

Clear Channel Reports Second Quarter 2001 Results

- 1 Reported Net Revenues Increase 126% to \$2.2 Billion**
- 2 EBITDA of \$611 Million, Up 63%**
- 3 After Tax Cash Flow Increases 73%**

San Antonio, Texas August 7, 2001Clear Channel Communications, Inc. (NYSE: CCU) today reported results for its second quarter ended June 30, 2001, posting net revenues of \$2.2 billion, an increase of 126% over the second quarter of 2000, and EBITDA (defined as operating cash flow less corporate expenses) of \$611 million, an increase of 63% over the second quarter of 2000. Attributable EBITDA (defined as EBITDA including nonconsolidated affiliates) for the quarter was \$642 million, an increase of 63% over the same period in 2000. After tax cash flow reported for the quarter was \$470 million, an increase of 73% over the second quarter of 2000. The Company's after tax cash flow per share, which is the benchmark that the Company uses to measure its performance, was \$0.75 compared to \$0.73 for the second quarter of 2000, an increase of 3%. After tax cash flow is defined as diluted net income before unusual and non-recurring items plus non-cash items (including nonconsolidated affiliates). On a pro forma basis, second quarter net revenues declined 1.5% to \$2.20 billion from \$2.23 billion for the second quarter of 2000. EBITDA declined 13% to \$615 million from \$710 million for the same period in 2000.

For the six months ending June 30, 2001, the Company posted net revenues of \$3.81 billion, an increase of 118%, and EBITDA of \$1.02 billion, an increase of 66% over the six months ending June 30, 2000. After tax cash flow was \$795 million or \$1.26 per share, an increase of 2% over last year's \$1.24 per share.

Commenting on the quarter, Lowry Mays, Chairman and Chief Executive Officer, stated, "We are pleased with our results during, what continued to be, a difficult advertising environment. Our results for the quarter were in line with our previous guidance and reflect our commitment to our shareholders even during challenging economic times. We continue to believe that we have developed an operating platform that will provide strong results for years to come."

Mark Mays, President and Chief Operating Officer of Clear Channel, said, "I am pleased that each of our business segments outperformed their respective industries. Each of our businesses gained market share and positioned themselves for continued strong performance into the future. We continue to seek better, more innovative ways to serve our customers that will enable Clear Channel to outperform the industries in which we operate."

Segment Operating Results

RADIO: For the second quarter of 2001, Clear Channel Radio increased revenues 96% to \$941 million and EBITDA to \$405 million, an increase of 99%. During the second quarter, Clear Channel Radio continued the already successful integration of AMFM, Inc. Despite integrating the largest acquisition in the history of the radio industry, Clear

Channel Radio was able to perform 25% better than the industry as a whole. Excluding Premiere Radio Networks, the Radio Segment showed a pro forma revenue decline of 6% versus the overall industry decline of 8%. Clear Channel Radio once again, increased its market share during the quarter. The continued integration of AMFM, coupled with strong ratings gains in a majority of its markets, positions the Radio division to continue this positive performance trend for the foreseeable future.

OUTDOOR: Clear Channel Outdoor, the world leader in outdoor advertising, had a number of important successes during the second quarter. Key outdoor advertising contract wins across the globe solidified Clear Channel as the premier outdoor company worldwide. In Asia, the Company won the world's single largest street furniture contract in Singapore, with estimated revenues over its fifteen-year term of \$500 million. Additionally, Clear Channel Outdoor won the contract to provide global outdoor advertising for the Carrefour group, the second largest global retailer and largest European retailer. During the second quarter, the Outdoor division posted an increase in revenues of 4.5% on a reported basis, but showed a decline in pro forma revenues of 5.5% during the quarter. This was primarily attributable to tougher quarterly comparisons and a less robust economic environment, especially in Europe, which represents a significant portion of the Outdoor segment's revenues.

