AMFM Shamrock Texas, Inc.
Form S-4
March 30, 2009
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As filed with the Securities and Exchange Commission on March 30, 2009

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CLEAR CHANNEL COMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

(see table of additional registrants)

Texas	**4832**	**74-1787539**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

200 East Basse Road

San Antonio, Texas 78209

(210) 822-2828

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

See Table of Additional Registrant Guarantors Continued on the Next Page

Andrew W. Levin

Executive Vice President, Chief Legal Officer and Secretary

Clear Channel Communications, Inc.

200 East Basse Road

San Antonio, Texas 78209

(210) 822-2828

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

David C. Chapin

Alfred O. Rose

Brian C. Erb

Ropes & Gray LLP

One International Place, 36th Floor

Boston, MA 02110

(617) 951-7000

(617) 951-7050 (facsimile)

Approximate date of commencement of proposed sale to the public: As soon as practicable after the Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered (1)**	**Proposed maximum offering price per unit (1)**	**Proposed maximum aggregate offering price (1)**	**Amount of registration fee**
10.75% Senior Cash Pay Notes due 2016	$980,000,000	100%	$980,000,000	$54,684.00
Guarantees of 10.75% Senior Cash Pay Notes due 2016 (2)				(3)
11.00%/11.75% Senior Toggle Notes due 2016	$1,330,000,000	100%	$1,330,000,000	$74,214.00
Guarantees of 11.00%/11.75% Senior Toggle Notes due 2016 (2)				(3)

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f)(1) under the Securities Act of 1933, as amended.
(2) See inside facing page for the table of additional registrant guarantors.
(3) Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no separate fee is payable for the registration of the guarantees.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number	Address, including Zip Code, and Telephone Number, including Area Code, of Registrant s Principal Executive Offices
Ackerley Broadcasting Operations, LLC	Delaware	4832	20-3731411	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Air Services, Inc.	Delaware	4700	75-2771440	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Broadcasting Licenses, LLC	Delaware	4832	01-0824545	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Broadcasting, Inc.	Delaware	4832	95-4068583	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Holdings Inc.	Delaware	4899	75-2728285	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Inc.	Delaware	4899	75-2247099	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Michigan, LLC	Delaware	4832	75-2775714	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Operating Inc.	Delaware	4899	13-3649750	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Radio Group, Inc.	Delaware	4899	99-0248292	200 East Basse Road San Antonio, TX 78209

				(210) 822-2828
AMFM Radio Licenses, LLC	Delaware	4832	75-2779594	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Shamrock Texas, Inc.	Texas	4832	71-0527506	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Texas Broadcasting, LP	Delaware	4832	75-2486577	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Texas Licenses, LP	Delaware	4832	75-2486580	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
AMFM Texas, LLC	Delaware	4832	74-2939082	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Broadcast Architecture, Inc.	Massachusetts	4899	04-3096275	200 East Basse Road San Antonio, TX 78209 (210) 822-2828

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number	Address, including Zip Code, and Telephone Number, including Area Code, of Registrant s Principal Executive Offices
Broadcast Finance, Inc.	Ohio	4899	31-1390698	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Capstar Broadcasting Partners, Inc.	Delaware	4899	75-2672663	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Capstar Radio Operating Company	Delaware	4832	13-3922738	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Capstar TX Limited Partnership	Delaware	4832	13-3933048	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
CC Broadcast Holdings, Inc.	Nevada	4899	20-2302507	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
CC Finco Holdings, LLC	Delaware	4899	26-3757034	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
CC Licenses, LLC	Delaware	4832	20-3498527	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
CCB Texas Licenses, Inc.	Texas	4832	81-0587465	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Central NY News, Inc.	Washington	4833	91-1801794	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Christal Radio Sales, Inc.	Delaware	7311	13-2618663	200 East Basse Road San Antonio, TX 78209

				(210) 822-2828
Cine Guarantors II, Inc.	California	4899	95-2960196	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Citicasters Co.	Ohio	4832	31-1081002	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Citicasters Licenses, Inc.	Texas	4832	74-3005625	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Aviation, LLC	Delaware	4700	74-2980854	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Broadcasting Licenses, Inc.	Nevada	4832	88-0309517	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Broadcasting, Inc.	Nevada	4832	74-2722883	200 East Basse Road San Antonio, TX 78209 (210) 822-2828

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number	Address, including Zip Code, and Telephone Number, including Area Code, of Registrant s Principal Executive Offices
Clear Channel Capital I, LLC	Delaware	4899	None	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Collective Marketing, LLC	Delaware	4899	20-4033024	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Company Store, Inc.	Nevada	5960	74-2975352	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Holdings, Inc.	Nevada	4899	88-0318078	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Identity, Inc.	Texas	4899	16-1643710	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Investments, Inc.	Nevada	6799	91-1883551	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Management Services, Inc.	Texas	8741	02-0619566	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Mexico Holdings, Inc.	Nevada	4899	20-2303205	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Real Estate, LLC	Delaware	4899	74-2745435	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clear Channel Satellite Services, Inc.	Delaware	4899	31-1125479	200 East Basse Road San Antonio, TX 78209

				(210) 822-2828
Clear Channel Wireless, Inc.	Nevada	4899	74-2975253	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Clearmart, Inc.	Nevada	5960	55-0858216	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Critical Mass Media, Inc.	Ohio	4899	31-1228174	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Jacor Broadcasting Corporation	Ohio	4832	31-1363232	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Jacor Broadcasting of Colorado, Inc.	Colorado	4832	31-1212116	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Jacor Broadcasting of Denver, Inc.	California	4832	33-0250362	200 East Basse Road San Antonio, TX 78209 (210) 822-2828

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number	Address, including Zip Code, and Telephone Number, including Area Code, of Registrant s Principal Executive Offices
Jacor Communications Company	Florida	4899	59-2054850	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Katz Communications, Inc.	Delaware	7311	13-0904500	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Katz Media Group, Inc.	Delaware	7311	13-3779266	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Katz Millennium Sales & Marketing Inc.	Delaware	7311	06-0963166	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Katz Net Radio Sales, Inc.	Delaware	7311	74-3221051	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
KTZMedia Corporation	Delaware	4899	13-3779269	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
M Street Corporation	Washington	2741	54-1526578	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Premiere Radio Networks, Inc.	Delaware	4832	95-4083971	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Radio-Active Media, Inc.	Delaware	4899	31-1511358	200 East Basse Road San Antonio, TX 78209 (210) 822-2828
Terrestrial RF Licensing, Inc.	Nevada	4832	55-0858211	200 East Basse Road San Antonio, TX 78209

				(210) 822-2828
The New Research Group, Inc.	Nevada	4899	01-0604020	200 East Basse Road San Antonio, TX 78209 (210) 822-2828

The name, address, including zip code, and telephone number, including area code, of agent for service for each of the Additional Registrant Guarantors is:

Andrew W. Levin

Executive Vice President, Chief Legal Officer and Secretary

Clear Channel Communications, Inc.

200 East Basse Road

San Antonio, Texas 78209

(210) 822-2828

With a copy to:

David C. Chapin

Alfred O. Rose

Brian C. Erb

Ropes & Gray LLP

One International Place, 36th Floor

Boston, MA 02110

(617) 951-7000

(617) 951-7050 (facsimile)

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SUBJECT TO COMPLETION, DATED MARCH 30, 2009

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

CLEAR CHANNEL COMMUNICATIONS, INC.

OFFERS TO EXCHANGE

$980,000,000 aggregate principal amount of its 10.75% Senior Cash Pay Notes due 2016 and $1,330,000,000 aggregate principal amount of its 11.00%/11.75% Senior Toggle Notes due 2016, the issuance of each of which has been registered under the Securities Act of 1933, as amended, for any and all of its outstanding 10.75% Senior Cash Pay Notes due 2016 and any and all of its 11.00%/11.75% Senior Toggle Notes due 2016, respectively.

We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, all of our new 10.75% Senior Cash Pay Notes due 2016 (the exchange senior cash pay notes) and all of our new 11.00%/11.75% Senior Toggle Notes due 2016 (the exchange senior toggle notes and collectively with the exchange senior cash pay notes, the exchange notes), for all of our outstanding 10.75% Senior Cash Pay Notes due 2016 (the outstanding senior cash pay notes) and all of our outstanding 11.00%/11.75% Senior Toggle Notes due 2016 (the outstanding senior toggle notes and collectively with the outstanding senior cash pay notes, the outstanding notes and collectively with the exchange notes, the notes), respectively. We are also offering the parent and subsidiary guarantees of the exchange notes, which are described in this prospectus. The terms of the exchange notes are identical to the terms of the outstanding notes except that the exchange notes have been registered under the Securities Act of 1933, as amended (the Securities Act), and therefore are freely transferable. We will pay interest on the notes on February 1 and August 1 of each year. The outstanding senior cash pay notes and exchange senior cash pay notes (collectively, the senior cash pay notes) will mature on August 1, 2016 and the outstanding senior toggle notes and exchange senior toggle notes (collectively, the senior toggle notes) will mature on August 1, 2016.

The principal features of the exchange offers are as follows:

We will exchange all outstanding notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offers for an equal principal amount of exchange notes that are freely tradable.

You may withdraw tendered outstanding notes at any time prior to the expiration of the exchange offers.

The exchange offers expire at 12:00 a.m. midnight, New York City time, on , 2009, unless extended.

The exchange of outstanding notes for exchange notes pursuant to the exchange offers will not be a taxable event for United States federal income tax purposes.

We will not receive any proceeds from the exchange offers.

We do not intend to apply for listing of the exchange notes on any securities exchange or automated quotation system.
All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture relating to the outstanding notes. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, we do not currently anticipate that we will register the outstanding notes under the Securities Act.

You should consider carefully the risk factors beginning on page 17 of this prospectus before participating in the exchange offers.

Each broker-dealer that receives new securities for its own account pursuant to the exchange offers must acknowledge that it will deliver a prospectus in connection with any resale of such new securities. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new securities received in exchange for securities where such securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The issuer has agreed that, starting on the expiration date of each exchange offer and ending on the close of business 180 days after the expiration of each exchange offer, it will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2009.

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This prospectus contains summaries of the terms of several material documents. These material documents contain important business and financial information about Clear Channel Communications, Inc. that is not included in or delivered with the prospectus, apart from the reference to such material documents in such summaries. These summaries include the terms that we believe to be material, but we urge you to review these documents in their entirety. We will provide without charge to each person to whom a copy of this prospectus is delivered, upon written or oral request of that person, a copy of any and all of this information. Requests for copies should be directed to Attn: Investor Relations Department, Clear Channel Communications, Inc., 200 East Basse Road, San Antonio, Texas 78209 (Telephone: (210) 832-3315). You should request this information at least five business days in advance of the date on which you expect to make your decision with respect to the exchange offers. **In any event, you must request this information prior to , 2009, in order to receive the information prior to the expiration of the exchange offers.**

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WHERE YOU CAN FIND MORE INFORMATION

We and the guarantors have filed with the Securities and Exchange Commission (the SEC) a registration statement on Form S-4 under the Securities Act with respect to the exchange notes being offered hereby. This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement. For further information with respect to us, the guarantors or the exchange notes, we refer you to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete. We are not currently subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act). As a result of the offering of the exchange notes, we will become subject to the informational requirements of the Exchange Act, and, in accordance therewith, will file reports and other information with the SEC. The registration statement, such reports and other information can be inspected and copied at the Public Reference Room of the SEC located at Room 1580, 100 F Street, N.E., Washington D.C. 20549. Copies of such materials, including copies of all or any portion of the registration statement, can be obtained from the Public Reference Room of the SEC at prescribed rates. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room. Such materials may also be accessed electronically by means of the SEC s home page on the Internet (*http://www.sec.gov*).

Under the terms of the indenture relating to the notes, as supplemented by certain supplemental indentures thereto (the indenture), we have agreed that, whether or not we are required to do so by the rules and regulations of the SEC, for so long as any of the notes remain outstanding, we will furnish to the trustee and holders of the notes the information specified therein in the manner specified therein. See Description of the Exchange Notes.

You may request a copy of Clear Channel Communications, Inc. s SEC filings, at no cost, by writing or calling Clear Channel Communications, Inc. at the following address or telephone number: Attn: Investor Relations Department, Clear Channel Communications, Inc., 200 East Basse Road, San Antonio, Texas 78209 (Telephone: (210) 832-3315). Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference in this document. Clear Channel Communications, Inc. s SEC filings will also be available, at no cost, at its website (*http://www.clearchannel.com*) as soon as reasonably practicable after Clear Channel Communications, Inc. electronically files such material with the SEC.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the United States federal securities laws, which statements involve risks and uncertainties. Statements other than statements of historical facts including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs and plans, future industry growth and objectives of management for future operations, are forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as may, will, expect, intend, estimate, project, forecast, anticipate, believe, or continue, or the negative there thereon or similar terminology.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Certain of the important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus.

We caution you not to place undue reliance on any forward-looking statements and we do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements.

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MARKET AND INDUSTRY DATA

Market and industry data throughout this prospectus was obtained from a combination of our own internal company surveys, the good faith estimates of management, various trade associations and publications, the Arbitron Inc. (Arbitron) and Nielsen Media Research, Inc. rankings and CommScore / Media Metrix. Although we believe that these independent sources and our internal data are reliable as of their respective dates, the information contained in them has not been independently verified, and we cannot assure you as to the accuracy or completeness of this information. As a result, you should be aware that the market and industry data contained in this prospectus, and beliefs and estimates based on such data, may not be reliable.

Entities affiliated with Thomas H. Lee Partners, L.P., one of the significant stockholders of CC Media Holdings, Inc. (the indirect parent of Clear Channel Communications, Inc.), beneficially own approximately 20.7% of the outstanding shares of capital stock of The Nielsen Company B.V., an affiliate of Nielsen Media Research, Inc. Officers of Thomas H. Lee Partners, L.P. serve on the Boards of Directors of Clear Channel Communications, Inc. and CC Media Holdings, Inc. Additionally, officers of Thomas H. Lee Partners, L.P. are members of the governing bodies of Nielsen Finance LLC, The Nielsen Company B.V. and Nielsen Finance Co., each of which are affiliates of Nielsen Media Research, Inc. Information in this prospectus that is indicated as having been provided by Nielsen Media Research, Inc. is contained in reports that are available to all clients of Nielsen Media Research, Inc. and was not commissioned by, prepared for, or provided at a discount to Thomas H. Lee Partners, L.P., Bain Capital Partners, LLC, Clear Channel Communications, Inc., or CC Media Holdings, Inc.

Entities affiliated with Abrams Capital, LLC, that are stockholders of CC Media Holdings, Inc. beneficially own approximately 12.2% of the outstanding shares of capital stock of Arbitron. Additionally, Mr. David C. Abrams, the managing member of Abrams Capital, LLC, serves as an independent director on the Boards of Directors of Clear Channel Communications, Inc. and CC Media Holdings, Inc. Information in this prospectus that is indicated as having been provided by Arbitron is contained in reports that are available to all clients of Arbitron and was not commissioned by, prepared for, or provided at a discount to Abrams Capital, LLC, Clear Channel Communications, Inc., or CC Media Holdings, Inc.

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SUMMARY

This summary contains basic information about Clear Channel Communications, Inc. and these exchange offers. Because it is a summary, it does not contain all of the information that is important to you. You should read this entire prospectus carefully, including the section titled Risk Factors and the consolidated financial statements and the notes thereto included elsewhere in this prospectus, before participating in the exchange offers.

Clear Channel Communications, Inc., the issuer of the notes, is an indirect, wholly-owned subsidiary of CC Media Holdings, Inc. and a direct, wholly-owned subsidiary of Clear Channel Capital I, LLC, one of the guarantors of the notes. Unless otherwise stated or the context otherwise requires, all references in this prospectus to Clear Channel, we, our and us refer to Clear Channel Communications, Inc. and its consolidated subsidiaries, all references in this prospectus to Clear Channel Capital refer to Clear Channel Capital I, LLC and all references in this prospectus to Holdings refer to CC Media Holdings, Inc.

As an indirect, wholly-owned subsidiary of CC Media Holdings, Inc., the compensation of our officers and directors is governed by the policies and practices of CC Media Holdings, Inc. Accordingly, the information contained in the section titled Executive Compensation relates to the executive compensation arrangements between CC Media Holdings, Inc. and our officers and directors and all references therein to we, our and us refer to CC Media Holdings, Inc.

As permitted by the rules and regulations of the SEC, the audited financial statements included in this prospectus are those of Clear Channel Capital I, LLC and contain certain footnote disclosures regarding financial information of Clear Channel Communications, Inc. and the additional registrant guarantors. All other financial statements, data and information contained in this prospectus is that of Clear Channel Communications, Inc, unless otherwise indicated.

Clear Channel

We are a diversified media company incorporated in 1974 with three reportable business segments: Radio Broadcasting, Americas Outdoor Advertising (consisting primarily of operations in the United States, Canada and Latin America) and International Outdoor Advertising.

As of December 31, 2008, we owned 894 radio stations and a leading national radio network operating in the United States. In addition, we had equity interests in various international radio broadcasting companies. For the year ended December 31, 2008, the Radio Broadcasting segment represented 49% of net revenue on a combined basis. As of December 31, 2008, we also owned or operated approximately 237,000 Americas Outdoor Advertising display faces and approximately 670,000 International Outdoor Advertising display faces. For the year ended December 31, 2008, the Americas Outdoor Advertising and International Outdoor Advertising segments represented 21% and 27% of net revenue on a combined basis, respectively. As of December 31, 2008, we also owned a media representation firm, as well as other general support services and initiatives, all of which are within the category Other. This segment represented 3% of net revenue on a combined basis for the year ended December 31, 2008.

We believe we offer advertisers a diverse platform of media assets across geographies, radio programming formats and outdoor products. We intend to continue to execute upon our long-standing radio broadcasting and outdoor advertising strategies, while closely managing expense growth and focusing on achieving operating efficiencies throughout our businesses. Within each of our operating segments, we share best practices across our markets in an attempt to replicate our successes throughout the markets in which we operate.

