

Clear Channel Reports First Quarter 2002 Results

- Revenues of \$1.70 Billion
- EBITDA of \$370 Million
- Free Cash Flow of \$191 Million

San Antonio, Texas May 7, 2002 Clear Channel Communications, Inc. (NYSE: CCU) today reported results for its first quarter ended March 31, 2002.

For the first quarter of 2002, Clear Channel reported revenues of \$1.70 billion, an increase of 4 percent over the 2001 reported revenues of \$1.63 billion. EBITDA as adjusted (defined as operating cash flow less corporate expenses, referred to as "EBITDA") was \$370 million compared to \$404 million for the same period in 2001. Attributable EBITDA as adjusted (defined as EBITDA including nonconsolidated affiliates owned in both periods, referred to as "Attributable EBITDA") for the first quarter of 2002 was \$381 million compared to \$416 million for the first quarter of 2001.

Free cash flow (defined as EBITDA as adjusted less interest expense, current taxes and non-revenue producing capital expenditures) for the first quarter was \$191 million compared to \$186 million for the same period in 2001, an increase of 2 percent.

Clear Channel reported for the first quarter of 2002 net earnings before cumulative effect of change in accounting principle of \$90 million, or \$0.15 per diluted share. This compares to a net loss of \$309 million or a net loss of \$0.53 per diluted share in the first quarter of 2001. Assuming the adoption of FAS 142 "Goodwill and Other Intangibles" had occurred at the beginning of 2001, net earnings before the cumulative effect of a change in accounting principle would have been \$26 million or \$0.04 per diluted share for the first quarter of 2001.

The Company's first quarter 2002 net earnings includes approximately \$28.1 million of pre-tax gains, \$0.03 per share after tax, related to the sale of a television license, extinguishment of long-term debt and a sale of a marketable security. Excluding those gains, earnings before cumulative effect of a change in accounting principle would have been \$73 million or \$0.12 per diluted share.

On a pro forma basis, first quarter 2002 revenues increased 2 percent compared with last year's first quarter revenues of \$1.67 billion. Pro forma EBITDA was \$370 million, a decline of 9 percent, when compared to \$408 million for the first quarter of 2001.

"Considering the current environment, we are pleased with our first quarter performance which was better than anticipated. The Company exceeded the high end of our prior financial guidance. We firmly believe that this is a good beginning to what should be a very good year for Clear Channel. This moderate growth is a very good sign that our customers and consumers have confidence in our products and marketing capabilities. The Clear Channel family remains committed to its excellence and high standards." said **Lowry Mays, Chairman and Chief Executive Officer.**

"While we are proud of our unduplicatable collection of media and entertainment assets, our greatest accomplishment remains our ability to develop the very best management

team in our businesses. Our team, which has both strength and depth, is committed to our customers and serving their communities.” said **Mark Mays, President and Chief Operating Officer**.

Segment Operating Results

RADIO: Clear Channel Radio revenues were \$783 million, an increase of 3 percent over the same period in 2001, and EBITDA was \$304 million, reflecting an increase of 3 percent over the same period in 2001. On a pro forma basis, revenues for the quarter increased 2 percent and EBITDA increased 3 percent, when compared to the same period in 2001.

OUTDOOR: During the first quarter of 2002, Clear Channel Outdoor revenues were \$369 million and EBITDA was \$75 million. On a pro forma basis, first quarter revenues declined 11 percent and EBITDA declined 38 percent when compared to the same period in 2001.

ENTERTAINMENT: Clear Channel Entertainment’s first quarter 2002 revenues increased 19 percent and EBITDA declined 11 percent when compared to the same period in 2001. On a pro forma basis, first quarter 2002 revenues increased 15 percent, while EBITDA declined 17 percent when compared to the same period in 2001.

Operating Results
(in \$000s)

Below are the consolidated reported and pro forma results for the first quarter of 2002 versus 2001.