ENTERTAINMENT: Clear Channel Entertainment was the fastest growing segment of the Company posting pro forma revenue and cash flow growth of 12% and 11%, respectively. Additionally, Clear Channel Entertainment was able to increase its first six months music ticket sales by 12% versus a decline in the industry as reported by Pollstar of approximately 12%, thus improving its market share. The continued integration and synergy between Clear Channel Entertainment and Clear Channel Radio's promotional platform played a key role in that increase. The improvement in revenues, cash flow and market share was achieved despite a reduction in the number of event nights during the second quarter, but was buoyed by an increase in per show profitability at Company owned venues.

Operating Results (in \$000s)

Below are the consolidated reported and pro forma results for the second quarter of 2001 versus 2000.

	Net Revenue	2 nd Quarter					
		Reported			Pro forma (a)		
		2001	2000	% Change	2001	2000	
	% Change						
	Radio	\$940,831	\$479,372	96.3%	\$940,831		
	\$1,013,105	(7.1%)					
	Outdoor	461,451	441,421	4.5%	474,627		
	502,180	(5.5%)					
	Entertainment	697,255	-	N/A	706,094		
	629,296	12.2%					
	Other	112,306	57,771	94.4%	108,066		

	119,614	(9.7%)				
	Eliminations	(32,582)	(12,689)	156.8%	(32,582)	
		(34,454)	(5.4%)			
	Consolidated	\$2,179,261	\$965,875	125.6%	\$2,197,036	
		\$2,229,741	(1.5%)			

	EBITDA	2 nd Quarter				
		Reported			Pro forma (a)	
		2001	2000	% Change	2001	
		2000	% Change			
	Radio	\$404,525	\$202,846	99.4%	\$404,525	
		\$465,552	(13.1%)			
	Outdoor	167,242	182,336	(8.3%)	170,035	
		200,383	(15.1%)			
	Entertainment	55,920	-	N/A	56,970	
		51,406	10.8%			
	Other	31,359	17,963	74.6%	31,189	
		48,789	(36.1%)			
	Corporate	(47,611)	(27,867)	70.9%	(47,611)	
		(56,286)	(15.4%)			
	Consolidated	\$611,435	\$375,279	62.9%	\$615,108	
		\$709,844	(13.3%)			

(a) Includes all acquisitions in the prior period (2000) for the same time frame as actually owned in the current period (2001). The 2001 pro forma includes an adjustment for foreign exchange to present results in constant dollars. Divestitures are excluded from both 2000 and 2001.

2000 Base Year Information

The following table provides full year 2000 pro forma revenues and EBITDA by business segment. The pro forma includes acquisitions and excludes results from divestitures made through June 30, 2001.

Fiscal Year 2000 - Pro Forma					
(in \$000s)					
Net Revenue					
	1Q 2000	2Q 2000	3Q 2000	4Q 2000	
FY 2000					
Radio	\$824,896	\$1,013,105	\$924,970	\$944,540	
					\$3,707,511
Outdoor	406,781	502,180	461,032	503,797	
					1,873,790
Entertainment	452,098	629,296	792,614	471,813	
					2,345,821
Other	107,989	119,614	122,219	138,536	
					488,358
Eliminations	(13,525)	(34,454)	(31,136)	(32,518)	
					(111,633)
Pro Forma Consolidated	\$1,778,239	\$2,229,741	\$2,269,699	\$2,026,168	
					\$8,303,847

EBITDA					
	1Q 2000	2Q 2000	3Q 2000	4Q 2000	
FY 2000					
Radio	\$314,332	\$465,552	\$436,552	\$446,799	
					\$1,663,235
Outdoor	128,922	200,383	174,468	193,636	
					697,409
Entertainment	36,018	51,406	83,213	16,258	
					186,895
Other	33,613	48,789	38,596	50,516	
					171,514
Corporate Expense	(53,263)	(56,286)	(62,158)	(50,832)	
					(222,539)
Pro Forma Consolidated	\$459,622	\$709,844	\$670,671	\$656,377	
					\$2,496,514

Guidance

Included below is guidance for the third quarter of 2001. The guidance below may constitute a “forward-looking statement.” Please see the disclosure at the end of this release concerning “forward-looking statements.”