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Recent Developments

The global economic slowdown has adversely affected advertising revenue across our businesses in recent months. In this regard, we performed an interim impairment test in the fourth quarter of 2008 and recorded a non-cash impairment of approximately $5.3 billion. We recognized a non-cash impairment charge of $3.6 billion to reduce our goodwill and we recognized a non-cash impairment charge of $1.7 billion on our indefinite-lived FCC licenses and permits.

On January 20, 2009, we announced that we commenced a restructuring program targeting a reduction of fixed costs by approximately $350 million on an annualized basis. As part of the program, we eliminated approximately 1,850 full-time positions representing approximately 9% of total workforce. The restructuring program will also include other actions, including elimination of overlapping functions and other cost savings initiatives. The program is expected to result in restructuring and other non-recurring charges of approximately $200 million, although additional costs may be incurred as the program evolves. The cost savings initiatives are expected to be fully implemented by the end of the first quarter of 2010. No assurance can be given that the restructuring program will be successful or will achieve the anticipated cost savings in the timeframe expected or at all. In addition, we may modify or terminate the restructuring program in response to economic conditions or otherwise.

Corporate Information

Our corporate headquarters is located at 200 East Basse Road, San Antonio, Texas 78209 (Telephone: (210) 822-2828). Our website is *http://www.clearchannel.com.* The information on our website is not deemed to be part of this prospectus, and you should not rely on it in connection with your decision whether to participate in the exchange offers.

The Transactions

On November 16, 2006, Clear Channel entered into an Agreement and Plan of Merger, as amended by Amendment No. 1, dated April 18, 2007, Amendment No. 2, dated May 17, 2007, and Amendment No. 3, dated May 13, 2008 (the merger agreement), to effect the acquisition of Clear Channel by Holdings. Clear Channel held a special meeting of its shareholders on July 24, 2008, at which time the proposed merger was approved. On July 30, 2008, upon the satisfaction of the conditions set forth in the merger agreement, Holdings acquired Clear Channel. The acquisition was effected by the merger of BT Triple Crown Merger Co., Inc. (Merger Sub), then an indirect subsidiary of Holdings, with and into Clear Channel (the merger). As a result of the merger, Clear Channel became a wholly-owned subsidiary of Holdings, held indirectly through intermediate holding companies including Clear Channel Capital. Upon the consummation of the merger, Holdings became a public company and Clear Channel ceased to be a public company.

At the effective time of the merger, Clear Channel s shareholders who elected to receive cash consideration in connection with the merger received $36.00 in cash for each pre-merger share of Clear Channel s outstanding common stock they owned. Pursuant to the merger agreement, as an alternative to receiving the $36.00 per share cash consideration, Clear Channel s shareholders were offered the opportunity to exchange some or all of their pre-merger shares on a one-for-one basis for shares of common stock in Holdings. Immediately following the Transactions, those shares represented, in the aggregate, approximately 25% (whether measured by voting power or economic interest) of the equity of Holdings.

Several new entities controlled by Bain Capital Investors, LLC and its affiliates (collectively, Bain Capital) and Thomas H. Lee Partners, L.P. and its affiliates (collectively, THL and, together with Bain Capital, the Sponsors) and their co-investors acquired through newly formed companies (each of which is ultimately controlled jointly by the Sponsors) shares of stock in Holdings. Immediately following the

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Transactions, those shares represented, in the aggregate, approximately 72% (whether measured by voting power or economic interest) of the equity of Holdings. In connection with the Transactions, Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays rolled over unrestricted common stock, restricted equity securities and in the money stock options exercisable for common stock of Clear Channel, with an aggregate value of approximately $45 million, in exchange for equity securities of Holdings, and Messrs. Mark P. Mays and Randall T. Mays received restricted stock of Holdings with an aggregate value of approximately $40 million (in each case based upon the per share price paid by the Sponsors for shares of Holdings in connection with the merger). Certain other members of Clear Channel s management also rolled over restricted equity securities and in the money stock options exercisable for common stock of Clear Channel in exchange for equity securities of Holdings. Accordingly, the remaining approximately 3% of the equity of Holdings was held by Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and certain members of Clear Channel s management.

The merger was financed with the net proceeds of the initial offering of the outstanding notes, initial borrowings by Clear Channel under new senior secured credit facilities and a new receivables based credit facility, available cash at Clear Channel and equity contributions to Merger Sub at closing. The closing of the offering of the outstanding notes occurred substantially concurrently with the closing of the merger on July 30, 2008. We refer to the merger, the initial offering of the outstanding notes, the borrowings under Clear Channel s senior secured credit facilities and receivables based credit facility, and the application of proceeds thereof, including the repayment of certain of Clear Channel s then-existing indebtedness, as the Transactions. Clear Channel s senior secured credit facilities and receivables based credit facility are described in more detail under Description of Other Indebtedness, and the notes are described in more detail under Description of the Exchange Notes.

For a more complete description of the Transactions, see the sections titled The Transactions, Use of Proceeds, Capitalization, Unaudited Pro Forma Condensed Consolidated Financial Data, Description of Other Indebtedness, and Description of the Exchange Notes.

The Sponsors

Bain Capital

Founded in 1984, Bain Capital, LLC is a leading global investment firm whose affiliates manage approximately $75 billion in assets across private equity, venture capital, high-yield debt and public equity asset classes, and has more than 300 investment professionals. Headquartered in Boston, Bain Capital, LLC has offices in Chicago, New York, London, Munich, Mumbai, Hong Kong, Shanghai and Tokyo and has one of the largest in-country private equity investment teams in Europe and Asia. Bain Capital Partners, LLC has raised fourteen private equity funds, including ten in North America, which have made investments and add-on acquisitions in more than 300 companies. Bain Capital Partners, LLC has deep experience in a variety of industries and its group of dedicated operating professionals provide its portfolio companies and management partners with significant strategic and operational support. Funds sponsored by Bain Capital Partners, LLC have invested in a variety of media businesses including The Weather Channel, Warner Music Group, Cumulus Media Partners, Houghton Mifflin, ProSiebenSat.1, SuperPages Canada and DoubleClick.

THL

THL is one of the oldest and most successful private equity investment firms in the United States. Since its establishment in 1974, THL has become the preeminent growth buyout firm, raising approximately $22 billion of equity capital, investing in more than 100 businesses with an aggregate purchase price of more than $125 billion, completing over 200 add-on acquisitions for portfolio companies and generating superior returns for its investors. Notable recent transactions sponsored by the firm include Aramark, Ceridian, Dunkin Brands, Fidelity Information Services, Grupo ONO, Houghton Mifflin, Michael Foods, The Nielsen Company, Nortek, ProSiebenSat.1, Simmons, Univision, Warner Chilcott, Warner Music Group and West Corporation.

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The Exchange Offers

On July 30, 2008, we completed private offerings of $980,000,000 aggregate principal amount of 10.75% Senior Cash Pay Notes due 2016 and $1,330,000,000 aggregate principal amount of 11.00%/11.75% Senior Toggle Notes due 2016. We entered into a registration rights agreement with the initial purchasers in the private offerings in which we agreed, among other things, to file the registration statement of which this prospectus is a part. The following is a summary of the exchange offers. For more information, please see The Exchange Offers.

Securities Offered

$980,000,000 aggregate principal amount of 10.75% Senior Cash Pay Notes due 2016; and

$1,330,000,000 aggregate principal amount of 11.00%/11.75% Senior Toggle Notes due 2016.

Exchange Offers

The exchange notes are being offered in exchange for a like principal amount of outstanding notes. The exchange offers will remain in effect for a limited time. We will accept any and all outstanding notes validly tendered and not withdrawn prior to 12:00 a.m. midnight, New York City time, on , 2009. Holders may tender some or all of their outstanding notes pursuant to the exchange offers. However, outstanding notes may be tendered only in a denomination equal to $2,000 or in integral multiples of $1,000 in principal amount thereafter. The form and terms of the exchange notes are the same as the form and terms of the outstanding notes except that:

- the exchange notes have been registered under the Securities Act and will not bear any legend restricting their transfer;
- the exchange notes bear different CUSIP numbers than the outstanding notes; and
- the holders of the exchange notes will not be entitled to certain rights under the registration rights agreement (the registration rights agreement), including the provision for an increase in the interest rate on the outstanding notes in some circumstances relating to the timing of the exchange offers. See The Exchange Offers.

Resale

Based upon interpretations by the Staff of the SEC set forth in no-action letters issued to unrelated third parties, we believe that the exchange notes may be offered for resale, resold, or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act, unless you:

- are a broker-dealer who purchased the notes directly from us for resale under Rule 144A, Regulation S or any other available exemption under the Securities Act;
- acquired the exchange notes other than in the ordinary course of your business;

have an arrangement with any person to engage in the distribution of the exchange notes; or

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are prohibited by law or policy of the SEC from participating in the exchange offers. However, we have not submitted a no-action letter, and there can be no assurance that the SEC will make a similar determination with respect to the exchange offers. Furthermore, in order to participate in the exchange offers, you must make the representations set forth in the letter of transmittal that we are sending you with this prospectus.

Expiration Date The exchange offers will expire at 12:00 a.m. midnight, New York City time, on , 2009, unless we decide to extend them. We do not currently intend to extend the expiration date.

Conditions to the Exchange Offers The exchange offers are subject to certain customary conditions, some of which may be waived by us. See The Exchange Offers Conditions to the Exchange Offers.

Procedures for Tendering Outstanding Notes To participate in these exchange offers, you must properly complete and duly execute a letter of transmittal, which accompanies this prospectus, and transmit it, along with all other documents required by such letter of transmittal, to the exchange agent on or before the expiration date at the address provided on the cover page of the letter of transmittal. In the alternative, you can tender your outstanding notes by following the automatic tender offer program (ATOP) procedures established by The Depository Trust Company (DTC) for tendering notes held in book-entry form, as described in this prospectus, whereby you will agree to be bound by the letter of transmittal and we may enforce the letter of transmittal against you.

If a holder of outstanding notes desires to tender such outstanding notes and the holder s outstanding notes are not immediately available, or time will not permit the holder s outstanding notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected pursuant to the guaranteed delivery procedures described in this prospectus.

For more details, please read The Exchange Offers Procedures for Tendering Outstanding Notes, The Exchange Offers Book-Entry Delivery Procedures and The Exchange Offers Guaranteed Delivery Procedures.

Special Procedures for Beneficial Owners If you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company, or other nominee, and you wish to tender those outstanding notes in the exchange offers, you should contact the registered holder promptly and instruct the registered holder to tender those outstanding notes on

	your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.
Withdrawal Rights	You may withdraw your tender of outstanding notes at any time prior to 12:00 a.m. midnight, New York City time, on the expiration date of the exchange offers. Please read The Exchange Offers Withdrawal Rights.
Acceptance of Outstanding Notes and Delivery of Exchange Notes	Subject to customary conditions, we will accept outstanding notes that are properly tendered in the exchange offers and not withdrawn prior to the expiration date. The exchange notes will be delivered as promptly as practicable following the expiration date.
Consequences of Failure to Exchange Outstanding Notes	If you do not exchange your outstanding notes in the exchange offers, you will no longer be able to require us to register the outstanding notes under the Securities Act, except in the limited circumstances provided under our registration rights agreement. In addition, you will not be able to resell, offer to resell, or otherwise transfer the outstanding notes unless we have registered the outstanding notes under the Securities Act, or unless you resell, offer to resell, or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.
Interest on the Exchange Notes and the Outstanding Notes	The exchange notes will bear interest from the most recent interest payment date on which interest has been paid on the outstanding notes. Holders whose outstanding notes are accepted for exchange will be deemed to have waived the right to receive interest accrued on the outstanding notes.
Broker-Dealers	Each broker-dealer that receives new securities for its own account in exchange for securities, where such securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new securities. See Plan of Distribution.
Material United States Federal Income Tax Considerations	Neither the registration of the outstanding notes pursuant to our obligations under the registration rights agreement nor the United States Holder s receipt of exchange notes in exchange for outstanding notes will constitute a taxable event for United States federal income tax purposes. Please read Certain Material United States Federal Income Tax Considerations.

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Exchange Agent	Deutsche Bank Trust Company Americas, the paying agent, registrar and transfer agent under the indenture governing the notes, is serving as exchange agent in connection with the exchange offers.
Use of Proceeds	The issuance of the exchange notes will not provide us with any new proceeds. We are making the exchange offers solely to satisfy certain of our obligations under our registration rights agreement.
Fees and Expenses	We will bear all expenses related to the exchange offers. Please read The Exchange Offers Fees and Expenses.

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The Exchange Notes

Issuer Clear Channel Communications, Inc.

Notes Offered

Exchange Senior Cash Pay Notes Up to $980,000,000 aggregate principal amount of 10.75% Senior Cash Pay Notes due 2016. The exchange senior cash pay notes and the outstanding senior cash pay notes will be considered to be a single class for all purposes under the indenture, including waivers, amendments, redemptions and offers to purchase.

Exchange Senior Toggle Notes Up to $1,330,000,000 aggregate principal amount of 11.00%/11.75% Senior Toggle Notes due 2016. The exchange senior toggle notes and the outstanding senior toggle notes will be considered to be a single class for all purposes under the indenture, including waivers, amendments, redemptions and offers to purchase.

Maturity Dates The exchange senior cash pay notes will mature on August 1, 2016.
The exchange senior toggle notes will mature on August 1, 2016.

Interest Rate Interest on the exchange senior cash pay notes will be payable in cash and will accrue at a rate of 10.75% per annum.
Cash interest on the exchange senior toggle notes will accrue at a rate of 11.00% per annum, and payment-in-kind interest (PIK Interest) will accrue at a rate of 11.75% per annum. We may elect, at our option, to either (a) pay interest on the entire principal amount of the senior toggle notes outstanding at that time in cash, (b) pay interest by increasing the principal amount of the senior toggle notes or issuing new senior toggle notes (any such increase or issuance, a PIK Election) on 100% of the principal amount of the senior toggle notes outstanding at that time or (c) pay interest on 50% of such principal amount in cash and make a PIK Election with respect to interest on the remaining 50% of such principal amount. Interest on the senior toggle notes was paid in cash on the first interest payment date. On January 15, 2009, we made a permitted PIK Election on 100% of the principal amount of the senior toggle notes then outstanding under the indenture for the semi-annual interest period commencing on February 1, 2009. In the absence of an election for any future interest period, interest on the senior toggle notes will be payable according to the election for the immediately preceding interest period. As a result, we will be deemed to have made the PIK Election for future interest periods unless and until we elect otherwise.

Interest Payment Dates Interest on the notes will be payable on February 1 and August 1 of each year. The exchange notes will bear interest from the most recent interest payment date on which interest has been paid on the outstanding notes.

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Guarantees

Our direct parent and our wholly-owned domestic restricted subsidiaries that guarantee the obligations under our senior secured credit facilities and our receivables based credit facility will guarantee the exchange notes with unconditional guarantees. Any of our subsidiaries that is released as a guarantor of our senior secured credit facilities and our receivables based credit facility will automatically be released as a guarantor of the exchange notes.

Ranking

The exchange notes will be our senior unsecured obligations and will:

- rank senior in right of payment to our future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the exchange notes;
- rank equally in right of payment with all of our existing and future unsecured senior indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the exchange notes; and
- be effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing that indebtedness, including our senior secured credit facilities and our receivables based credit facility, and will be structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the exchange notes.

Similarly, the exchange note guarantees will be senior unsecured obligations of the guarantors and will:

- rank senior in right of payment to all of the applicable guarantor s future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the exchange notes;
- rank equally in right of payment with all of the applicable guarantor s existing and future unsecured senior indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the exchange notes;
- be subordinated in right of payment to the applicable guarantor s guarantee of our senior secured credit facilities and our receivables based credit facility; and
- be effectively subordinated to all of the applicable guarantor s existing and future secured indebtedness, to the extent of the value of the assets securing that indebtedness, and will be structurally subordinated to all obligations of each of such applicable guarantor s subsidiaries that is not also a guarantor of the exchange notes.

As of December 31, 2008, the outstanding notes and related guarantees ranked effectively junior to approximately $13,932 million of senior secured indebtedness outstanding, including approximately $13,926 million of borrowings under our senior secured credit

facilities and receivables based credit facility. As of the same date, our non-guarantor subsidiaries had $4.8 billion of total balance sheet liabilities (including trade payables) to which the notes would have been structurally subordinated.

Optional Redemption

We may redeem the notes, in whole or in part, at any time on or after August 1, 2012 at the redemption prices set forth in Description of the Exchange Notes Optional Redemption. In addition, we may redeem some or all of the notes at any time prior to August 1, 2012 at a price equal to 100% of the principal amount of such notes plus accrued and unpaid interest thereon to the redemption date and a make-whole premium (as described in Description of the Exchange Notes Optional Redemption).

Special Redemption Amount

On August 1, 2015 (the Special Redemption Date), we will be required to redeem for cash a portion of the senior toggle notes equal to the product of (x) $30 million and (y) a fraction which, for the avoidance of doubt, cannot exceed one, the numerator of which is the aggregate principal amount outstanding on such date of the senior toggle notes for United States federal income tax purposes and the denominator of which is $1,330,000,000, as determined by us in good faith and rounded to the nearest $2,000 (such redemption, the Special Redemption). The redemption price for each portion of a senior toggle note so redeemed pursuant to the Special Redemption will equal 100% of the principal amount of such portion plus any accrued and unpaid interest thereon to the Special Redemption Date.