	1st Quarter					
	Reported			Pro forma (a)		
	2002	2001	% Change	2002	2001	% Change
Radio	\$782,823	\$757,991	3.3%	\$782,823	\$764,744	2.4%
Outdoor	369,165	399,256	(7.5%)	373,784	418,611	(10.7%)
Entertainment	475,785	401,080	18.6%	479,913	415,796	15.4%
Other	101,405	101,504	(0.1%)	101,405	100,922	0.5%
Eliminations	<u>(31,191)</u>	<u>(31,468)</u>	(0.9%)	<u>(31,191)</u>	<u>(31,468)</u>	(0.9%)
Consolidated	\$1,697,987	\$1,628,363	4.3%	\$1,706,734	\$1,668,605	2.3%

	1st Quarter					
	Reported			Pro forma (a)		
	2002	2001	% Change	2002	2001	% Change
Radio	\$303,565	\$293,642	3.4%	\$303,565	\$294,024	3.2%
Outdoor	74,578	116,445	(36.0%)	74,974	120,440	(37.7%)
Entertainment	15,006	16,776	(10.6%)	15,010	18,061	(16.9%)
Other	15,861	22,432	(29.3%)	15,862	20,956	(24.3%)
Corporate	<u>(38,969)</u>	<u>(45,071)</u>	(13.5%)	<u>(38,969)</u>	<u>(45,071)</u>	(13.5%)
Consolidated	\$370,041	\$404,224	(8.5%)	\$370,442	\$408,410	(9.3%)

- (a) Includes adjustments to the prior period (2001) for all 2001 and 2002 acquisitions for the same time frame as actually owned in the current period (2002). The 2002 pro forma includes an adjustment for foreign exchange to present results in constant dollars. Divestitures are excluded from both 2001 and 2002.

Free Cash Flow
(in \$000s, except per share data)

	Three Months Ended March 31st	
	2002	2001
EBITDA as Adjusted (b)	\$370,041	\$404,224
Interest Expense	(110,367)	(156,400)
Current Tax Benefit (Expense) (c)	(11,271)	15,144
Non-Revenue Producing Capital Expenditures	<u>(57,715)</u>	<u>(76,500)</u>
Total Free Cash Flow	\$190,688	\$186,468
Total Free Cash Flow Per Share	\$0.32	\$0.31
Weighted-Average Shares Outstanding (d)	604,158	605,849

- (b) Defined as cash flow from operations less corporate expenses.
- (c) Current tax benefit (expense) reflects adjustments for non-routine deferred tax items of (\$17,864) for 2002 and \$0 for 2001.
- (d) The 2001 amount includes an additional 18,859 shares used to calculate both adjusted earnings per share as required by FAS 142 and free cash flow per share.

Financial Accounting Standards Board Statement No. 142, “Goodwill and Other Intangibles”

As the Company reported last year, under FAS 142, beginning on January 1, 2002, the Company no longer amortizes its goodwill or indefinite lived-intangibles (FCC licenses). During 2001, amortization expense relating to goodwill and indefinite-lived intangibles totaled approximately \$1.8 billion. For the quarter ended March 31, 2001, amortization expense was approximately \$436 million. Upon adoption of FAS 142 in the first quarter of 2002, the Company recorded a one-time, noncash, after-tax charge of approximately \$17 billion to reduce the carrying value of its goodwill and other indefinite-lived intangibles to fair value. Assuming the adoption of FAS 142 had occurred at the beginning of 2001, net earnings before the cumulative effect of change in accounting principle would have been \$26 million or \$0.04 per diluted share, for the first quarter of 2001 as compared with \$90 million, or \$0.15 per diluted share for the first quarter of 2002.

Guidance

The Company believes that, based on the current economic and advertising environment, Second Quarter 2002 EBITDA will be in the range of \$600-\$615 million.

Conference Call

Our first quarter 2002 earnings conference call will be held today at 9:00 a.m. Eastern Time. The dial-in number is 801-303-7416 and a pass code is not required. Please call 10 minutes prior to the beginning of the call to ensure that you are connected before the start of the presentation. The teleconference will also be available via a live audio cast on the Company’s website, located at <http://www.clearchannel.com>. A replay of the call will be available for 72 hours after the conference call. The replay number is 402-220-

1490 and the pass code 1461. The audio cast will also be archived on the Company's website and will be available beginning 24 hours after the call for a period of one week.

