Clear Channel Reports Second Quarter 2002 Results

- **Revenues of $2.17 Billion**
- **EBITDA of $627 Million**
- **Free Cash Flow of $365 Million**

San Antonio, Texas July 24, 2002 Clear Channel Communications, Inc. (NYSE: CCU) today reported results for its second quarter ended June 30, 2002.

For the second quarter of 2002, Clear Channel reported revenues of $2.17 billion, essentially flat with the 2001 reported revenues of $2.18 billion. EBITDA as adjusted (defined as operating cash flow less corporate expenses, referred to as "EBITDA") was $627 million compared to $611 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 second quarter of 2002 was $645 million compared to $628 million for the second quarter of 2001.

Free cash flow (defined as EBITDA as adjusted less interest expense, taxes and non-revenue producing capital expenditures) for the second quarter was $365 million or $0.58 per share compared to $261 million or $0.43 per share for the same period in 2001.

Clear Channel reported net earnings of $238 million, or $0.39 per diluted share for the second quarter of 2002. This compares to a net loss of $237 million or a net loss of $0.40 per diluted share in the second quarter of 2001. Assuming the adoption of FAS 142 "Goodwill and Other Intangibles" had occurred at the beginning of 2001, net earnings would have been $104 million or $0.17 per diluted share for the second quarter of 2001.

The Company's second quarter 2002 net earnings includes approximately $21 million of pre-tax gains, $0.02 per share after tax, related to the sale of certain assets and a litigation settlement. Excluding those gains, net earnings per share would have been $0.37.

On a pro forma basis, second quarter 2002 revenues declined 4 percent compared with last year's second quarter revenues of $2.24 billion. Pro forma EBITDA was $625 million, an increase of 1 percent, when compared to $621 million for the second quarter of 2001.

"It's my hope and desire that accelerating this release will put the recent innuendos to rest so that we can get them behind us. We are doing what's most important for this Company, focusing on the fundamentals of our business and operating (as we have done historically) to create shareholder value. Further, despite the recent performance of our stock and the overall volatility of the stock market, we believe the fundamentals of our business remain sound." 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 $991 million, an increase of 5 percent over the same period in 2001, and EBITDA was $441 million, reflecting an increase of 9 percent over the same period in 2001. On a pro forma basis, revenues for the quarter also increased 5 percent and EBITDA increased 9 percent, when compared to the same period in 2001.

Clear Channel Radio's tenured and experienced management team is leading this division to recovery. Clear Channel ranked either first or second in audience ratings in 100 of the 112 reporting markets. Some of the national revenue categories that were up during the second quarter included: Auto, Consumer Products, Retail, Travel, Political, Telecom/Utility, Beverages, Fast Food, Entertainment and Professional Services. Clear Channel radio is focused on growing market share and revenue share as we serve our communities, listeners and advertisers.

OUTDOOR: During the second quarter of 2002, Clear Channel Outdoor revenues were $474 million and EBITDA was $145 million. On a pro forma basis, second quarter revenues declined 5 percent and EBITDA declined 18 percent when compared to the same period in 2001.

The acquisition of The Ackerley Group in June makes Clear Channel Outdoor the only outdoor company with a presence in all of the top 10 U.S. markets. Additionally, we have the market leading position in eight of those markets.

ENTERTAINMENT: Clear Channel Entertainment's second quarter 2002 revenues declined 11 percent to $619 million and EBITDA declined 8 percent to $52 million when compared to the same period in 2001. On a pro forma basis, second quarter 2002 revenues declined 14 percent, while EBITDA declined 12 percent when compared to the same period in 2001.

Clear Channel Entertainment debuted and is presenting its summer season of concerts, theater productions, motorsports and family entertainment shows. Exciting tours during the second quarter included: Paul McCartney, DMB, *NSYNC and Blink 182/Green Day. Upcoming shows that will roll out this summer include: Music Man, Rolling Stones, Toby Keith, Blast, Arenacross, Mama Mia, Miss Saigon, Willie Nelson, Marc Anthony, Titanic: The Artifact Exhibit , Les Miserables, Cher, Ozzfest 2002 and The Allman Brothers Band.