AHYDO Catch-Up Payments

On the first interest payment date following the fifth anniversary of the issue date (as defined in Treasury Regulation Section 1.1273-2(a)(2)) of each series of notes (i.e., the senior cash pay notes and the senior toggle notes) and on each interest payment date thereafter, we will redeem a portion of the principal amount of each then outstanding note in such series in an amount equal to the AHYDO Catch-Up Payment for such interest payment date with respect to such note. The AHYDO Catch-Up Payment for a particular interest payment date with respect to each note in a series means the minimum principal prepayment sufficient to ensure that as of the close of such interest payment date, the aggregate amount which would be includible in gross income with respect to such note before the close of such interest payment date (as described in Section 163(i)(2)(A) of the Internal Revenue Code of 1986, as amended (the Code)) does not exceed the sum (described in Section 163(i)(2)(B) of the Code) of (i) the aggregate amount of interest to be paid on such note (including for this purpose any AHYDO Catch-Up Payments) before the close of such interest payment date plus (ii) the product of the issue price of such note as defined in Section 1273(b) of the Code (that is, the first price at which a substantial amount of the notes in such series is sold, disregarding for this purpose sales to bond houses, brokers or similar persons acting in the capacity of underwriters, placement agents or wholesalers) and its yield to

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maturity (within the meaning of Section 163(i)(2)(B) of the Code), with the result that such note is not treated as having significant original issue discount within the meaning of Section 163(i)(1)(C) of the Code; provided, however, for avoidance of doubt, that if the yield to maturity of such note is less than the amount described in Section 163(i)(1)(B) of the Code, the AHYDO Catch-Up Payment shall be zero for each interest payment date with respect to such note. It is intended that no senior cash pay note and that no senior toggle note will be an applicable high yield discount obligation (an AHYDO) within the meaning of Section 163(i)(1) of the Code, and the relevant provision of the indenture provides that our obligation to make an AHYDO Catch-Up Payment will be interpreted consistently with such intent. The computations and determinations required in connection with any AHYDO Catch-Up Payment will be made by us in our good faith reasonable discretion and will be binding upon the holders absent manifest error.

Optional Redemption After Certain Equity Offerings

At any time (which may be more than once) on or prior to August 1, 2011, we may choose to redeem up to 40% of any series of the notes outstanding at that time with the net cash proceeds that we raise in one or more equity offerings, as long as:

- we pay 110.75% of the aggregate principal amount of the senior cash pay notes being redeemed or 111.00% of the aggregate principal amount of the senior toggle notes being redeemed, in each case plus accrued and unpaid interest thereon to the applicable redemption date;

- we redeem the notes within 180 days of completing the applicable public equity offering; and

- at least 50% of the aggregate principal amount of the senior cash pay notes or the senior toggle notes (excluding PIK Notes, as such term is defined in Description of the Exchange Notes), as applicable, issued as of such redemption date remains outstanding afterwards.

Change of Control

If we experience a change of control, we must give holders of the notes the opportunity to sell us their notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon.

We might not be able to pay you the required price for notes you present to us at the time of a change of control because:

- we might not have enough funds at that time; or

- the terms of our senior secured credit facilities and our receivables based credit facility may prevent us from paying.

Asset Sale Proceeds

If we or any of our restricted subsidiaries engages in certain asset sales, we or such restricted subsidiary generally must either invest the

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net cash proceeds from such sales in our business within a period of time, repay senior secured indebtedness (including our senior secured credit facilities or our receivables based credit facility), or make an offer to purchase a principal amount of the notes equal to the excess net cash proceeds (if applicable, on a pro rata basis with other senior indebtedness). The purchase price of the notes will be 100% of their principal amount, plus accrued and unpaid interest thereon.

Restrictive Covenants

The indenture that will govern the exchange notes contains covenants limiting our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness or issue preferred stock of restricted subsidiaries;
- pay dividends or distributions on or repurchase capital stock of the issuer or its restricted subsidiaries;
- make certain investments;
- create liens on assets of the issuer or its restricted subsidiaries to secure indebtedness;
- enter into transactions with affiliates; and
- merge or consolidate with another company.

These covenants are subject to a number of important limitations and exceptions. See Description of the Exchange Notes.

Risk Factors

See Risk Factors and the other information in this prospectus for a discussion of some of the factors you should carefully consider before participating in the exchange offers.

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Summary Historical and Unaudited Pro Forma Consolidated Financial and Other Data

The following table sets forth Clear Channel s and Clear Channel Capital s summary historical and unaudited pro forma consolidated financial and other data as of the dates and for the periods indicated.

The summary historical and unaudited pro forma consolidated financial and other data for the year ended December 31, 2008 is comprised of two periods: post-merger and pre-merger, which relate to the period succeeding the merger (reflecting the consolidated financial data of Clear Channel Capital) and the period preceding the merger (reflecting the consolidated financial data of Clear Channel), respectively. For purposes of this discussion, we have presented the summary historical and unaudited pro forma consolidated financial and other data for the year ended December 31, 2008 on a combined basis. We believe that presentation on a combined basis is more meaningful as it allows the financial data to be analyzed to comparable prior periods. The post-merger and pre-merger financial data for the year ended December 31, 2008 is presented in Management s Discussion and Analysis of Financial Condition and Results of Operations and in the consolidated financial statements and related notes herein.

The summary historical financial data for, and as of, the years ended December 31, 2008, 2007 and 2006 is derived from the audited consolidated financial statements included elsewhere in this prospectus. Historical results are not necessarily indicative of the results to be expected for future periods.

The unaudited pro forma financial data for the year ended December 31, 2008 gives effect to the Transactions in the manner described in Unaudited Pro Forma Condensed Consolidated Financial Data. The pro forma adjustments are based upon available data and certain assumptions believed to be reasonable. The unaudited pro forma financial data is for informational purposes only and does not purport to represent what the consolidated results of operations or consolidated financial position of Clear Channel Capital would actually be if the Transactions occurred at any date, nor does such data purport to project the results of operations for any future period.

The summary historical and unaudited pro forma consolidated financial and other data should be read in conjunction with Selected Historical Consolidated Financial and Other Data, Unaudited Pro Forma Condensed Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the related notes thereto appearing elsewhere in this prospectus. The amounts in the tables may not add due to rounding.

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	Year Ended, or as of, December 31,			Pro Forma Year Ended December 31,
	2008 Combined (1)	2007 Pre-merger (2) (Dollars in millions)	2006 Pre-merger (3)	2008 Combined (4) (unaudited)
Statement of Operations:				
Revenue	$6,689	$ 6,921	$ 6,568	$ 6,689
Direct operating expenses (excludes depreciation and amortization) (5)	2,904	2,733	2,532	2,891
Selling, general and administrative expenses (excludes depreciation and amortization) (5)	1,829	1,762	1,709	1,817
Depreciation and amortization	697	567	600	747
Corporate expenses (excludes depreciation and amortization) (5)	228	181	196	222
Merger expenses	156	7	8	
Impairment charge (6)	5,269			5,269
Other operating income net	28	14	71	28
Operating income (loss)	(4,366)	1,685	1,594	(4,229)
Interest expense	929	452	484	1,673
Gain (loss) on marketable securities	(83)	7	2	(82)
Equity in earnings of nonconsolidated affiliates	100	35	38	100
Other income (expense) net	127	6	(9)	126
Income (loss) before income taxes, minority interest and discontinued operations	(5,151)	1,281	1,141	(5,758)
Income tax benefit (expense)	525	(441)	(470)	755
Minority interest expense, net of tax	17	47	32	17
Income (loss) before discontinued operations	(4,643)	793	639	$ (5,020)
Income from discontinued operations, net (7)	638	146	53	
Net income (loss)	$ (4,005)	$ 939	$ 692	
Other Financial Data:				
Total debt (8)				$ 19,504
Total guaranteed/subsidiary debt (9)				16,312
Balance Sheet Data:	Post-merger			
Current assets	$ 2,067	$ 2,295	$ 2,206	
Property, plant and equipment net, including discontinued operations	3,548	3,215	3,236	
Total assets	21,125	18,806	18,886	
Current liabilities	1,846	2,813	1,664	
Long-term debt, net of current maturities	18,941	5,215	7,327	
Shareholders equity (deficit) (10)	(3,380)	8,797	8,042	

(1) Financial data for the year ended December 31, 2008 is presented on a combined basis. We believe that presentation on a combined basis is more meaningful as it allows the financial data to be analyzed to comparable periods in 2007 and 2006. The financial data for the year ended December 31, 2008 is comprised of two periods: post-merger and pre-merger, which relate to the period succeeding the merger (reflecting the consolidated financial data of Clear Channel Capital) and the period preceding the merger (reflecting the consolidated financial data of Clear Channel), respectively. Prior to the acquisition of Clear Channel by Holdings, Clear Channel Capital had not conducted any activities, other than activities incident

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to its formation and in connection with the acquisition, and did not have any assets or liabilities, other than as related to the acquisition. The 2008 post-merger and pre-merger financial data is presented as follows:

	Post-merger Period from July 31 through December 31, 2008	Historical Pre-merger Period from January 1 through July 30, 2008	Combined Year Ended December 31, 2008
		(Dollars in millions)	
Statement of Operations:			
Revenue	$ 2,737	$ 3,952	$ 6,689
Direct operating expenses (excludes depreciation and amortization)	1,198	1,706	2,904
Selling, general and administrative expenses (excludes depreciation and amortization)	807	1,022	1,829
Depreciation and amortization	348	349	697
Corporate expenses (excludes depreciation and amortization)	102	126	228
Merger expenses	68	88	156
Impairment charge (6)	5,269		5,269
Other operating income net	13	15	28
Operating income (loss)	(5,042)	676	(4,366)
Interest expense	716	213	929
Gain (loss) on marketable securities	(117)	34	(83)
Equity in earnings of nonconsolidated affiliates	6	94	100
Other income (expense) net	132	(5)	127
Income (loss) before income taxes, minority interest and discontinued operations	(5,737)	586	(5,151)
Income tax benefit (expense)	697	(172)	525
Minority interest income (expense), net of tax		(17)	(17)
Income (loss) before discontinued operations	(5,040)	397	(4,643)
Income (loss) from discontinued operations, net	(2)	640	638
Net income	$ (5,042)	$ 1,037	$ (4,005)

(2) Effective January 1, 2007, Clear Channel adopted Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48). In accordance with the provisions of FIN 48, the effects of adoption were accounted for as a cumulative-effect adjustment recorded to the balance of retained earnings on the date of adoption. The adoption of FIN 48 resulted in a decrease of $0.2 million to the January 1, 2007 balance of Retained deficit, an increase of $101.7 million in Other long-term liabilities for unrecognized tax benefits and a decrease of $123.0 million in Deferred income taxes.

(3) Effective January 1, 2006, Clear Channel adopted Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* (Statement 123(R)). In accordance with the provisions of Statement 123(R), Clear Channel elected to adopt the standard using the modified prospective method.

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(4) Information for the year ended December 31, 2008 is presented on a pro forma basis to give effect to the Transactions. Pro forma adjustments are made to depreciation and amortization, corporate expenses, merger expenses, interest expense and income tax benefit (expense). See Unaudited Pro Forma Condensed Consolidated Financial Data for a more detailed discussion of these pro forma adjustments.

(5) Includes non-cash compensation expense.

(6) A non-cash impairment charge of $5.3 billion was recorded in 2008 as a result of the global economic slowdown which adversely affected advertising revenues across Clear Channel s businesses in recent months.

(7) Includes the results of operations of Clear Channel s television business sold on March 14, 2008 and certain of its non-core radio stations.

(8) Represents the sum of the indebtedness incurred in connection with the closing of the Transactions, which is guaranteed by Clear Channel Capital and Clear Channel s material wholly-owned domestic restricted subsidiaries, and retained indebtedness of Clear Channel s restricted subsidiaries which remains outstanding after the closing of the Transactions. The retained indebtedness amount reflects preliminary purchase accounting adjustments of a negative $1,114 million related to Clear Channel s retained senior notes.

(9) Represents total debt described in footnote 8 above, less the amount of Clear Channel s retained senior notes, which are not guaranteed by, or direct obligations of, Clear Channel s subsidiaries.

(10) The post-merger amount as of December 31, 2008 represents total capital increases of $2,925 million, excluding $75 million of restricted stock and options of Holdings, less an accounting adjustment of $835 million mainly related to continuing shareholders basis in accordance with Emerging Issues Task Force Issue 88-16, *Basis in Leveraged Buyout Transactions* (EITF 88-16), and less post-merger activity of $5,470 million.

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RISK FACTORS

You should carefully consider the risks described below before participating in the exchange offers. The risks described below are not the only ones facing Clear Channel. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business or results of operations in the future. Any of the following risks could materially adversely affect our business, financial condition, or results of operations. In such case, you may lose all or part of your original investment in the notes.

Risks Related to the Exchange Offers

You may have difficulty selling the outstanding notes that you do not exchange.

If you do not exchange your outstanding notes for exchange notes in the exchange offers, you will continue to be subject to the restrictions on transfer of your outstanding notes described in the legend on your outstanding notes. The restrictions on transfer of your outstanding notes arise because we issued the outstanding notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the outstanding notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the registration rights agreement, we do not intend to register the outstanding notes under the Securities Act. The tender of outstanding notes under the exchange offers will reduce the principal amount of the currently outstanding notes. Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any currently outstanding notes that you continue to hold following completion of the exchange offers. See The Exchange Offers Consequences of Failure to Exchange.

There is no public market for the exchange notes, and we do not know if a market will ever develop or, if a market does develop, whether it will be sustained.

The exchange notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market will develop for the exchange notes, that you will be able to sell your exchange notes at a particular time or that the prices that you receive when you sell the exchange notes will be favorable.

We do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system, although our outstanding notes trade on The PORTAL[SM] Market. The liquidity of any market for the exchange notes will depend on a number of factors, including:

- the number of holders of exchange notes;
- our operating performance and financial condition;
- our ability to complete the offers to exchange the outstanding notes for the exchange notes;
- the market for similar securities;
- the interest of securities dealers in making a market in the exchange notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers of the outstanding notes presently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offers or the pendency of an applicable shelf registration statement. There can be no assurance that an active

trading market will exist for the exchange notes or that any trading market that does develop will be liquid.

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You must comply with the procedures of the exchange offers in order to receive new, freely tradable exchange notes.

Delivery of exchange notes in exchange for outstanding notes tendered and accepted for exchange pursuant to the exchange offers will be made only after timely receipt by the exchange agent of book-entry transfer of outstanding notes into the exchange agent s account at DTC, as depositary, including an agent s message. We are not required to notify you of defects or irregularities in tenders of outstanding notes for exchange. Outstanding notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offers, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offers, certain registration and other rights under the registration rights agreement will terminate. See The Exchange Offers Procedures for Tendering Outstanding Notes and The Exchange Offers Consequences of Failure to Exchange.

Some holders who exchange their outstanding notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your outstanding notes in the exchange offers for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Risks Related to Our Indebtedness and the Notes

References under the heading Risks Related to Our Indebtedness and the Notes related to outstanding indebtedness relate to the outstanding indebtedness of Clear Channel and its consolidated subsidiaries and do not relate to Clear Channel Capital, except to the extent Clear Channel Capital is a guarantor of such indebtedness.

Our substantial indebtedness could adversely affect our operations and your investment in the notes.

In connection with the Transactions, Clear Channel incurred a significant amount of indebtedness. As of December 31, 2008, Clear Channel had outstanding total indebtedness of approximately $19,504 million, including the notes and preliminary purchase accounting adjustments of a negative $1,114 million. Clear Channel also had an additional $1,780 million (before taking into account outstanding letters of credit of approximately $304 million) available for borrowing under its revolving credit facility and an additional approximately $338 million (subject to borrowing base limitations described below) of unfunded commitments under its receivables based credit facility as of December 31, 2008. As of December 31, 2008, borrowing base limitations applicable to the receivables based credit facility would have prevented additional borrowings under this facility. On February 6, 2009, Clear Channel borrowed the remaining availability under its revolving credit facility.

Our substantial level of indebtedness and other financial obligations increase the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on, or other amounts due, in respect of our indebtedness, including the notes. Our substantial indebtedness could also have other significant consequences. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to the payment of our indebtedness, thereby reducing the funds available to us for operations and other purposes;
- increase our vulnerability, and limit our ability to adjust, to general adverse economic and changing market conditions;
- limit our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes, or other purposes on satisfactory terms, or at all;

- expose us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior secured credit facilities and our receivables based credit facility, are at variable rates of interest;

- cause us to make non-strategic divestitures or restrict us from making strategic acquisitions;

- limit our planning, flexibility for, or ability to react to, changes in our business and the industries in which we operate; and

- place us at a competitive disadvantage with competitors who may have less indebtedness and other obligations.

If we fail to make any required payment under our senior secured credit facilities or our receivables based credit facility or to comply with any of the financial and operating covenants included in the senior secured credit facilities or the receivables based credit facility, we will be in default. Lenders under such facilities could then vote to accelerate the maturity of the indebtedness and foreclose upon our and our subsidiaries assets securing such indebtedness. Other creditors might then accelerate other indebtedness. If any of our creditors accelerates the maturity of their indebtedness, we may not have sufficient assets to satisfy our obligations under the senior secured credit facilities, the receivables based credit facility, or our other indebtedness, including the notes.

Our ability to generate the significant amount of cash needed to pay interest and principal on the notes and service our other indebtedness and financial obligations and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.

Our ability to make payments on and refinance our indebtedness, including the notes, amounts borrowed under our senior secured credit facilities and our receivables based credit facility and other financial obligations, and to fund our operations will depend on our ability to generate substantial operating cash flow. Our cash flow generation will depend on our future performance, which will be subject to prevailing economic conditions and to financial, business and other factors, many of which are beyond our control.

Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us under our senior secured credit facilities, our receivables based credit facility, or otherwise in amounts sufficient to enable us to service our indebtedness, including the notes, our retained senior notes and borrowings under our senior secured credit facilities and our receivables based credit facility, or to fund our other liquidity needs. If we cannot service our indebtedness, we will have to take actions such as reducing or delaying capital investments, selling assets, restructuring or refinancing our indebtedness, or seeking additional equity capital. Any of these remedies may not, if necessary, be effected on commercially reasonable terms, or at all. Also, the indenture governing the notes, the indenture governing our retained senior notes and the credit agreements for our senior secured credit facilities and receivables based credit facility restrict us from adopting certain of these alternatives. Because of these and other factors beyond our control, we may be unable to pay the principal, premium, if any, interest, or other amounts on the notes.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more indebtedness. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the indenture governing the notes and the credit agreements for our senior secured credit facilities and our receivables based credit facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. For example, as of December 31, 2008, Clear Channel had an additional $1,780 million (before taking into account outstanding letters of credit of approximately $304 million) available for borrowing under its revolving credit facility, an additional approximately $718 million available for borrowing under its delayed draw term loan facilities and an additional approximately $338 million (subject to

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borrowing base limitations described below) of unfunded commitments under its receivables based credit facility. As of December 31, 2008, borrowing base limitations applicable to the receivables based credit facility would have prevented additional borrowings under this facility. On February 6, 2009, Clear Channel borrowed the remaining availability under its revolving credit facility.