About Clear Channel Worldwide

Visit our website at <http://www.clearchannel.com>.

Clear Channel Worldwide, headquartered in San Antonio, Texas, is a global leader in the out-of-home advertising and entertainment industries with radio and television stations, outdoor advertising displays, and live entertainment productions and venues throughout the US and in 65 countries around the world.

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Certain statements in this release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The words or phrases "guidance," "expect," "anticipate," "estimates" and "forecast" and similar words or expressions are intended to identify such forward-looking statements. In addition, any statements that refer to expectations or other characterizations of future events or circumstances are forward-looking statements. Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this release include, but are not limited to: changes in economic conditions in the U.S. and in other countries in which Clear Channel currently does business (both general and relative to the advertising and entertainment industries); fluctuations in interest rates; changes in industry conditions; changes in operating performance; shifts in population and other demographics; changes in the level of competition for advertising dollars; fluctuations in operating costs; technological changes and innovations; changes in labor conditions; changes in governmental regulations and policies and actions of regulatory bodies; fluctuations in exchange rates and currency values; changes in tax rates; changes in capital expenditure requirements and access to capital markets. Other key risks are described in the Clear Channel Communications' reports filed with the U.S. Securities and Exchange Commission. Except as otherwise stated in this news announcement, Clear Channel Communications does not undertake any obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

FINANCIAL HIGHLIGHTS
Clear Channel Communications, Inc. and Subsidiaries
Unaudited
(In thousands of dollars, except per share data)

	Three months ended		%
	March 31,		
	2002	2001	Change
Revenue	\$1,697,987	\$1,628,363	4%
Divisional operating expenses	1,288,977	1,179,068	
Operating cash flow	409,010	449,295	-9%
Corporate expenses	38,969	45,071	
EBITDA as adjusted (1)	370,041	404,224	-8%
Non-cash compensation expense	1,838	3,894	
Depreciation and amortization	142,418	613,751	
Interest expense	110,367	156,400	
Gain (loss) on sale of assets related to mergers	3,991	(6,390)	
Gain (loss) on marketable securities	2,984	18,456	
Equity in earnings (loss) of nonconsolidated affiliates	3,213	563	
Other income (expense) - net	26,207	(7,633)	
Income (loss) before income taxes and cumulative effect of a change in accounting principle	151,813	(364,825)	
Income tax benefit (expense):			
Current	6,593	15,144	
Deferred	(68,077)	40,453	
Income (loss) before cumulative effect of a change in accounting principle (FAS 142)	\$90,329	(\$309,228)	
Net income (loss) before cumulative effect of a change in accounting principle per share:			
Basic:			
Income (loss) before cumulative effect of a change in accounting principle (FAS 142)	\$0.15	(\$0.53)	
Diluted:			
Income (loss) before cumulative effect of a change in accounting principle (FAS 142)	\$0.15	(\$0.53)	
Attributable operating cash flow (2)	\$421,904	\$462,503	
Attributable EBITDA as adjusted (3)	\$381,445	\$416,379	
Free cash flow (4)	\$190,688	\$186,468	
Free cash flow per share	\$0.32	\$0.31	
Weighted Average Shares Outstanding - Diluted (5)	604,158	586,990	

- (1) Defined as cash flow from operations less corporate expenses.
- (2) Defined as cash flow from operations (including nonconsolidated affiliates owned in both periods presented).
- (3) Defined as cash flow from operations less corporate expenses (including nonconsolidated affiliates owned in both periods presented).
- (4) Defined as EBITDA as adjusted less interest expense, current tax expense and non-revenue producing capital expenditures.
- (5) The 2001 amount does not include an additional 18,859 shares used to calculate both adjusted earnings per share as required by FAS 142 and free cash flow per share.