Operating Results
(in $000s)

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

Revenue

	2nd Quarter					
	Reported			Pro forma (a)		
	2002	2001	% Change	2002	2001	% Change
Radio	$991,282	$940,831	5.4%	$991,282	$948,635	4.5%
Outdoor	473,991	461,451	2.7%	466,886	489,225	(4.6%)
Entertainment	619,225	697,255	(11.2%)	612,307	714,933	(14.4%)
Other	116,845	112,306	4.0%	116,845	117,870	(0.9%)
Eliminations	(28,433)	(32,582)	(12.7%)	(28,433)	(32,582)	(12.7%)
Consolidated	$2,172,910	$2,179,261	(0.3%)	$2,158,887	$2,238,081	(3.5%)

EBITDA

	2nd Quarter					
	Reported			Pro forma (a)		
	2002	2001	% Change	2002	2001	% Change
Radio	$441,348	$404,525	9.1%	$441,348	$406,168	8.7%
Outdoor	144,502	167,242	(13.6%)	143,566	174,710	(17.8%)
Entertainment	51,587	55,920	(7.7%)	50,410	56,964	(11.5%)
Other	29,072	31,359	(7.3%)	29,072	30,670	(5.2%)
Corporate	(39,203)	(47,611)	(17.7%)	(39,203)	(47,611)	(17.7%)
Consolidated	$627,306	$611,435	2.6%	$625,193	$620,901	0.7%

(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 June 30th	
	2002	2001
EBITDA as Adjusted (b)	$627,306	$611,435
Interest Expense	(108,350)	(137,539)
Current Tax Benefit (Expense) (c)	(87,187)	(110,465)
Non-Revenue Producing Capital Expenditures	(66,397)	(102,400)
Total Free Cash Flow	$365,372	$261,031
Total Free Cash Flow Per Share	$0.58	$0.43
Weighted-Average Shares Outstanding (d)	629,234	607,331

(b) Defined as operating cash flow less corporate expenses.
(c) Current tax benefit (expense) reflects adjustments for non-routine deferred tax items of $125,164 for 2002 and $0 for 2001.
(d) The 2001 amount includes an additional 18,266 shares used to calculate both adjusted earnings per share as required by FAS 142 and free cash flow per share.

Selected Balance Sheet Information

(in $000s)

	June 30, 2002	March 31, 2002
Current Assets	$2,247,603	$1,900,699
Net Property, Plant and Equipment	4,146,190	3,958,270
Total Assets	27,689,848	26,299,731
Current Liabilities (excluding current portion of long-term debt)	1,920,854	1,474,989
Long-Term Debt (including current portion of long-term debt)	9,298,745	9,116,174
Shareholders' Equity	13,758,875	13,059,392

Capital Expenditures

Capital expenditures for the second quarter were:

Recurring	$ 36,557
Non-recurring projects	$ 29,840
Revenue producing	$ 54,862
Total capital expenditures	$ 121,259

The Company defines recurring capital expenditures as those expenditures that are required each year, non-recurring projects are expenditures arising from the integration of newly acquired entities and revenue producing are discretionary capital investment for new revenue streams.

Capital expenditures for the full year 2002 are expected to be:

Recurring	$	150,000
Non-recurring projects	$	175,000
Revenue producing	$	350,000
Total capital expenditures	$	675,000

Liquidity and Financial Position

At June 30, 2002, Clear Channel had net long-term debt of $9.3 billion [e] consisting of $1.4 billion of bank debt, $7.5 billion of public notes and convertible notes and other debt, net of cash, of $400 million.

Leverage, defined as net long-term debt divided by the trailing 12-month pro forma EBITDA as adjusted, was 4.8x at June 30, 2002.

Clear Channel has three domestic bank credit facilities totaling $4.5 billion with $3.0 billion available at June 30, 2002.