We may, at our option, subject to certain conditions, raise incremental term loans or incremental commitments under the revolving credit facility of up to (a) $1.5 billion, plus (b) the excess, if any, of (x) 0.65 times pro forma consolidated adjusted EBITDA (as calculated in the manner provided in the senior secured credit facilities documentation), over (y) $1.5 billion, plus (c) the aggregate amount of mandatory prepayments of the term loans under the senior secured credit facilities (other than mandatory prepayments with net cash proceeds of certain asset sales). We may also, at our option, subject to certain conditions, increase the receivables based credit facility in an aggregate amount not to exceed $750 million if certain non-wholly-owned subsidiaries guarantee the receivables based credit facility. Any additional borrowings under our senior secured credit facilities and our receivables based credit facility would be effectively senior to the notes to the extent of the value of the assets securing such indebtedness and the related guarantees of the notes would be subordinated to the guarantees of any additional borrowings under the senior secured credit facilities and receivables based credit facility. Moreover, the indenture governing the notes does not impose any limitation on our incurrence of liabilities that are not considered indebtedness under the indenture, and does not impose any limitation on liabilities incurred by our subsidiaries that might be designated as unrestricted subsidiaries. If we incur additional indebtedness above current levels, the risks associated with our substantial leverage would increase.

The notes are effectively subordinated to our total secured indebtedness.

The indenture governing the notes permits us to incur certain secured indebtedness, including indebtedness under our senior secured credit facilities and our receivables based credit facility. As of December 31, 2008, indebtedness under Clear Channel s senior secured credit facilities and its receivables based credit facility of approximately $13,926 million was secured by liens on certain of its assets, including, in the case of the senior secured credit facilities, a pledge of its capital stock. The notes are unsecured and are, therefore, effectively subordinated to Clear Channel s total secured indebtedness (which includes certain of its retained indebtedness incurred prior to the Transactions) in an amount equal to approximately $13,932 million as of December 31, 2008 (to the extent of the value of the collateral).

Accordingly, if we are involved in a bankruptcy, liquidation, dissolution, reorganization, or similar proceeding, or upon a default in payment on, or the acceleration of, any indebtedness under our senior secured credit facilities, our receivables based credit facility, or our other secured indebtedness, any assets securing such indebtedness will not be available to pay obligations on the notes unless all indebtedness under our senior secured credit facilities, our receivables based credit facility, or other secured indebtedness have been paid in full. In addition, a default under the indenture governing the notes would cause an event of default under the senior secured credit facilities and the receivables based credit facility, and the acceleration of indebtedness under the senior secured credit facilities or the receivables based credit facility or the failure to pay such indebtedness when due would, in certain circumstances, cause an event of default under the indenture governing the notes. See Description of the Exchange Notes Events of Default and Remedies. The lenders under our senior secured credit facilities and our receivables based credit facility also have the right upon an event of default thereunder to terminate any commitments they have to provide further borrowings. Further, following an event of default under our senior secured credit facilities and our receivables based credit facility, the lenders under such facilities will have the right to proceed against the collateral granted to them to secure that indebtedness. If the indebtedness under our senior secured credit facilities, our receivables based credit facility, or the notes were to be accelerated, our assets may not be sufficient to repay in full that indebtedness, or any other indebtedness that may become due as a result of that acceleration.

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The guarantees of the notes are subordinated to the guarantees of our senior secured credit facilities and our receivables based credit facility.

The guarantees are subordinated to the guarantees of the guarantors of the senior secured credit facilities and receivables based credit facility. As of December 31, 2008, the guarantees were subordinated to guarantees of approximately $13,926 million of indebtedness outstanding under Clear Channel s senior secured credit facilities and its receivables based credit facility. As of December 31, 2008, Clear Channel had an additional $1,780 million (before taking into account outstanding letters of credit of approximately $304 million) available for borrowing under its revolving credit facility, an additional approximately $718 million available for borrowing under its delayed draw term loan facilities and an additional approximately $338 million (subject to borrowing base limitations described below) of unfunded commitments under its receivables based credit facility. As of December 31, 2008, borrowing base limitations applicable to the receivables based credit facility would have prevented additional borrowings under this facility. On February 6, 2009, Clear Channel borrowed the remaining availability under its revolving credit facility.

We may, at our option, subject to certain conditions, raise incremental term loans or incremental commitments under the revolving credit facility of up to (a) $1.5 billion, plus (b) the excess, if any, of (x) 0.65 times pro forma consolidated adjusted EBITDA (as calculated in the manner provided in the senior secured credit facilities documentation), over (y) $1.5 billion, plus (c) the aggregate amount of mandatory prepayments of the term loans under the senior secured credit facilities (other than mandatory prepayments with net cash proceeds of certain asset sales), and we may increase commitments under our receivables based credit facility in an aggregate amount not to exceed $750 million if certain non-wholly-owned subsidiaries guarantee the receivables based credit facility. The guarantees of such additional borrowings would be senior in right of payment to the guarantees of the notes.

As a result of such subordination, upon any distribution to our creditors or the creditors of any guarantor of the notes in a bankruptcy, liquidation, reorganization, or similar proceeding, the holders of our indebtedness under the senior secured credit facilities and receivables based credit facility will be entitled to be paid in full before any payment will be made on that guarantor s guarantee.

The notes are structurally subordinated to the liabilities of our subsidiaries that do not guarantee the notes. Your right to receive payments on the notes could be adversely affected if any of our non-guarantor subsidiaries or non-wholly-owned subsidiaries declare bankruptcy, liquidate, or reorganize.

Clear Channel Outdoor Holdings, Inc. (CCOH) and our other non-wholly-owned domestic subsidiaries and our foreign subsidiaries do not guarantee the notes. As a result, the notes are also structurally subordinated to all existing and future obligations, including indebtedness, of our subsidiaries that do not guarantee the notes, and the claims of creditors of these subsidiaries, including trade creditors, have priority as to the assets of these subsidiaries. In the event of a bankruptcy, liquidation, or reorganization of any of our non-guarantor subsidiaries, holders of their indebtedness and their trade and other creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to us and, in turn, to our creditors.

On a pro forma basis after giving effect to the Transactions, the non-guarantor subsidiaries of Clear Channel would have accounted for approximately $3.3 billion, or 50%, of total net revenue (on a combined basis) for the year ended December 31, 2008, and approximately $8.5 billion, or 40%, of total assets as of December 31, 2008. As of December 31, 2008, Clear Channel s non-guarantor subsidiaries had $2.3 billion of total balance sheet liabilities (including trade payables) to which the notes would have been structurally subordinated.

We may not have access to the cash flow and other assets of our subsidiaries that may be needed to make payment on the notes.

We derive a substantial portion of operating income from our subsidiaries. We are dependent on the earnings and cash flow of our subsidiaries to meet our obligations with respect to the notes. We cannot assure you that our subsidiaries will be able to, or be permitted to, pay to us the amounts necessary to service the notes.

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Provisions of law, such as those requiring that dividends be paid only out of surplus, will also limit the ability of our subsidiaries to make distributions, loans, or other payments to us. In the event we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

On November 10, 2005, we entered into a cash management arrangement with CCOH whereby we provide day-to-day cash management services. As part of this arrangement, substantially all of the cash generated from CCOH s domestic operations is transferred daily into Clear Channel accounts and, in return, we fund certain of CCOH s operations. This arrangement is evidenced by tandem cash management notes issued by Clear Channel to CCOH and by CCOH to Clear Channel. Each of the cash management notes is a demand obligation; however, we are not under any contractual commitment to advance funds to CCOH beyond the amounts outstanding under the note issued by Clear Channel. The consummation of the Transactions did not permit CCOH to terminate these arrangements and we may continue to use the cash flows of the domestic operations of CCOH for our own general corporate purposes pursuant to the terms of the existing cash management and intercompany arrangements between us and CCOH, which may include making payments on our indebtedness.

On August 2, 2005, CCOH distributed a note issued by Clear Channel Outdoor, Inc. in the original principal amount of $2.5 billion to us as a dividend. This note matures on August 2, 2010, and may be prepaid in whole or in part at any time. The note accrues interest at a variable per annum rate equal to our weighted average cost of indebtedness, calculated on a monthly basis. This note is mandatorily payable upon a change of control of CCOH and, subject to certain exceptions, all proceeds from new indebtedness issued or equity raised by CCOH must be used to prepay such note. At December 31, 2008, the interest rate on the $2.5 billion note was 6.0%.

The $2.5 billion note requires Clear Channel Outdoor, Inc. to comply with various negative covenants, including restrictions on the following activities: incurring consolidated funded indebtedness (as defined in the note), excluding intercompany indebtedness, in a principal amount in excess of $400 million at any one time outstanding; creating liens; making investments; entering into sale and leaseback transactions (as defined in the note), which when aggregated with consolidated funded indebtedness secured by liens, will not exceed an amount equal to 10% of CCOH s total consolidated stockholders equity (as defined in the note) as shown on its most recently reported annual audited consolidated financial statements; disposing of all or substantially all of its assets; entering into mergers and consolidations; declaring or making dividends or other distributions; repurchasing its equity; and entering into transactions with its affiliates. The existence of these restrictions could limit CCOH s ability to grow and increase its revenue or respond to competitive changes.

Restrictive covenants in the senior secured credit facilities, receivables based credit facility and the indenture governing the notes restrict our ability to pursue our business strategies.

Our senior secured credit facilities, our receivables based credit facility and the indenture governing the notes contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests. These agreements governing our indebtedness include covenants restricting, among other things, our ability to:

- incur or guarantee additional indebtedness or issue certain preferred stock;
- pay dividends or make distributions on our capital stock, or redeem, repurchase, or retire our capital stock and subordinated indebtedness;
- make certain investments;
- create liens on our or our restricted subsidiaries assets to secure indebtedness;
- create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries that are not guarantors of the notes;

enter into transactions with affiliates;

merge or consolidate with another person, or sell or otherwise dispose of all or substantially all of our assets;

sell certain assets, including capital stock of our subsidiaries;

alter the business that we conduct; and

designate our subsidiaries as unrestricted subsidiaries.

Notwithstanding the restrictions on our ability to pay dividends, redeem, or purchase capital stock and make certain other restricted payments, the indenture governing the notes allows us to make significant restricted payments in certain circumstances. See Description of the Exchange Notes Certain Covenants Limitation on Restricted Payments.

We may not be able to fulfill our repurchase obligations in the event of a change of control.

Upon the occurrence of any change of control, we will be required to make a change of control offer to repurchase the notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. Any change of control also would constitute a default under our senior secured credit facilities and our receivables based credit facility. Therefore, upon the occurrence of a change of control, the lenders under our senior secured credit facilities and our receivables based credit facility would have the right to accelerate their loans, and if so accelerated, we would be required to repay all of our outstanding obligations under our senior secured credit facilities and our receivables based credit facility. Also, our senior secured credit facilities and our receivables based credit facility generally prohibit us from purchasing any notes if we do not repay all borrowings under such facilities first or obtain the consent of the lenders under such facilities. Accordingly, unless we first repay all such borrowings or obtain the consent of such lenders, we are prohibited from purchasing the notes upon a change of control.

In addition, if a change of control occurs, there can be no assurance that we will have available funds sufficient to pay the change of control purchase price for any of the notes that might be delivered by holders of the notes seeking to accept the change of control offer and, accordingly, none of the holders of the notes may receive the change of control purchase price for their notes. Our failure to make the change of control offer or to pay the change of control purchase price with respect to the notes when due would result in a default under the indenture governing the notes. See Description of the Exchange Notes Events of Default and Remedies.

The lenders under our senior secured credit facilities have the discretion to release the guarantors under our senior secured credit facilities, and our senior secured credit facilities documentation provides for the automatic release of one or more guarantors in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the notes.

If the lenders under our senior secured credit facilities release a guarantor from its guarantee of obligations under our senior secured credit facilities, or any guarantor is automatically released from its guarantee of obligations under our senior secured credit facilities pursuant to the terms thereof, then the guarantee of the notes by such guarantor will be released automatically without action by, or consent of, any holder of the notes or the trustee under the indenture governing the notes. See Description of the Exchange Notes. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

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Federal and state statutes allow courts, under specific circumstances, to void guarantees of our subsidiaries and require noteholders to return payments received from subsidiary guarantors.

Under the federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- intended to hinder, delay, or defraud creditors; or
- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; and
- was insolvent or rendered insolvent by reason of such incurrence; or
- was engaged in a business or transaction for which the subsidiary guarantor s remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by that subsidiary guarantor pursuant to its guarantee could be voided and required to be returned to the subsidiary guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the then fair saleable value of all of its assets; or
- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that each subsidiary guarantor, after giving effect to its guarantee of each series of notes, is not insolvent, does not have unreasonably small capital for the business in which it is engaged and has not incurred debts beyond its ability to pay such debts as they mature. There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our or any subsidiary guarantor s conclusions in this regard.

You will be required to pay United States federal income tax on the senior toggle notes even if we do not pay cash interest.

None of the interest payments on the senior toggle notes will be qualified stated interest for United States federal income tax purposes, even if we never exercised the option to pay PIK Interest, because the senior toggle notes provide us with the option to pay cash interest or PIK Interest for any interest payment period through the maturity of the senior toggle notes. Consequently, the senior toggle notes will be treated as issued with original issue discount (OID) for United States federal income tax purposes, and United States holders will be required to include the OID in gross income on a constant yield-to-maturity basis, regardless of whether interest is paid currently in cash and regardless of their regular method of tax accounting. See Certain United States Federal Income Tax Considerations.

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We may only be entitled to deduct a portion of any interest or OID on the senior toggle notes for United States federal income tax purposes, and only at such time as such interest or OID is considered paid in cash.

The senior toggle notes may constitute applicable high yield discount obligations for United States federal income tax purposes. If so, any interest deductions with respect to any OID relating to the senior toggle notes will be deferred until paid in cash, and will be disallowed to the extent the yield to maturity on the senior toggle notes exceeds six percentage points over the applicable federal rate (as determined under the Code) in effect for the calendar month in which the senior toggle notes are issued. The deferral and disallowance of deductions for payments of interest or OID on the senior toggle notes may reduce the amount of cash available to us to meet our obligations under the notes.

United States Holders will be required to pay United States federal income tax on the accrual of original issue discount on the senior cash pay notes.

We expect that the stated redemption price at maturity of the senior cash pay notes will exceed their issue price by more than the statutory *de minimis* threshold, in which case, the senior cash pay notes will be treated as being issued with original issue discount for United States federal income tax purposes. A United States Holder (as defined in Certain United States Federal Income Tax Considerations) of a senior cash pay note issued with original issue discount will be required to include such original issue discount in gross income for United Sates federal income tax purposes on a constant yield-to-maturity basis, in advance of the receipt of cash attributable to that income and regardless of the United States Holder s regular method of accounting for United States federal income tax purposes. See Certain United States Federal Income Tax Considerations for more detail.

United States Holders will be required to pay United States federal income tax as interest accrues on the senior toggle notes whether or not we pay cash interest.

Because the senior toggle notes provide us with the option to pay PIK Interest in lieu of paying cash interest in any interest payment period, and because the senior toggle notes may be issued at a discount to their stated principal amount, we will treat the senior toggle notes as issued with original issue discount. As a result, United States Holders will be required to include such original issue discount in gross income for United Sates federal income tax purposes on a constant yield-to-maturity basis, in advance of the receipt of cash attributable to that income and regardless of the United States Holder s regular method of accounting for United States federal income tax purposes. See Certain United States Federal Income Tax Considerations for more detail.

An active trading market may not develop for these notes.

The notes are securities for which there is no established public market. Although the notes are eligible for trading in The PORTAL^{SM} Market, we do not intend to apply to list the notes for trading on any securities exchange or to arrange for quotation on any automated dealer quotation system. As a result of this and the other factors listed below, an active trading market for the notes may not develop, in which case the market price and liquidity of the notes may be adversely affected.

In addition, you may not be able to sell your notes at a particular time or at a price favorable to you. Future trading prices of the notes will depend on many factors, including:

- our operating performance and financial condition;
- our prospects or the prospects for companies in our industry generally;
- the fact that the notes will not be registered under the Securities Act;
- the interest of securities dealers in making a market in the notes;

the market for similar securities;

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prevailing interest rates; and

the other factors described in this prospectus under Risk Factors.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the notes will be subject to disruptions. A disruption may have a negative effect on you as a holder of the notes, regardless of our prospects or performance.

Although the initial purchasers have advised us that they intend to make a market in the notes, they are not obligated to do so. The initial purchasers may also discontinue any market making activities at any time, in their sole discretion, which could further negatively impact your ability to sell the notes or the prevailing market price at the time you choose to sell.

The trading market for the notes may be adversely affected by future resales of the notes by the initial purchasers or other factors.

Upon the consummation of the Transactions, substantially all of the notes were purchased by the initial purchasers. The initial purchasers expect to continue to hold notes, but are not required to hold such notes for any length of time. As a result, the initial purchasers may resell the notes at any time and at any price, and there can be no assurance that such resales will not adversely affect the market for the notes and the prices at which you may sell your notes. In addition to the foregoing, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending on other factors that include, without limitation, prevailing interest rates, the market for similar notes and our performance.

Risks Related to Our Business

Deterioration in general economic conditions has caused and could cause additional decreases or delays in advertising spending by our advertisers and could harm our ability to generate advertising revenues and negatively affect our results of operations.

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. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. The current global economic slowdown has resulted in a decline in advertising and marketing services among our customers, resulting in a decline in advertising revenue across our businesses. This reduction in advertising revenue has had an adverse effect on our revenue, profit margins, cash flow and liquidity, particularly during the second half of 2008. The continuation of the global economic slowdown may continue to adversely impact our revenue, profit margins, cash flow and liquidity.

