communications, Inc. certify that:

1. I have reviewed this annual report on Form 10-K of Clear Channel Communications, Inc.;

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

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

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

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

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 12, 2004

/s/ RANDALL T. MAYS

Randall T. Mays
Chief Financial Officer

EXHIBIT 32.1 -- CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the Annual Report on Form 10-K (the "Form 10-K") for the year ended December 31, 2003 of Clear Channel Communications, Inc. (the "Issuer"). The undersigned hereby certifies that the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: March 12, 2004

By: /s/ L. LOWRY MAYS

Name: L. Lowry Mays
Title: Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Issuer and will be furnished to the Securities and Exchange Commission, or its staff, upon request.

EXHIBIT 32.2 -- CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the Annual Report on Form 10-K (the "Form 10-K") for the year ended December 31, 2003 of Clear Channel Communications, Inc. (the "Issuer"). The undersigned hereby certifies that the Form 10-K fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Dated: March 12, 2004

By: /s/ RANDALL T. MAYS

Name: Randall T. Mays
Title: Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Issuer and will be furnished to the Securities and Exchange Commission, or its staff, upon request.

EXHIBIT 99.1 - REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENT SCHEDULE

We have audited the consolidated financial statements of Clear Channel Communications, Inc. and subsidiaries, as of December 31, 2003 and 2002, and for each of the three years in the period ended December 31, 2003, and have issued our report thereon dated February 11, 2004, except for Note O, as to which the date is February 25, 2004. Our audits also included the financial statement schedule listed in the Index at Item 15(a)2. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

San Antonio, Texas
February 11, 2004