- The first facility is a $1.5 billion reducing revolver with quarterly amortization through June 2005.
- The second is a $1.5 billion multi-currency credit facility due August 2005.
- The third facility is a $1.5 billion 364-day facility with an option to extend the facility to August 2005. This facility, entered into in August 2000, is a five-year facility structured as a 364-day facility with the option to renew into a 364-day facility annually or to extend into a loan for the remainder of the five-year period. Randall Mays, Executive Vice President and Chief Financial Officer, stated, “It is our intention to extend the facility into a three-year loan due to its very attractive pricing versus current market levels and the liquidity it provides the Company. With this facility in place, we have enough bank capacity to meet all debt maturities for the next several years.” There are currently no outstanding amounts on the facility. The Company intends to use the proceeds from the facility to redeem or repurchase, through open market purchases, privately negotiated transactions, or other means, both notes and convertible notes maturing prior to September 30, 2003.

Clear Channel completed and settled its tender of the Ackerley 9% Senior Subordinated Notes due 2009 on July 3, 2002. A total of $199 million of the $200 million outstanding were tendered. The tender was financed with a draw on the $1.5 billion reducing revolver. Clear Channel has maturities of $1.7 billion in notes and convertible notes maturing in the next 12 months. These maturities are expected to be refinanced with the available bank capacity of $3.0 billion and cash flow from operations.

(e) Net long-term debt includes letters of credit and third-party guarantees of $338 million. It does not include purchase accounting premiums and fair value of interest rates swaps of $200 million included in long-term debt on the balance sheet.

Guidance

The Company believes that, based on the current economic and advertising environment, Third Quarter 2002 EBITDA will be in the range of $570-585 million and

Full-Year EBITDA will be $2.05 to $2.10 billion. Based on this estimate of full-year EBITDA, the Company expects to generate approximately $1.10 billion of full-year free cash flow as defined above.

Conference Call

Our second 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 1267. 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.

For further information contact:
Investors
Randy Palmer
Vice President of Investor Relations
(210) 832-3315
mailto:RandyPalmer@clearchannel.com

Media
Diane Warren
Vice President of Communications,
(210) 832-3509
mailto:DianeWarren@clearchannel.com

The numbers contained within this release are unaudited. 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 June 30,		
	2002	**2001**	**% Change**
Revenue	**$2,172,910**	**$2,179,261**	**0%**
Divisional operating expenses	1,506,401	1,520,215	
Operating cash flow	666,509	659,046	1%
Corporate expenses	39,203	47,611	
EBITDA as adjusted (1)	**627,306**	**611,435**	**3%**
Non-cash compensation expense	1,445	8,456	
Depreciation and amortization	146,261	644,850	
Interest expense	108,350	137,539	
Gain (loss) on sale of assets related to mergers	-	(51,000)	
Gain (loss) on marketable securities	5,917	5,349	
Equity in earnings of nonconsolidated affiliates	7,500	4,045	
Other income (expense) - net	15,394	(9,765)	
Income (loss) before income taxes	400,061	(230,781)	
Income tax (expense) benefit:			
Current	(212,351)	(110,465)	
Deferred	50,326	104,245	
Net income (loss)	$238,036	($237,001)	
Net income (loss) per share:			
Basic	**$0.40**	**($0.40)**	
Diluted	**$0.39**	**($0.40)**	
Net income per share adjusted for adoption of FAS 142 (2):			
Basic	$0.40	$0.18	122%
Diluted	$0.39	$0.17	129%
Attributable operating cash flow (3)	$685,658	$676,451	1%
Attributable EBITDA (4)	$645,059	$628,073	3%
Free cash flow (5)	$365,372	$261,031	40%
Free cash flow per share - Diluted	$0.58	$0.43	35%
Weighted Average Shares Outstanding - Diluted (6)	629,234	589,065	

(1) Defined as operating cash flow less corporate expenses.
(2) Adjusted to present the impact of FAS 142 on net income per share as if FAS 142 had been in effect for the three months ended June 30, 2001.
(3) Defined as operating cash flow (including nonconsolidated affiliates owned in both periods presented).
(4) Defined as operating cash flow less corporate expenses (including nonconsolidated affiliates owned in both periods presented).
(5) Defined as EBITDA as adjusted less interest expense, tax expense and non-revenue producing capital expenditures.
(6) The 2001 amounts do not include an additional 18,266 shares for the three months ended June 30, 2001, used to calculate both adjusted earnings per share as required by FAS 142 and free cash flow per share.