In this regard, consolidated revenue decreased $232.5 million during 2008 compared to 2007. Revenue growth during the first nine months of 2008 was offset by a decline of $254.0 million in the fourth quarter. Revenue declined $264.7 million during 2008 compared to 2007 from our radio business associated with decreases in both local and national advertising. Our Americas Outdoor Advertising revenue also declined approximately $54.8 million attributable to decreases in poster and bulletin revenues associated with cancellations and non-renewals from major national advertisers.

In January 2009, in response to the deterioration in general economic conditions and the resulting negative impact on our business, we commenced a restructuring program targeting a reduction of fixed costs by approximately $350 million on an annualized basis. As part of the program, we eliminated approximately 1,850 full-time positions representing approximately 9% of total workforce. The program is expected to result in restructuring and other non-recurring charges of approximately $200 million, although additional costs may be incurred as the program evolves. The cost savings initiatives are expected to be fully implemented by the end of the first quarter of 2010. No assurance can be given that the restructuring program will be successful or will achieve the anticipated cost savings in the timeframe expected or at all.

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If we need additional cash to fund our working capital, debt service, capital expenditures or other funding requirements, we may not be able to access the credit markets due to continuing adverse securities and credit market conditions.

Our primary source of liquidity is cash flow from operations, which has been adversely impacted by the decline in our advertising revenue resulting from the current global economic slowdown. Based on our current and anticipated levels of operations and conditions in our markets, we believe that cash flow from operations as well as cash on hand (including amounts drawn or available under our senior secured credit facilities) will enable us to meet our working capital, capital expenditure, debt service and other funding requirements for at least the next 12 months. However, our ability to fund our working capital needs, debt service and other obligations, and to comply with the financial covenants under our financing agreements depends on our future operating performance and cash flow, which are in turn subject to prevailing economic conditions and other factors, many of which are beyond our control. If our future operating performance does not meet our expectation or our plans materially change in an adverse manner or prove to be materially inaccurate, we may need additional financing. Continuing adverse securities and credit market conditions could significantly affect the availability of equity or credit financing. Consequently, there can be no assurance that such financing, if permitted under the terms of our financing agreements, will be available on terms acceptable to us or at all. The inability to obtain additional financing in such circumstances could have a material adverse effect on our financial condition and on our ability to meet our obligations.

Downgrades in our credit ratings and macroeconomic conditions may adversely affect our borrowing costs, limit our financing options, reduce our flexibility under future financings and adversely affect our liquidity.

Our corporate credit and issue-level ratings were downgraded on February 20, 2009 by Standard & Poor s Ratings Services. Our corporate credit rating was lowered to B- . These ratings remain on credit watch with negative implications. Additionally, Moody s Investors Service downgraded our corporate family rating to Caa3 on March 9, 2009. These ratings are significantly below investment grade. These ratings and any additional reductions in our credit ratings could further increase our borrowing costs and reduce the availability of financing to us. In addition, deteriorating economic conditions, including market disruptions, tightened credit markets and significantly wider corporate borrowing spreads, may make it more difficult or costly for us to obtain financing in the future. A credit rating downgrade does not constitute a default under any of our debt obligations.

Our financial performance may be adversely affected by certain variables which are not in our control.

Certain variables that could adversely affect our financial performance by, among other things, leading to decreases in overall revenue, the numbers of advertising customers, advertising fees, or profit margins include:

- unfavorable economic conditions, both general and relative to the radio broadcasting, outdoor advertising and all related media industries, which may cause companies to reduce their expenditures on advertising;

- unfavorable shifts in population and other demographics which may cause us to lose advertising customers 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;

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- technological changes and innovations that we are unable to adopt or are late in adopting that offer more attractive advertising or listening alternatives than what we currently offer, which may lead to a loss of advertising customers or to lower advertising rates;

- the impact of potential new royalties charged for terrestrial radio broadcasting which could materially increase our expenses;

- 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.

We face intense competition in the broadcasting and outdoor advertising 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 revenue. Our radio stations and outdoor advertising properties compete for audiences and advertising revenue with other radio stations and outdoor advertising companies, as well as with other media, such as newspapers, magazines, television, direct mail, satellite radio 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 revenue in that market. Our competitors may develop services or advertising media 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. An increased level of competition for advertising dollars may lead to lower advertising rates as we attempt to retain customers or may cause us to lose customers to our competitors who offer lower rates that we are unable or unwilling to match.

Our business is dependent upon the performance of on-air talent and program hosts, as well as our management team and other 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 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 persons will remain with us or will retain their audiences. Competition for these individuals is intense and many of these individuals 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. 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 revenue.

Our business is also dependent upon the performance of our management team and other key employees. Although we have entered into long-term agreements with some of these individuals, we can give no assurance that all or any of our executive officers or key employees will remain with us. 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. In addition, any or all of our executive officers or key employees may decide to leave for a variety of personal or other reasons beyond our control. The loss of members of our management team or other key employees could have a negative impact on our business and results of operations.

Extensive government regulation, including laws dealing with indecency, may limit our broadcasting operations or adversely affect our business.

The federal government extensively regulates the domestic broadcasting industry, and any changes in the current regulatory scheme could significantly affect us.

Provisions of federal law regulate the broadcast of obscene, indecent, or profane material. The FCC has substantially increased its monetary penalties for violations of these regulations. Congressional legislation enacted in 2006 provides the FCC with authority to impose fines of up to $325,000 per violation for the broadcast of such material. We therefore face increased costs in the form of fines for indecency violations, and cannot predict whether Congress will consider or adopt further legislation in this area.

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 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 restrictions. 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.

United States federal, state and local regulations have a significant impact on the outdoor advertising industry and our business. One of the seminal laws was the Highway Beautification Act of 1965 (the HBA), which regulates outdoor advertising on the 306,000 miles of Federal-Aid Primary, Interstate and National Highway Systems (controlled roads). The HBA regulates the size and location of billboards, mandates a state compliance program, requires the development of state standards, promotes the expeditious removal of illegal signs, and requires just compensation for takings. Construction, repair, lighting, height, size, spacing and the location of billboards and the use of new technologies for changing displays, such as digital displays, are regulated by federal, state and local governments. From time to time, states and municipalities have prohibited or significantly limited the construction of new outdoor advertising structures, and also permitted non-conforming structures to be rebuilt by third parties. 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.

From time to time, certain state and local governments and third parties have attempted to force the removal of our displays under various state and local laws, including condemnation and amortization. Amortization is the attempted forced removal of legal but non-conforming billboards (billboards which conformed with applicable zoning regulations when built, but which do not conform to current zoning regulations) or the commercial advertising placed on such billboards after a period of years. Pursuant to this concept, the governmental body asserts that just compensation is earned by continued operation of the billboard over time. Amortization is prohibited along all controlled roads and generally prohibited along non-controlled roads. Amortization has, however, been upheld along non-controlled roads in limited instances where provided by state and local law. Other regulations limit our ability to rebuild, replace, repair and upgrade non-conforming displays. In addition, from time to time third parties or local governments assert that we own or operate displays that either are not properly permitted or otherwise are not in strict compliance with applicable law. Although we believe that the number of our billboards that may be subject to removal based on alleged noncompliance is immaterial, from time to time we have been required to remove billboards for alleged noncompliance. Such regulations and allegations have not had a material impact on our results of operations to date, but if we are increasingly unable to resolve such allegations or obtain acceptable arrangements in circumstances in which our displays are subject to removal, modification, or amortization, or if there occurs an increase in such regulations or their enforcement, our operating results could suffer.

A number of state and local governments have implemented or initiated legislative billboard controls, including taxes, fees and registration requirements in an effort to decrease or restrict the number of outdoor signs

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and/or to raise revenue. While these controls have not had a material impact on our business and financial results to date, we expect states and local governments to continue these efforts. The increased imposition of these controls and our inability to pass on the cost of these items to our clients could negatively affect our operating income.

International regulation of the outdoor advertising industry varies by region and country, but generally limits the size, placement, nature and density of out-of-home displays. Other regulations limit the subject matter and language of out-of-home displays. For instance, the United States and most European Union countries, among other nations, have banned outdoor advertisements for tobacco products. Our failure to comply with these or any future international regulations could have an adverse impact on the effectiveness of our displays or their attractiveness to clients as an advertising medium and may require us to make significant expenditures to ensure compliance. As a result, we may experience a significant impact on our operations, revenue, international client base and overall financial condition.

Additional restrictions on outdoor advertising of tobacco, alcohol and other products may further restrict the categories of clients that can advertise using our products.

Out-of-court settlements between the major United States tobacco companies and all 50 states, the District of Columbia, the Commonwealth of Puerto Rico and four other United States territories include a ban on the outdoor advertising of tobacco products. Other products and services may be targeted in the future, including alcohol products. 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 direct revenue from such advertisements and an increase in the available space on the existing inventory of billboards in the outdoor advertising industry.

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. 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.

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In addition, because we own assets in foreign countries and derive revenue 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 United States dollar. We cannot predict the effect of exchange rate fluctuations upon future operating results.

Future acquisitions could pose risks.

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. 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 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 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 the 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.

Additional acquisitions by us of radio and television stations and outdoor advertising properties 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 United States Department of Justice (DOJ) or the Federal Trade Commission (FTC) or foreign antitrust agencies will not seek to bar us from acquiring additional radio or television stations or outdoor advertising properties in any market where we already have a significant position. 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.

Capital requirements necessary to implement strategic initiatives could pose risks.

The purchase price of possible acquisitions and/or other strategic initiatives could require additional indebtedness 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 strategic 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.

New technologies may affect our broadcasting operations.

Our broadcasting businesses face increasing competition from new broadcast technologies, such as broadband wireless and satellite radio, and new consumer products, such as portable digital audio players. These new technologies and alternative media platforms compete with our radio stations for audience share and advertising revenue. The FCC has also approved new technologies for use in the radio broadcasting industry, including the terrestrial delivery of digital audio broadcasting, which significantly enhances the sound quality of radio broadcasts. We have converted approximately 498 of our radio stations to digital broadcasting as of December 31, 2008. We are unable to predict the effect such technologies and related services and products 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.

We may be adversely affected by the occurrence of extraordinary events, such as terrorist attacks.

The occurrence of extraordinary events, such as terrorist attacks, intentional or unintentional mass casualty incidents, or similar events may substantially decrease the use of and demand for advertising, which may decrease revenue or expose us to substantial liability. The September 11, 2001 terrorist attacks, for example, caused a nationwide disruption of commercial activities. As a result of the expanded news coverage following the attacks and subsequent military actions, we experienced a loss in advertising revenue and increased incremental operating expenses. The occurrence of future terrorist attacks, military actions by the United States, contagious disease outbreaks, 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.

Significant equity investors control us and their interests may not be in line with your interests.

Private equity funds sponsored by or co-investors with Bain Capital and THL indirectly own a majority of our outstanding capital stock and will exercise control over matters requiring approval of our shareholder and Board of Directors. Because of this control, transactions may be pursued that could enhance this equity investment while involving risks to your interests. There can be no assurance that the interests of our controlling equity investors will not conflict with your interests.

Additionally, the Sponsors are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. One or more of the Sponsors may also pursue acquisition opportunities that may be complimentary to our business and, as a result, those acquisition opportunities may not be available to us. So long as private equity funds sponsored by or co-investors with the Sponsors continue to indirectly own a significant amount of the outstanding shares of our common stock, even if such amount is less than 50%, the Sponsors will continue to be able to strongly influence or effectively control our decisions.

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THE EXCHANGE OFFERS

Purpose and Effect of the Exchange Offers

Concurrently with the sale of the outstanding notes on July 30, 2008, we entered into a registration rights agreement with the initial purchasers of the outstanding notes that requires us to use our commercially reasonable efforts to prepare and file a registration statement under the Securities Act with respect to the exchange notes and, upon the effectiveness of the registration statement, to offer to the holders of the outstanding notes the opportunity to exchange their outstanding notes for a like principal amount of exchange notes.

The registration rights agreement provides that we must (1)(a) use our commercially reasonable efforts to cause the registration statement of which this prospectus is a part to be declared effective under the Securities Act within 300 days of the original issue date, (b) keep the exchange offers open for at least 20 business days (or longer, if required by applicable law) after the date notice of the exchange offers is mailed to holders of the outstanding notes and (c) on or prior to the 300th day after the original issue date, if required by the registration rights agreement, exchange the outstanding notes for exchange notes or, under certain circumstances, or (2) have one or more shelf registration statements declared effective within the time frames specified in the registration rights agreement. If we fail to meet certain of these targets, which we refer to as a registration default, the annual interest rate on the notes will increase by 0.25%. The annual interest rate on the notes will increase by an additional 0.25% for each subsequent 90-day period during which the registration default continues, up to a maximum additional interest rate of 0.50% per year over the original interest rate of the notes. If the registration default is corrected, the interest rate on such notes will revert to the original level. If we must pay additional interest, we will pay it to holders of the outstanding notes in cash on the same dates that we make other interest payments on the outstanding notes, until the registration default is corrected.

Following the completion of the exchange offers, holders of outstanding notes not tendered will not have any further registration rights other than as set forth in the paragraphs below, and the outstanding notes will continue to be subject to certain restrictions on transfer.

Subject to certain conditions, including the representations set forth below, the exchange notes will be issued without a restrictive legend and generally may be reoffered and resold without registration under the Securities Act. In order to participate in the exchange offers, a holder must represent to us in writing, or be deemed to represent to us in writing, among other things, that:

- the exchange notes acquired pursuant to the exchange offers are being acquired by such holder in the ordinary course of business;
- the holder does not have an arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes;
- the holder is not an affiliate, as defined in Rule 405 under the Securities Act, of ours or of any of the guarantors;
- if the holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the exchange notes; and
- if the holder is a participating broker-dealer that will acquire exchange notes for its own account in exchange for the outstanding notes that were acquired as a result of market-making activities or other trading activities, that it will deliver a prospectus in connection with any resale of such exchange notes.

Based on an interpretation by the Staff of the SEC set forth in no-action letters issued to third parties unrelated to us, we believe that, with the exceptions set forth below, the exchange notes issued in the exchange offers may be offered for resale, resold and otherwise transferred by the holder of exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, unless the holder:

- is an affiliate, within the meaning of Rule 405 under the Securities Act, of ours or any guarantor;

is a broker-dealer who purchased outstanding notes directly from us for resale under Rule 144A or Regulation S or any other available exemption under the Securities Act;

acquired the exchange notes other than in the ordinary course of the holder s business;

has an arrangement with any person to engage in the distribution of the exchange notes; or

is prohibited by any law or policy of the SEC from participating in the exchange offers.

Any holder who tenders in the exchange offers for the purpose of participating in a distribution of the exchange notes cannot rely on this interpretation by the Staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction. Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution. Broker-dealers who acquired outstanding notes directly from us and not as a result of market-making activities or other trading activities may not rely on the Staff s interpretations discussed above, and must comply with the prospectus delivery requirements of the Securities Act in order to sell the outstanding notes.

Terms of the Exchange Offers

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept any and all outstanding notes validly tendered and not withdrawn prior to 12:00 a.m. midnight, New York City time, on the expiration date. We will issue $2,000 in principal amount of exchange notes in exchange for each $2,000 principal amount of outstanding notes accepted in the exchange offers and in integral multiples of $1,000 thereafter. Holders may tender some or all of their outstanding notes pursuant to the exchange offers. However, outstanding notes may be tendered only in a denomination equal to $2,000 and in integral multiples of $1,000 in principal amount thereafter.

The exchange notes will evidence the same debt as the outstanding notes and will be issued under the terms of, and entitled to the benefits of, the indenture relating to the outstanding notes.

As of the date of this prospectus: (a) $980,000,000 in aggregate principal amount of senior cash pay notes are outstanding and (b) $1,330,000,000 in aggregate principal amount of senior toggle notes were outstanding. This prospectus, together with the letter of transmittal, is being sent to the registered holders of outstanding notes. We intend to conduct the exchange offers in accordance with the applicable requirements of the Securities Act and Exchange Act and the rules and regulations of the SEC.

We will be deemed to have accepted validly tendered outstanding notes when, as and if we have given oral or written notice thereof to Deutsche Bank Trust Company Americas, which is acting as the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the exchange notes from us. If any tendered outstanding notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events set forth under the heading Conditions to the Exchange Offers, any such unaccepted outstanding notes will be returned, without expense, to the tendering holder of those outstanding notes promptly after the expiration date unless the exchange offers are extended.

Holders who tender outstanding notes in the exchange offers will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of outstanding notes in the exchange offers. We will pay all charges and expenses, other than certain applicable taxes described below in connection with the exchange offers.

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Expiration Date; Extensions; Amendments

The expiration date shall be 12:00 a.m. midnight, New York City time, on , 2009, unless we, in our sole discretion, extend the exchange offers, in which case the expiration date shall be the latest date and time to which the exchange offers are extended. In order to extend the exchange offers, we will notify the exchange agent and each registered holder of any extension by oral or written notice prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date and will also disseminate notice of any extension by press release or other public announcement prior to 9:00 a.m., New York City time on such date. We reserve the right, in our sole discretion:

- to delay accepting any outstanding notes, to extend the exchange offers or, if any of the conditions set forth under Conditions to the Exchange Offers shall not have been satisfied, to terminate the exchange offers, by giving oral or written notice of that delay, extension or termination to the exchange agent, or

- to amend the terms of the exchange offers in any manner.

Any delay in acceptance, extension, termination, or amendment will be followed as promptly as practicable by oral or written notice to the registered holders of the outstanding notes. If we amend the exchange offers in a manner that we determine to constitute a material change, we will promptly disclose the amendment in a manner reasonably calculated to inform the holders of the outstanding notes of that amendment.

Conditions to the Exchange Offers

Despite any other term of the exchange offers, we will not be required to accept for exchange, or to issue exchange notes in exchange for, any outstanding notes and we may terminate or amend the exchange offers as provided in this prospectus prior to the expiration date if in our reasonable judgment:

- any exchange offer or the making of any exchange by a holder violates any applicable law or interpretation of the SEC; or

- any action or proceeding has been instituted or threatened in any court or by or before any governmental agency with respect to any exchange offer that, in our judgment, would reasonably be expected to impair our ability to proceed with such exchange offer.