(In millions, except per share data)	
Net revenue	\$2,170
EBITDA ⁽¹⁾	\$580
Attributable EBITDA ⁽²⁾	\$600
Per Share Amounts Diluted:	
Net loss	\$(0.37)
After tax cash flow ⁽³⁾	\$0.73

(1) Operating cash flow less corporate expenses
(2) Operating cash flow less corporate expenses (including nonconsolidated affiliates)
(3) Diluted net income before unusual and non-recurring items plus non-cash items (including nonconsolidated affiliates)

Conference Call

Our second quarter 2001 earnings conference call will be held today at 4:00 p.m. Central Time. The dial-in number is 973-633-1010 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 973-341-3080, pass code 2743907. The audio cast will also be archived on the Company’s website for one week.

About Clear Channel Communications

Clear Channel Communications, Inc., headquartered in San Antonio, Texas, is a global leader in the out-of-home advertising industry with radio and television stations, outdoor advertising displays, and live entertainment venues in 63 countries around the world. Including announced transactions, Clear Channel Radio operates approximately 1,213 radio stations in the United States and has equity interests in approximately 240 radio stations internationally. Clear Channel Outdoor operates approximately 770,000 outdoor advertising displays, including billboards, street furniture and transit panels across the world. Clear Channel Entertainment is one of the world’s largest diversified promoters, producers and presenters of live entertainment events and is a leading fully integrated sports marketing and management company. Clear Channel also operates 19 television stations in the United States and owns the largest media representation firm, Katz Media Group.

For further information contact Randy Palmer, Vice President of Investor Relations, or Sandra Franklin at (210) 822-2828 or visit our web-site at <http://www.clearchannel.com>.

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.

COMPARATIVE STATEMENTS OF OPERATIONS
Clear Channel Communications, Inc. and Subsidiaries
Unaudited
(In thousands of dollars, except per share data)

	Three months ended June 30,			Six months ended June 30,		
	2001	2000	% Change	2001	2000	% Change
Gross revenue	\$2,341,773	\$1,078,642	117%	\$4,102,792	\$1,950,017	110%
Net revenue	\$2,179,261	\$965,875	126%	\$3,807,624	\$1,748,414	118%
Operating expenses	1,520,215	562,729		2,699,283	1,082,690	
Operating cash flow	659,046	403,146	63%	1,108,341	665,724	66%
Corporate expenses	47,611	27,867		92,682	52,445	
EBITDA (1)	611,435	375,279	63%	1,015,659	613,279	66%
Non-cash compensation expense	8,456	-		12,350	-	
Depreciation and amortization	644,850	228,687		1,258,601	448,741	
Interest expense	137,539	69,911		293,939	125,460	
Gain (loss) on sale of assets related to mergers	(51,000)	-		(57,390)	-	
Gain (loss) on marketable securities	5,349	-		23,805	-	
Equity in earnings of nonconsolidated affiliates	4,045	6,667		4,608	9,603	
Other income (expense) - net	(9,765)	1,226		(17,398)	1,624	
Income (loss) before income taxes	(230,781)	84,574		(595,606)	50,305	
Income tax (expense) benefit	(6,220)	(53,339)		49,377	(58,472)	
Net income (loss)	(237,001)	\$31,235		(546,229)	(\$8,167)	
Net Income (Loss) Per Common Share:						
Basic	(\$0.40)	\$0.09		(\$0.93)	(\$0.02)	
Diluted	(\$0.40)	\$0.09		(\$0.93)	(\$0.02)	

After tax cash flow (2)	\$470,421	\$271,808	73%	\$794,841	\$464,033	71%
Attributable operating cash flow (3)	\$690,834	\$422,178	64%	\$1,166,503	\$697,730	67%
Attributable EBITDA (4)	\$642,455	\$393,254	63%	\$1,072,001	\$643,268	67%

After tax cash flow per common share (2)	\$0.75	\$0.73	3%	\$1.26	\$1.24	2%
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Weighted Average Shares Outstanding - Diluted	629,152	374,627		628,410	374,844	
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(1) Defined as operating cash flow less corporate expenses.

(2) Defined as diluted net income before unusual and non-recurring items plus non-cash items (including nonconsolidated affiliates).

(3) Defined as operating cash flow (including nonconsolidated affiliates).

(4) Defined as operating cash flow less corporate expenses (including nonconsolidated affiliates).