In addition, we will not be obligated to accept for exchange the outstanding notes of any holder that has not made to us:

- the representations described under Purpose and Effect of the Exchange Offers, Procedures for Tendering Outstanding Notes and Plan of Distribution; or

- any other representations as may be reasonably necessary under applicable SEC rules, regulations, or interpretations to make available to us an appropriate form for registration of the exchange notes under the Securities Act.

We expressly reserve the right at any time or at various times to extend the period of time during which the exchange offers are open. Consequently, we may delay acceptance of any outstanding notes by giving oral or written notice of such extension to the holders of outstanding notes. We will return any outstanding notes that we do not accept for exchange for any reason without expense to their tendering holder promptly after the expiration or termination of the exchange offers.

We expressly reserve the right to amend or terminate any exchange offer and to reject for exchange any outstanding notes not previously accepted for exchange, upon the occurrence of any of the conditions of the exchange offers specified above. We will give oral or written notice of any extension, amendment, non-acceptance, or termination to the holders of the outstanding notes as promptly as practicable. In the case of any extension, such notice will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

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These conditions are for our sole benefit and we may assert them regardless of the circumstances that may give rise to them or waive them in whole or in part at any or at various times prior to the expiration date in our sole discretion. If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that we may assert at any time or at various times prior to the expiration date.

In addition, we will not accept for exchange any outstanding notes tendered, and will not issue exchange notes in exchange for any such outstanding notes, if at such time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended (the TIA).

Procedures for Tendering Outstanding Notes

To tender your outstanding notes in the exchange offers, you must comply with either of the following:

- complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signature(s) on the letter of transmittal guaranteed if required by the letter of transmittal and mail or deliver such letter of transmittal or facsimile thereof to the exchange agent at the address set forth below under Exchange Agent prior to the expiration date; or
- comply with DTC s ATOP procedures described below.

In addition, either:

- the exchange agent must receive certificates for outstanding notes along with the letter of transmittal prior to the expiration date;
- the exchange agent must receive a timely confirmation of book-entry transfer of outstanding notes into the exchange agent s account at DTC according to the procedures for book-entry transfer described below or a properly transmitted agent s message prior to the expiration date; or
- you must comply with the guaranteed delivery procedures described below.

Your tender, if not withdrawn prior to the expiration date, constitutes an agreement between us and you upon the terms and subject to the conditions described in this prospectus and in the letter of transmittal.

The method of delivery of outstanding notes, letters of transmittal, and all other required documents to the exchange agent is at your election and risk. We recommend that instead of delivery by mail, you use an overnight or hand delivery service, properly insured. In all cases, you should allow sufficient time to assure timely delivery to the exchange agent before the expiration date. You should not send letters of transmittal or certificates representing outstanding notes to us. You may request that your broker, dealer, commercial bank, trust company, or nominee effect the above transactions for you.

If you are a beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company, or other nominee and you wish to tender your outstanding notes, you should promptly contact the registered holder and instruct the registered holder to tender on your behalf. If you wish to tender the outstanding notes yourself, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either:

- make appropriate arrangements to register ownership of the outstanding notes in your name; or

obtain a properly completed bond power from the registered holder of outstanding notes.

The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

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Signatures on the applicable letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or another eligible guarantor institution within the meaning of Rule 17A(d)-15 under the Exchange Act unless the outstanding notes surrendered for exchange are tendered:

- by a registered holder of the outstanding notes who has not completed the box entitled Special Delivery Instructions on the letter of transmittal; or
- for the account of an eligible guarantor institution.

If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes listed on the outstanding notes, such outstanding notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder s name appears on the outstanding notes and an eligible guarantor institution must guarantee the signature on the bond power.

If the letter of transmittal or any certificates representing outstanding notes, or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, those persons should also indicate when signing and, unless waived by us, they should also submit evidence satisfactory to us of their authority to so act.

The exchange agent and DTC have confirmed that any financial institution that is a participant in DTC s system may use DTC s ATOP system to tender. Participants in the program may, instead of physically completing and signing the applicable letter of transmittal and delivering it to the exchange agent, electronically transmit their acceptance of the exchange by causing DTC to transfer the outstanding notes to the exchange agent in accordance with DTC s ATOP procedures for transfer. DTC will then send an agent s message to the exchange agent. The term agent s message means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, which states that:

- DTC has received an express acknowledgment from a participant in its ATOP that is tendering outstanding notes that are the subject of the book-entry confirmation;
- the participant has received and agrees to be bound by the terms of the letter of transmittal, or in the case of an agent s message relating to guaranteed delivery, that such participant has received and agrees to be bound by the notice of guaranteed delivery; and
- we may enforce that agreement against such participant.

DTC is referred to herein as a book-entry transfer facility.

Acceptance of Exchange Notes

In all cases, we will promptly issue exchange notes for outstanding notes that we have accepted for exchange under the exchange offers only after the exchange agent timely receives:

- outstanding notes or a timely book-entry confirmation of such outstanding notes into the exchange agent s account at the book-entry transfer facility; and
- a properly completed and duly executed letter of transmittal and all other required documents or a properly transmitted agent s message.

By tendering outstanding notes pursuant to the exchange offers, you will represent to us that, among other things:

you are not our affiliate or an affiliate of any guarantor within the meaning of Rule 405 under the Securities Act;

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- you do not have an arrangement or understanding with any person or entity to participate in a distribution of the exchange notes; and

- you are acquiring the exchange notes in the ordinary course of your business.

In addition, each broker-dealer that is to receive exchange notes for its own account in exchange for outstanding notes must represent that such outstanding notes were acquired by that broker-dealer as a result of market-making activities or other trading activities and must acknowledge that it will deliver a prospectus that meets the requirements of the Securities Act in connection with any resale of the exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. See Plan of Distribution.

We will interpret the terms and conditions of the exchange offers, including the letters of transmittal and the instructions to the letters of transmittal, and will resolve all questions as to the validity, form, eligibility, including time of receipt, and acceptance of outstanding notes tendered for exchange. Our determinations in this regard will be final and binding on all parties. We reserve the absolute right to reject any and all tenders of any particular outstanding notes not properly tendered or to not accept any particular outstanding notes if the acceptance might, in our or our counsel s judgment, be unlawful. We also reserve the absolute right to waive any defects or irregularities as to any particular outstanding notes prior to the expiration date.

Unless waived, any defects or irregularities in connection with tenders of outstanding notes for exchange must be cured within such reasonable period of time as we determine. Neither we, the exchange agent, nor any other person will be under any duty to give notification of any defect or irregularity with respect to any tender of outstanding notes for exchange, nor will any of us or them incur any liability for any failure to give notification. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the exchange agent to the tendering holder, unless otherwise provided in the letter of transmittal, promptly after the expiration date.

Book-Entry Delivery Procedures

Promptly after the date of this prospectus, the exchange agent will establish an account with respect to the outstanding notes at DTC and, as the book-entry transfer facility, for purposes of the exchange offers. Any financial institution that is a participant in the book-entry transfer facility s system may make book-entry delivery of the outstanding notes by causing the book-entry transfer facility to transfer those outstanding notes into the exchange agent s account at the facility in accordance with the facility s procedures for such transfer. To be timely, book-entry delivery of outstanding notes requires receipt of a confirmation of a book-entry transfer, a book-entry confirmation, prior to the expiration date. In addition, although delivery of outstanding notes may be effected through book-entry transfer into the exchange agent s account at the book-entry transfer facility, the applicable letter of transmittal or a manually signed facsimile thereof, together with any required signature guarantees and any other required documents, or an agent s message, in connection with a book-entry transfer, must, in any case, be delivered or transmitted to and received by the exchange agent at its address set forth on the cover page of the applicable letter of transmittal prior to the expiration date to receive exchange notes for tendered outstanding notes, or the guaranteed delivery procedure described below must be complied with. Tender will not be deemed made until such documents are received by the exchange agent. Delivery of documents to the book-entry transfer facility does not constitute delivery to the exchange agent.

Holders of outstanding notes who are unable to deliver confirmation of the book-entry tender of their outstanding notes into the exchange agent s account at the book-entry transfer facility or all other documents required by the applicable letter of transmittal to the exchange agent on or prior to the expiration date must tender their outstanding notes according to the guaranteed delivery procedures described below.

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Guaranteed Delivery Procedures

If you wish to tender your outstanding notes but your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the applicable letter of transmittal or any other required documents to the exchange agent, or comply with the procedures under DTC s ATOP system in the case of outstanding notes, prior to the expiration date, you may still tender if:

- the tender is made through an eligible guarantor institution;
- prior to the expiration date, the exchange agent receives from such eligible guarantor institution either a properly completed and duly executed notice of guaranteed delivery, by facsimile transmission, mail, or hand delivery or a properly transmitted agent s message and notice of guaranteed delivery, that (1) sets forth your name and address, the names in which the outstanding notes are registered, the certificate number(s) of such outstanding notes and the principal amount of outstanding notes tendered; (2) states that the tender is being made thereby; and (3) guarantees that, within three New York Stock Exchange trading days after the expiration date, the letter of transmittal, or facsimile thereof, together with the outstanding notes or a book-entry confirmation, and any other documents required by the letter of transmittal, will be deposited by the eligible guarantor institution with the exchange agent; and
- the exchange agent receives the properly completed and executed letter of transmittal or facsimile thereof, as well as certificate(s) representing all tendered outstanding notes in proper form for transfer or a book-entry confirmation of transfer of the outstanding notes into the exchange agent s account at DTC and all other documents required by the letter of transmittal within three New York Stock Exchange trading days after the expiration date.

Upon request, the exchange agent will send to you a notice of guaranteed delivery if you wish to tender your outstanding notes according to the guaranteed delivery procedures.

Withdrawal Rights

Except as otherwise provided in this prospectus, you may withdraw your tender of outstanding notes at any time prior to 12:00 a.m. midnight, New York City time, on the expiration date.

For a withdrawal to be effective:

- the exchange agent must receive a written notice, which may be by facsimile or letter, of withdrawal at its address set forth below under Exchange Agent ; or
- you must comply with the appropriate procedures of DTC s ATOP system.
- Any notice of withdrawal must:
  - specify the name of the person who tendered the outstanding notes to be withdrawn;
  - identify the outstanding notes to be withdrawn, including the certificate numbers and principal amount of the outstanding notes;

- include a statement that the holder is withdrawing its election to have such outstanding notes exchanged; and

- where certificates for outstanding notes have been transmitted, specify the name in which such outstanding notes were registered, if different from that of the withdrawing holder.

If certificates for outstanding notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, you must also submit:

- the serial numbers of the particular certificates to be withdrawn; and

- a signed notice of withdrawal with signatures guaranteed by an eligible institution unless you are an eligible guarantor institution.

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If outstanding notes have been tendered pursuant to the procedures for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn outstanding notes and otherwise comply with the procedures of the facility. We will determine all questions as to the validity, form, and eligibility, including time of receipt of notices of withdrawal, and our determination will be final and binding on all parties. Any outstanding notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offers. Any outstanding notes that have been tendered for exchange but that are not exchanged for any reason will be returned to their holder, without cost to the holder, or, in the case of book-entry transfer, the outstanding notes will be credited to an account at the book-entry transfer facility, promptly after withdrawal, rejection of tender or termination of the exchange offers. Properly withdrawn outstanding notes may be retendered by following the procedures described under Procedures for Tendering Outstanding Notes above at any time on or prior to the expiration date.

Exchange Agent

Deutsche Bank Trust Company Americas has been appointed as the exchange agent for the exchange offers. Deutsche Bank Trust Company Americas also acts as the paying agent, registrar and transfer agent under the indenture governing the notes.

You should direct all executed letters of transmittal and all questions and requests for assistance, requests for additional copies of this prospectus or of the letters of transmittal, and requests for notices of guaranteed delivery to the exchange agent addressed as follows:

By Mail:	*By Overnight Mail or Courier:*	*Email:*
DB Services Tennessee, Inc.	DB Services Tennessee, Inc.	SPU-Reorg.Operations@db.com
Reorganization Unit	Trust and Securities Services	*For Information:*
P.O. Box 305050	Reorganization Unit	(800) 735-7777
Nashville, Tennessee 37230	648 Grassmere Park Road	
Fax: (615) 835-3701	Nashville, Tennessee 37211	

If you deliver the letter of transmittal to an address other than the one set forth above or transmit instructions via facsimile other than the one set forth above, that delivery or those instructions will not be effective.

Fees and Expenses

The registration rights agreement provides that we will bear all expenses in connection with the performance of our obligations relating to the registration of the exchange notes and the conduct of the exchange offers. These expenses include registration and filing fees, accounting and legal fees and printing costs, among others. We will pay the exchange agent reasonable and customary fees for its services and reasonable out-of-pocket expenses. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for customary mailing and handling expenses incurred by them in forwarding this prospectus and related documents to their clients that are holders of outstanding notes and for handling or tendering for such clients.

We have not retained any dealer-manager in connection with the exchange offers and will not pay any fee or commission to any broker, dealer, nominee or other person, other than the exchange agent, for soliciting tenders of outstanding notes pursuant to the exchange offers.

Accounting Treatment

We will record the exchange notes in our accounting records at the same carrying value as the outstanding notes, which is the aggregate principal amount as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the consummation of the exchange offers. We will record the expenses of the exchange offers as incurred.

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Transfer Taxes

We will pay all transfer taxes, if any, applicable to the transfer and exchange of outstanding notes under the exchange offers, provided that such transfer taxes will not be considered to include income, franchise or other taxes that are not occasioned solely by such transfer and exchange. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if:

- certificates representing outstanding notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of outstanding notes tendered;
- tendered outstanding notes are registered in the name of any person other than the person signing the letter of transmittal; or
- a transfer tax is imposed for any reason other than the transfer and exchange of outstanding notes under the exchange offers.

If satisfactory evidence of payment of such taxes or exception therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to the tendering holder.

Holders who tender their outstanding notes for exchange will not be required to pay any transfer taxes. However, holders who instruct us to register exchange notes in the name of, or request that outstanding notes not tendered or not accepted in the exchange offers be returned to, a person other than the registered tendering holder will be required to pay any applicable transfer tax.

Consequences of Failure to Exchange

If you do not exchange your outstanding notes for exchange notes under the exchange offers, your outstanding notes will remain subject to the restrictions on transfer of such outstanding notes:

- as set forth in the legend printed on the outstanding notes as a consequence of the issuance of the outstanding notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and
- as otherwise set forth in the offering memorandum distributed in connection with the private offering of the outstanding notes.

In general, you may not offer or sell your outstanding notes unless they are registered under the Securities Act or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act.

Other

Participating in the exchange offers is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

We may in the future seek to acquire untendered outstanding notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any outstanding notes that are not tendered in the exchange offers or to file a registration statement to permit resales of any untendered outstanding notes.

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THE TRANSACTIONS

The Transactions

On November 16, 2006, Clear Channel entered into an Agreement and Plan of Merger, as amended by Amendment No. 1, dated April 18, 2007, Amendment No. 2, dated May 17, 2007, and Amendment No. 3, dated May 13, 2008, to effect the acquisition of Clear Channel by Holdings. Clear Channel held a special meeting of its shareholders on July 24, 2008, at which time the proposed merger was approved. On July 30, 2008, upon the satisfaction of the conditions set forth in the merger agreement, Holdings acquired Clear Channel. The acquisition was effected by the merger of Merger Sub, then an indirect subsidiary of Holdings, with and into Clear Channel. As a result of the merger, Clear Channel became a wholly-owned subsidiary of Holdings, held indirectly through intermediate holding companies including Clear Channel Capital. Upon the consummation of the merger, Holdings became a public company and Clear Channel ceased to be a public company.

At the effective time of the merger, Clear Channel s shareholders who elected to receive cash consideration in connection with the merger received $36.00 in cash for each pre-merger share of Clear Channel s outstanding common stock they owned. Pursuant to the merger agreement, as an alternative to receiving the $36.00 per share cash consideration, Clear Channel s shareholders were offered the opportunity to exchange some or all of their pre-merger shares on a one-for-one basis for shares of common stock in Holdings. Immediately following the Transactions, those shares represented, in the aggregate, approximately 25% (whether measured by voting power or economic interest) of the equity of Holdings.

Several new entities controlled by the Sponsors and their co-investors acquired through newly formed companies (each of which is ultimately controlled jointly by the Sponsors) shares of stock in Holdings. Immediately following the Transactions, those shares represented, in the aggregate, approximately 72% (whether measured by voting power or economic interest) of the equity of Holdings. In connection with the Transactions, Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays rolled over unrestricted common stock, restricted equity securities and in the money stock options exercisable for common stock of Clear Channel, with an aggregate value of approximately $45 million, in exchange for equity securities of Holdings, and Messrs. Mark P. Mays and Randall T. Mays received restricted stock of Holdings with an aggregate value of approximately $40 million (in each case based upon the per share price paid by the Sponsors for shares of Holdings in connection with the merger). Certain other members of Clear Channel s management also rolled over restricted equity securities and in the money stock options exercisable for common stock of Clear Channel in exchange for equity securities of Holdings. Accordingly, the remaining approximately 3% of the equity of Holdings was held by Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and certain members of Clear Channel s management.

In connection with the Transactions, Clear Channel entered into senior secured credit facilities providing for a $2,000 million revolving credit facility with a maturity in July 2014, a $1,332 million term loan A facility with a maturity in July 2014, a $10,700 million term loan B facility with a maturity in January 2016, a $696 million term loan C asset sale facility with a maturity in January 2016 and $1,250 million delayed draw term loan facilities with maturities in January 2016. Furthermore, Clear Channel entered into a $784 million receivables based credit facility with a maturity in July 2014, subject to a borrowing base.

The Transactions were financed by:

- an equity investment in Clear Channel of $3,000 million comprised of rollover equity of Clear Channel s existing shareholders who elected to receive shares of Holdings as merger consideration, rollover equity from the Mays family, restricted stock and cash equity contributed to Clear Channel indirectly by Holdings from cash equity investments in Holdings by entities associated with the Sponsors and their co-investors and Clear Channel cash on hand;

- borrowings of approximately $12,808 million and $534 million drawn under Clear Channel s senior secured credit facilities and receivables based credit facility, respectively, in connection with the Transactions; and

- the issuance of $980 million aggregate principal amount of the outstanding senior cash pay notes and $1,330 million aggregate principal amount of the outstanding senior toggle notes.

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For a more complete description of the Transactions, see the sections entitled Use of Proceeds, Capitalization, Unaudited Pro Forma Condensed Consolidated Financial Data, Description of Other Indebtedness, and Description of the Exchange Notes.

Ownership and Corporate Structure

The following chart illustrates our ownership and corporate structure following the Transactions.

(1) For more information regarding ownership of the outstanding capital stock of Holdings upon the consummation of the Transactions, see The Transactions.

(2) The senior secured credit facilities and the receivables based credit facility are guaranteed on a senior basis by Clear Channel Capital and Clear Channel s material wholly-owned domestic restricted subsidiaries.

(3) The exchange notes are guaranteed on a senior basis by Clear Channel Capital and all of Clear Channel s wholly-owned domestic restricted subsidiaries that guarantee Clear Channel s senior secured credit facilities and receivables based credit facility, except that such guarantees are subordinated to each such guarantor s guarantee of such facilities.

(4) The retained senior notes are obligations solely of Clear Channel and are not guaranteed by Clear Channel Capital or any of Clear Channel s subsidiaries.

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USE OF PROCEEDS

These exchange offers are intended to satisfy certain of Clear Channel s obligations under the registration rights agreement. Clear Channel will not receive any proceeds from the issuance of the exchange notes in the exchange offers. In exchange for each of the exchange notes, Clear Channel will receive outstanding notes in like principal amount. Clear Channel will retire or cancel all of the outstanding notes tendered in the exchange offers. Accordingly, the issuance of the exchange notes will not result in any change in capitalization.

CAPITALIZATION

The following table sets forth Clear Channel Capital s consolidated cash, cash equivalents and capitalization as of December 31, 2008. You should read this table in conjunction with Use of Proceeds, The Transactions, Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, Description of Other Indebtedness and the consolidated financial statements and the related notes included herein. The amounts in the tables may not add due to rounding.

	As of December 31, 2008 (in millions)
Cash and Cash Equivalents	$ 239.8
Debt:	
Senior secured credit facilities:	
Revolving credit facility	
Domestic based borrowings	$ 190.0
Foreign subsidiary borrowings	30.0
Term loan A facility	1,331.5
Term loan B facility	10,700.0
Term loan C asset sale facility	695.9
Delayed draw term loan facilities	532.5
Receivables based credit facility	445.6
Senior cash pay notes	980.0
Senior toggle notes	1,330 .0
Retained subsidiary debt	75.9
Total guaranteed/subsidiary debt (1)(2)	$ 16,311.4
Retained structurally subordinated Clear Channel notes (2)	3,192.3
Total Debt	19,503.7
Total Shareholder s Equity (Deficit) (3)	(3,380.1)
Total Capitalization	$ 16,123.6

(1) Represents the sum of the indebtedness which is guaranteed by Clear Channel Capital and Clear Channel s material wholly-owned domestic restricted subsidiaries, and retained indebtedness of Clear Channel s restricted subsidiaries which remains outstanding as of December 31, 2008.

(2) Represents total debt, less the amount of Clear Channel s retained senior notes which are not guaranteed by, or direct obligations of, its subsidiaries.

(3) The amount represents total capital increases of $2,925 million, excluding $75 million of restricted stock and options of Holdings, less an accounting adjustment of $835 million mainly related to continuing shareholders basis in accordance with EITF 88-16 and less post-merger activity of $5,470 million.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma condensed consolidated financial data has been derived by the application of pro forma adjustments to Clear Channel Capital s audited historical consolidated financial statements for the year ended December 31, 2008.

Clear Channel Capital s audited historical consolidated financial statements for the year ended December 31, 2008 are comprised of two periods: post-merger and pre-merger, which relate to the period succeeding the merger (reflecting the consolidated financial data of Clear Channel Capital) and the period preceding the merger (reflecting the consolidated financial data of Clear Channel), respectively. For purposes of this discussion, pro forma adjustments have been applied to the audited historical consolidated financial statements of Clear Channel Capital for the year ended December 31, 2008 presented on a combined basis. For a discussion of the post-merger and pre-merger period financial data, see Management s Discussion and Analysis of the Financial Condition and Results of Operations and the audited historical consolidated financial statements and related notes included in this prospectus.

The unaudited pro forma condensed consolidated financial data gives effect to the merger which is accounted for as a purchase in conformity with Statement of Financial Accounting Standards No. 141, *Business Combinations* (Statement 141), and EITF 88-16. As a result of the continuing ownership in Holdings by certain members of Clear Channel s management and large shareholders, Holdings allocated a portion of the consideration to the assets and liabilities at their respective fair values with the remaining portion recorded at the continuing shareholders historical basis. The pro forma adjustments are based on the preliminary assessments of allocation of the consideration paid using information available to date and certain assumptions believed to be reasonable. As of the date of this prospectus, Holdings has not completed the valuation studies necessary to determine the fair values of its assets and liabilities and the related allocation of purchase price. Differences between the preliminary and final allocation may have a material impact on amounts recorded for total assets, total liabilities, shareholders equity and income (loss).

Holdings preliminary purchase accounting adjustments, including goodwill, are reflected in Clear Channel Capital s financial statements.

The unaudited pro forma condensed consolidated statement of operations of Clear Channel Capital for the year ended December 31, 2008 was prepared based upon the historical consolidated statement of operations of Clear Channel Capital on a combined basis as discussed above, adjusted to reflect the merger as if it had occurred on January 1, 2008.

The unaudited pro forma condensed consolidated statement of operations was adjusted to give effect to items that are directly attributed to the merger, factually supportable, and expected to have a continuing impact on the consolidated results. Such items include: (i) depreciation and amortization expense associated with preliminary valuations of property, plant and equipment and definite-lived intangible assets, (ii) corporate expenses associated with new equity based awards granted to certain members of management, (iii) corporate expenses associated with the accelerated vesting of employee share-based awards upon closing of the merger, (iv) interest expense related to debt issued in conjunction with the merger, issue costs on this indebtedness and the fair value adjustment to Clear Channel s existing indebtedness and (v) the related tax effects of these items.

The unaudited pro forma condensed consolidated financial data of Clear Channel Capital should be read in conjunction with the historical audited financial statements and the notes thereto included in this prospectus and the other financial information contained in Summary Historical and Unaudited Pro Forma Consolidated Financial and Other Data, Selected Historical Consolidated Financial and Other Data and Management s Discussion and Analysis of the Financial Condition and Results of Operations included herein.

The unaudited pro forma condensed consolidated financial data of Clear Channel Capital is not necessarily indicative of the actual results of operations or financial position had the above described transactions occurred on the date indicated, nor are they necessarily indicative of future operating results or financial position.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2008

(In thousands)

	Combined Historical	Transaction Adjustments		Pro Forma
Revenue	$ 6,688,683	$		$ 6,688,683
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	2,904,444	(13,113)	(F)	2,891,331
Selling, general and administrative expenses (excludes depreciation and amortization)	1,829,246	(12,524)	(F)	1,816,722
Depreciation and amortization	696,830	50,160	(A)	746,990
Corporate expenses (excludes depreciation and amortization)	227,945	(6,281)	(D),(F)	221,664
Merger expenses	155,769	(155,769)	(C)	
Impairment charge	5,268,858			5,268,858
Other operating income net	28,032			28,032
Operating income (loss)	(4,366,377)	137,527		(4,228,850)
Interest expense	928,978	744,721	(B)	1,673,699
Gain (loss) on marketable securities	(82,290)			(82,290)
Equity in earnings of nonconsolidated affiliates	100,019			100,019
Other income (expense) net	126,393			126,393
Income (loss) before income taxes and minority interest	(5,151,233)	(607,194)		(5,758,427)
Income tax benefit (expense)	524,040	230,535	(E)	754,575
Minority interest expense, net of tax	16,671			16,671
Loss from continuing operations	$ (4,643,864)	$ (376,659)		$ (5,020,523)

Net loss per share information is not presented as such information is not required by Statement of Financial Accounting Standards No. 128, *Earnings per Share*. Subsequent to the merger, Clear Channel Capital II, LLC is the sole member of Clear Channel Capital and owns 100% of its limited liability company interests. Clear Channel Capital does not have any publicly traded common stock or potential common stock.

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NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The unaudited pro forma condensed consolidated financial data includes the following pro forma adjustments.

(A) This pro forma adjustment is for the additional depreciation and amortization related to the fair value adjustments on property, plant and equipment and definite-lived intangible assets based on the estimated remaining useful lives ranging from two to twenty years for such assets.

(B) This pro forma adjustment is for the incremental interest expense resulting from the new capital structure resulting from the merger and the fair value adjustments to existing Clear Channel long-term indebtedness. On February 6, 2009, Clear Channel borrowed the approximately $1.6 billion of remaining availability under its $2.0 billion revolving credit facility. Assuming the balance on the facility after the draw on February 6, 2009 and weighted average interest rate are held constant over the remaining term, interest payments would have increased by approximately $60.2 million per year.

	Year Ended December 31, 2008 Combined (In thousands)
Interest expense on revolving credit facility (1)	$ 8,336
Interest expense on receivables based credit facility (2)	15,683
Interest expense on term loan facilities (3)	465,233
Interest expense on outstanding notes (4)	146,796
Amortization of deferred financing fees and fair value adjustments on retained senior notes (5)	146,745
Reduction in interest expense on debt redeemed	(38,072)
Total pro forma interest adjustment	$ 744,721

(1) Pro forma interest expense reflects an $80 million outstanding balance on the $2,000 million revolving credit facility at a rate equal to an applicable margin of 3.4% over LIBOR of 2.5%, plus a commitment fee of 0.5% on the undrawn balance of the revolving credit facility. For each 0.125% per annum change in LIBOR, annual interest expense on the revolving credit facility would change by $0.1 million.

(2) Reflects pro forma interest expense on the receivables based credit facility at a rate equal to an applicable margin of 2.4% over LIBOR of 2.5%, and a commitment fee of 0.375% on the unutilized portion of the receivables based credit facility. For each 0.125% per annum change in LIBOR, annual interest expense on the receivables based credit facility would change by $0.7 million.

(3) Reflects pro forma interest expense on the term loan facilities at a rate equal to an applicable margin over LIBOR. The pro forma adjustment includes margins of 3.4% to 3.65%, LIBOR of 2.5%, and a commitment fee of 1.82% on the unutilized portion of the delayed draw term loan facilities. For each 0.125% per annum change in LIBOR, annual interest expense on the term loan facilities would change by $15.9 million. As of March 4, 2009, Clear Channel had executed $6.0 billion aggregate notional amount of pay-fixed rate receive-floating rate interest rate swaps to effectively fix the interest rate on a portion of the term loan facilities. This analysis does not include the effects of these interest rate swap agreements.

(4) Reflects a fixed rate of 10.75% on the outstanding senior cash pay notes and a fixed rate of 11.00% on the outstanding senior toggle notes.

(i) On January 15, 2009, Clear Channel made a permitted election under the indenture governing the senior toggle notes to pay PIK Interest with respect to 100% of the outstanding senior toggle notes. As a result, Clear Channel is deemed to have made the PIK Interest election for future interest periods unless and until we elect otherwise. These pro forma financial statements include the assumption that the PIK Election has not been made in the pre-merger period ended July 30, 2008 to the fullest extent possible.

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The table below quantifies the effects for the period presented of two possible alternate scenarios available to Clear Channel with regard to the payment of required interest, a) making a 100% PIK Election for all periods presented and b) electing to pay 50% in cash and 50% through use of the PIK Election for all periods presented:

	100% PIK Election		50% Cash/50% PIK Election	
	Increase in interest expense	**Increase in net loss**	**Increase in interest expense**	**Increase in net loss**
Year ended December 31, 2008	$ 9,975	$ (6,185)	$ 4,988	$ (3,092)

The use of the 100% PIK Election will increase cash balances by approximately $146 million in the first year that the debt is outstanding. The use of the 50% cash pay/50% PIK Election will increase cash balances by approximately $73 million in the first year that the debt is outstanding.

(5) Represents debt issuance costs associated with our credit facilities amortized over six years for the receivables based credit facility and the revolving credit facility, six to seven and one half years for the term loan facilities and eight years for the outstanding notes.

(C) This pro forma adjustment reverses merger expenses as they are non-recurring charges incurred in connection with the merger.

(D) This pro forma adjustment records non-cash compensation expense of $7.3 million for the pre-merger period ended July 30, 2008 associated with common stock options and restricted stock of Holdings that were granted to certain key executives upon completion of the merger under its new equity incentive plan described elsewhere in this prospectus. The assumptions used to calculate the fair value of these awards were consistent with the assumptions used by Holdings disclosed in its Form 10-K for the year ended December 31, 2008.

(E) The pro forma adjustment for income tax benefit was determined using statutory rates for the year ended December 31, 2008.

(F) This pro forma adjustment reverses expenses associated with the accelerated vesting of certain employee share-based awards upon the closing of the merger.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth Clear Channel s and Clear Channel Capital s selected historical consolidated financial and other data as of and for the five years ended December 31, 2008. The summary historical consolidated financial data as of December 31, 2008 and 2007, and for the three years ended December 31, 2008, are derived from the audited consolidated financial statements and related notes included elsewhere in this prospectus. The summary historical consolidated financial data as of December 31, 2006, 2005 and 2004, and for the two years ended December 31, 2005 are derived from Clear Channel s audited consolidated financial statements and related notes not included herein. The financial data as of December 31, 2005 and 2004, and for the year ended December 31, 2004 has been revised to reflect the reclassification of the assets, liabilities, revenues and expenses of Clear Channel s television business and certain radio stations as discontinued operations in accordance with Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-lived Assets* (Statement 144).

The selected historical consolidated financial and other data for the year ended December 31, 2008 is comprised of two periods: post-merger and pre-merger, which relate to the period succeeding the merger (reflecting the consolidated financial data of Clear Channel Capital) and the period preceding the merger (reflecting the consolidated financial data of Clear Channel), respectively. For purposes of this discussion, the selected historical consolidated financial and other data of Clear Channel Capital for the year ended December 31, 2008 is presented on a combined basis. Clear Channel Capital believes that presentation on a combined basis is more meaningful as it allows the financial data to be analyzed to comparable prior periods. The post-merger and pre-merger financial data of Clear Channel Capital for the year ended December 31, 2008 is presented in Management s Discussion and Analysis of Financial Condition and Results of Operations and in the consolidated financial statements and related notes herein.

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Acquisitions and dispositions significantly impact the comparability of the historical consolidated financial data. This information is only a summary and you should read the information presented below in conjunction with Clear Channel s and Clear Channel Capital s historical consolidated financial statements and related notes included elsewhere in this prospectus, as well as the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations.

	Year Ended December 31,				
	2008 (1) Combined	2007 (2) Pre-merger	2006 (3) Pre-merger	2005 Pre-merger	2004 Pre-merger
			(In thousands)		
Statement of Operations:					
Revenue	$ 6,688,683	$ 6,921,202	$ 6,567,790	$ 6,126,553	$ 6,132,880
Operating expenses:					
Direct operating expenses (excludes depreciation and amortization)	2,904,444	2,733,004	2,532,444	2,351,614	2,216,789
Selling, general and administrative expenses (excludes depreciation and amortization)	1,829,246	1,761,939	1,708,957	1,651,195	1,644,251
Depreciation and amortization	696,830	566,627	600,294	593,477	591,670
Corporate expenses (excludes depreciation and amortization)	227,945	181,504	196,319	167,088	163,263
Merger expenses	155,769	6,762	7,633		
Impairment charge (4)	5,268,858				
Other operating income net	28,032	14,113	71,571	49,656	43,040
Operating income (loss)	(4,366,377)	1,685,479	1,593,714	1,412,835	1,559,947
Interest expense	928,978	451,870	484,063	443,442	367,511
Gain (loss) on marketable securities	(82,290)	6,742	2,306	(702)	46,271
Equity in earnings of nonconsolidated affiliates	100,019	35,176	37,845	38,338	22,285
Other income (expense) net	126,393	5,326	(8,593)	11,016	(30,554)
Income (loss) before income taxes, minority interest, discontinued operations and cumulative effect of a change in accounting principle	(5,151,233)	1,280,853	1,141,209	1,018,045	1,230,438
Income tax benefit (expense)	524,040	(441,148)	(470,443)	(403,047)	(471,504)
Minority interest expense, net of tax	16,671	47,031	31,927	17,847	7,602
Income (loss) before discontinued operations and cumulative effect of a change in accounting principle	(4,643,864)	792,674	638,839	597,151	751,332
Income from discontinued operations, net (5)	638,391	145,833	52,678	338,511	94,467
Income (loss) before cumulative effect of a change in accounting principle	(4,005,473)	938,507	691,517	935,662	845,799
Cumulative effect of a change in accounting principle, net of tax of, $2,959,003 in 2004 (6)					(4,883,968)
Net income (loss)	$ (4,005,473)	$ 938,507	$ 691,517	$ 935,662	$ (4,038,169)

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	Year Ended, or as of, December 31,				
	2008 (1) Post-merger	**2007 (2) Pre-merger**	**2006 (3) Pre-merger**	**2005 Pre-merger**	**2004 Pre-merger**
			(In thousands)		
Balance Sheet Data:					
Current assets	$ 2,066,554	$ 2,294,583	$ 2,205,730	$ 2,398,294	$ 2,269,922
Property, plant and equipment net, including discontinued operations (7)	3,548,159	3,215,088	3,236,210	3,255,649	3,328,165
Total assets	21,125,463	18,805,528	18,886,455	18,718,571	19,959,618
Current liabilities	1,845,946	2,813,277	1,663,846	2,107,313	2,184,552
Long-term debt, net of current maturities	18,940,697	5,214,988	7,326,700	6,155,363	6,941,996
Shareholders equity (deficit)	(3,380,147)	8,797,491	8,042,341	8,826,462	9,488,078
Other Financial Data:					
Capital expenditures	$ 430,455	$ 363,309	$ 336,739	$ 302,655	
Ratio of earnings to fixed charges (8)		2.38x	2.27x	2.24x	2.76x

	Period from July 31 through December 31, 2008 (9) Post-merger	**Period from January 1 through July 30, 2008 Pre-merger**	Year Ended December 31,			
			2007 (2) Pre-merger	**2006 (3) Pre-merger**	**2005 Pre-merger**	**2004 Pre-merger**
			(In thousands)			
Net income (loss) per common share:						
Basic:						
Income (loss) before discontinued operations and cumulative effect of a change in accounting principle		$ .80	$ 1.60	$ 1.27	$ 1.09	$ 1.26
Discontinued operations		1.29	.30	.11	.62	.16
Income (loss) before cumulative effect of a change in accounting principle		2.09	1.90	1.38	1.71	1.42
Cumulative effect of a change in accounting principle						(8.19)
Net income (loss)		$ 2.09	$ 1.90	$ 1.38	$ 1.71	$ (6.77)
Diluted:						
Income (loss) before discontinued operations and cumulative effect of a change in accounting principle		$ .80	$ 1.60	$ 1.27	$ 1.09	$ 1.26
Discontinued operations		1.29	.29	.11	.62	.15
Income (loss) before cumulative effect of a change in accounting principle		2.09	1.89	1.38	1.71	1.41
Cumulative effect of a change in accounting principle						(8.16)
Net income (loss)		$ 2.09	$ 1.89	$ 1.38	$ 1.71	$ (6.75)
Dividends declared per share		$	$ .75	$ .75	$ .69	$ .45

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(1) The statement of operations for the year ended December 31, 2008 is comprised of two periods: post-merger and pre-merger. Holdings applied preliminary purchase accounting adjustments, and these adjustments are reflected in Clear Channel Capital s opening balance sheet on July 31, 2008 as the merger occurred at the close of business on July 30, 2008. The merger resulted in a new basis of accounting beginning on July 31, 2008. Please refer to the historical consolidated financial statements and related notes included elsewhere in this prospectus for details on the post-merger and pre-merger periods.

(2) Effective January 1, 2007, Clear Channel adopted FIN 48. In accordance with the provisions of FIN 48, the effects of adoption were accounted for as a cumulative-effect adjustment recorded to the balance of retained earnings on the date of adoption. The adoption of FIN 48 resulted in a decrease of $0.2 million to the January 1, 2007 balance of Retained deficit, an increase of $101.7 million in Other long-term liabilities for unrecognized tax benefits and a decrease of $123.0 million in Deferred income taxes.

(3) Effective January 1, 2006, Clear Channel adopted Statement 123(R). In accordance with the provisions of Statement 123(R), Clear Channel elected to adopt the standard using the modified prospective method.

(4) A non-cash impairment charge of $5.3 billion was recorded in 2008 as a result of the global economic slowdown which adversely affected advertising revenues across Clear Channel s businesses in recent months.

(5) Includes the results of operations of Clear Channel s live entertainment and sports representation businesses, which it spun-off on December 21, 2005, Clear Channel s television business sold on March 14, 2008 and certain of its non-core radio stations.

(6) Clear Channel recorded a non-cash charge of $4.9 billion, net of deferred taxes of $3.0 billion, in 2004 as a cumulative effect of a change in accounting principle during the fourth quarter of 2004 as a result of the adoption of EITF Topic D-108, *Use of the Residual Method to Value Acquired Assets other than Goodwill* (Topic D-108).

(7) Excludes the property, plant and equipment net of Clear Channel s live entertainment and sports representation businesses, which it spun-off on December 21, 2005.

(8) The ratio of earnings to fixed charges for the pre-merger period from January 1 through July 30, 2008 was 2.06x. Earnings, as adjusted, were not sufficient to cover fixed charges by approximately $5.7 billion for the post-merger period from July 31 through December 31, 2008.

(9) Net loss per share information is not presented for the post-merger period as such information is not required by Statement of Financial Accounting Standards No. 128, *Earnings per Share*. During the post-merger period ended December 31, 2008, Clear Channel Capital II, LLC is the sole member of Clear Channel Capital and owns 100% of its limited liability company interests. Clear Channel Capital does not have any publicly traded common stock or potential common stock.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of Clear Channel s and Clear Channel Capital s financial condition and results of operations with Selected Historical Consolidated Financial and Other Data, Unaudited Pro Forma Condensed Consolidated Financial Data and the historical consolidated financial statements and related notes included elsewhere in this prospectus. In this section, the terms we, our, ours and us refer Clear Channel and its consolidated subsidiaries for pre-merger results and refer to Clear Channel Capital and its consolidated subsidiaries for post-merger results and results presented on a combined basis, as discussed further below. The term Clear Channel Capital refers collectively to Clear Channel Capital and its consolidated subsidiaries. This discussion contains forward-looking statements about Clear Channel s markets, the demand for Clear Channel s products and services and Clear Channel Capital s future results. We based these statements on assumptions that we consider reasonable. Actual results may differ materially from those suggested by our forward-looking statements for various reasons including those discussed in the Risk Factors and Forward-Looking Statements sections of this prospectus. Those sections expressly qualify all subsequent oral and written forward-looking statements attributable to us or persons acting on our behalf. We do not have any intention or obligation to update forward-looking statements included in this prospectus.

Format of Presentation

Clear Channel Capital s consolidated balance sheets, statements of operations, statements of cash flows and shareholders equity and related notes included elsewhere in this prospectus are presented for two periods: post-merger and pre-merger, which relate to the period succeeding the merger and the periods preceding the merger, respectively. Prior to the merger, Clear Channel Capital had not conducted any activities, other than activities incident to its formation and in connection with the acquisition, and did not have any assets or liabilities, other than as related to the acquisition. Holdings applied preliminary purchase accounting, and these adjustments are reflected in Clear Channel Capital s opening balance sheet on July 31, 2008 as the merger occurred at the close of business on July 30, 2008. The results of operations subsequent to the closing of the merger reflect the impact of the new basis of accounting. The financial reporting periods are presented as follows:

- The period from July 31 through December 31, 2008 includes the post-merger period, reflecting the merger of Clear Channel with and into Merger Sub. Subsequent to the acquisition, Clear Channel became an indirect, wholly-owned subsidiary of Holdings and Clear Channel Capital s business became that of Clear Channel and its subsidiaries.

- The period from January 1 through July 30, 2008 includes the pre-merger period of Clear Channel. Prior to the consummation of Holdings acquisition of Clear Channel, Clear Channel Capital had not conducted any activities, other than activities incident to its formation and in connection with the acquisition, and did not have any assets or liabilities, other than as related to the acquisition.

- The 2007 and 2006 periods presented are pre-merger. The consolidated financial statements for all pre-merger periods were prepared using the historical basis of accounting for Clear Channel. As a result of the merger and the associated preliminary purchase accounting, the consolidated financial statements of the post-merger periods are not comparable to periods preceding the merger.

The discussion in this Management s Discussion and Analysis of Financial Condition and Results of Operations is presented on a combined basis for the pre-merger and post-merger periods for 2008. The 2008 post-merger and pre-merger results are presented, but are not discussed, separately. We believe that the discussion on a combined basis is more meaningful as it allows the results of operations to be analyzed to comparable periods in 2007 and 2006.

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Management s discussion and analysis of our results of operations and financial condition should be read in conjunction with the historical consolidated financial statements and related footnotes. Our discussion is presented on both a consolidated and segment basis. Our reportable operating segments are Americas Outdoor Advertising, International Outdoor Advertising and Radio Broadcasting, which includes our national syndication business. Included in the Other segment are our media representation business, Katz Media, and other general support services and initiatives.

We manage our operating segments primarily focusing on their operating income, while corporate expenses, merger expenses, impairment charge, other operating income net, interest expense, gain (loss) on marketable securities, equity in earnings of nonconsolidated affiliates, other income (expense) net, income tax benefit (expense) and minority interest benefit (expense) net of tax are managed on a total company basis and are, therefore, included only in our discussion of consolidated results.

Recent Events

Consummation of the Merger

Holdings was formed in May 2007 by private equity funds sponsored by Bain Capital and THL for the purpose of acquiring the business of Clear Channel. At the effective time of the merger, each issued and outstanding share of Clear Channel, other than shares held by certain members of Clear Channel management that were rolled over and exchanged for shares of Holdings Class A common stock, was either exchanged for (i) $36.00 in cash consideration, without interest, or (ii) one share of Holdings Class A common stock.

Holdings accounted for its acquisition of Clear Channel as a purchase business combination in conformity with Statement 141 and EITF 88-16 and has preliminarily allocated a portion of the consideration paid to the assets and liabilities acquired at their initial estimated respective fair values with the remaining portion recorded at the continuing shareholders basis. Excess consideration after this preliminary allocation was recorded as goodwill.

Holdings estimated the preliminary fair value of the acquired assets and liabilities as of the merger date utilizing information available at the time the financial statements were prepared. These estimates are subject to refinement until all pertinent information is obtained. Holdings is currently in the process of obtaining third-party valuations of certain of the acquired assets and liabilities and will complete its purchase price allocation in 2009. The final allocation of the purchase price may be different than the initial allocation.

The preliminary purchase accounting adjustments, including goodwill, are reflected in the financial statements of Clear Channel Capital.

Impairment Charge

The global economic slowdown has adversely affected advertising revenues across our businesses in recent months. As a result, we performed an impairment test in the fourth quarter of 2008 on our indefinite-lived FCC licenses, indefinite-lived permits and goodwill.

Our FCC licenses and permits are valued using the direct valuation approach, with the key assumptions being market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average asset within a market.

The estimated fair value of FCC licenses and permits was below their carrying values. As a result, we recognized a non-cash impairment charge of $1.7 billion on our FCC licenses and permits. The United States and global economies are undergoing a period of economic uncertainty, which has caused, among other things, a general tightening in the credit markets, limited access to the credit market, lower levels of liquidity and lower consumer and business spending. These disruptions in the credit and financial markets and the continuing impact of adverse economic, financial and industry conditions on the demand for advertising negatively impacted the key assumptions in the discounted cash flow models used to value our FCC licenses and permits.

The goodwill impairment test requires us to measure the fair value of our reporting units and compare the estimated fair value to the carrying value, including goodwill. Each of our reporting units is valued using a discounted cash flow model which requires estimating future cash flows expected to be generated from the reporting unit, discounted to their present value using a risk-adjusted discount rate. Terminal values were also estimated and discounted to their present value. Assessing the recoverability of goodwill requires us to make estimates and assumptions about sales, operating margins, growth rates and discount rates based on our budgets, business plans, economic projections, anticipated future cash flows and marketplace data. There are inherent uncertainties related to these factors and management s judgment in applying these factors.

The estimated fair value of our reporting units was below their carrying values, which required us to compare the implied fair value of each reporting units goodwill with its carrying value. As a result, we recognized a non-cash impairment charge of $3.6 billion to reduce our goodwill. The macroeconomic factors discussed above had an adverse effect on our estimated cash flows and discount rates used in the discounted cash flow model.

While we believe we had made reasonable estimates and utilized reasonable assumptions to calculate the fair value of our FCC licenses, permits and reporting units, it is possible a material change could occur to the estimated fair value of these assets. If our actual results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations.

Restructuring Program

On January 20, 2009, we announced that we commenced a restructuring program targeting a reduction of fixed costs by approximately $350 million on an annualized basis. As part of the program, we eliminated approximately 1,850 full-time positions representing approximately 9% of total workforce. The restructuring program will also include other actions, including elimination of overlapping functions and other cost savings initiatives. The program is expected to result in restructuring and other non-recurring charges of approximately $200 million, although additional costs may be incurred as the program evolves. The cost savings initiatives are expected to be fully implemented by the end of the first quarter of 2010. No assurance can be given that the restructuring program will be successful or will achieve the anticipated cost savings in the timeframe expected or at all. In addition, we may modify or terminate the restructuring program in response to economic conditions or otherwise.

As of December 31, 2008, we had recognized approximately $95.9 million of expenses related to our restructuring program. These expenses primarily related to severance of approximately $83.3 million and $12.6 million related to professional fees.

Sale of Non-core Radio Stations and the Television Business

Sale of Non-core Radio Stations

We determined that each radio station market in Clear Channel s previously announced non-core radio station sales represents a disposal group consistent with the provisions of Statement 144. Consistent with the provisions of Statement 144, we classified these assets that are subject to transfer under definitive asset purchase agreements as discontinued operations for all periods presented. Accordingly, depreciation and amortization associated with these assets was discontinued. Additionally, we determined that these assets comprise operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of Clear Channel Capital. We determined that the estimated fair value less costs to sell attributable to these assets was in excess of the carrying value of their related net assets held for sale.

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Sale of the Television Business

On March 14, 2008, Clear Channel completed the sale of its television business to Newport Television, LLC for $1.0 billion, adjusted for certain items including proration of expenses and adjustments for working capital. As a result, Clear Channel recorded a gain of $662.9 million as a component of Income from discontinued operations, net in its consolidated statement of operations during the quarter ended March 31, 2008. Additionally, net income and cash flows from the television business were classified as discontinued operations in the consolidated statements of operations and the consolidated statements of cash flows, respectively, in 2008 through the date of sale and for all of 2007 and 2006. The net assets related to the television business were classified as discontinued operations as of December 31, 2007.

Radio Broadcasting

Our radio business has been adversely impacted and may continue to be adversely impacted by the difficult economic conditions currently present in the United States. The weakening economy in the United States has, among other things, adversely affected our clients need for advertising and marketing services thereby reducing demand for our advertising spots. Continuing weakening demand for these services could materially affect our business, financial condition and results of operations.

Our revenue is derived from selling advertising time (spots) on our radio stations, with advertising contracts typically less than one year in duration. The programming formats of our radio stations are designed to reach audiences with targeted demographic characteristics that appeal to our advertisers. Management monitors average advertising rates, which are principally based on the length of the spot and how many people in a targeted audience listen 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. Management monitors yield per available minute in addition to average rates because yield allows management to track revenue performance across our inventory. Yield is defined by management as revenue earned divided by commercial capacity available.

Management monitors macro level indicators to assess our radio broadcasting operations performance. Due to the geographic diversity and autonomy of our markets, we have a multitude of market-specific advertising rates and audience demographics. Therefore, management reviews average unit rates across all of our stations.

Management looks at our radio broadcasting operations overall revenue as well as 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 each radio station s sales staffs while national advertising is sold, for the most part, through our national representation firm. Local advertising, which is our largest source of advertising revenue, and national advertising revenues are tracked separately because these revenue streams have different sales forces and respond differently to changes in the economic environment.

Management also looks at radio revenue by market size, as defined by Arbitron. Typically, larger markets can reach larger audiences with wider demographics than smaller markets. Additionally, management reviews our share of target demographics listening to the radio in an average quarter hour. This metric gauges how well our formats are attracting and retaining listeners.

A portion of our Radio Broadcasting 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 programming and general and administrative departments incur most of our fixed costs, such as talent costs, rights fees, utilities and office salaries. Lastly, our highly discretionary costs are in our marketing and promotions department, which we primarily incur to maintain and/or increase our audience share.

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Americas Outdoor Advertising and International Outdoor Advertising

Our outdoor advertising business has been, and may continue to be, adversely impacted by the difficult economic conditions currently present in the United States and other countries in which we operate. The continuing weakening economy has, among other things, adversely affected our clients need for advertising and marketing services, resulted in increased cancellations and non-renewals by our clients, thereby reducing our occupancy levels and could require us to lower our rates in order to remain competitive, thereby reducing our yield, or affect our client s solvency. Any one or more of these effects could materially affect our business, financial condition and results of operations.

Our revenue is derived from selling advertising space on the displays we own or operate in key markets worldwide consisting primarily of billboards, street furniture and transit displays. We own the majority of our advertising displays, which typically are located on sites that we either lease or own or for which we have acquired permanent easements. Our advertising contracts typically outline the number of displays reserved, the duration of the advertising campaign and the unit price per display.

Our advertising rates are based on a number of different factors including location, competition, size of display, illumination, market and gross ratings points. Gross ratings points are the total number of impressions delivered, expressed as a percentage of a market population, of a display or group of displays. The number of impressions delivered by a display is measured by the number of people passing the site during a defined period of time and, in some international markets, is weighted to account for such factors as illumination, proximity to other displays and the speed and viewing angle of approaching traffic. Management typically monitors our business by reviewing the average rates, average revenue per display, or yield, occupancy and inventory levels of each of our display types by market. In addition, because a significant portion of our advertising operations are conducted in foreign markets, the largest being France and the United Kingdom, management reviews the operating results from our foreign operations on a constant dollar basis. A constant dollar basis allows for comparison of operations independent of foreign exchange movements.

The significant expenses associated with our operations include (i) direct production, maintenance and installation expenses, (ii) site lease expenses for land under our displays and (iii) revenue-sharing or minimum guaranteed amounts payable under our billboard, street furniture and transit display contracts. Our direct production, maintenance and installation expenses include costs for printing, transporting and changing the advertising copy on our displays, the related labor costs, the vinyl and paper costs and the costs for cleaning and maintaining our displays. Vinyl and paper costs vary according to the complexity of the advertising copy and the quantity of displays. Our site lease expenses include lease payments for use of the land under our displays, as well as any revenue-sharing arrangements or minimum guaranteed amounts payable that we may have with the landlords. The terms of our site leases and revenue-sharing or minimum guaranteed contracts generally range from one to 20 years.

In our International Outdoor Advertising business, normal market practice is to sell billboards and street furniture as network packages with contract terms typically ranging from one to two weeks, compared to contract terms typically ranging from four weeks to one year in the United States. In addition, competitive bidding for street furniture and transit contracts, which constitute a larger portion of our International Outdoor Advertising business, and a different regulatory environment for billboards, result in higher site lease cost in our International Outdoor Advertising business compared to our Americas Outdoor Advertising business. As a result, our margins are typically less in our International Outdoor Advertising business than in the Americas Outdoor Advertising.

Our street furniture and transit display contracts, the terms of which range from three to 20 years, generally require us to make upfront investments in property, plant and equipment. These contracts may also include upfront lease payments and/or minimum annual guaranteed lease payments. We can give no assurance that our cash flows from operations over the terms of these contracts will exceed the upfront and minimum required payments.

Our 2008 and 2007 results of operations include the full year results of operations of Interspace Airport Advertising (Interspace) and our results of operations for 2006 include a partial year of the results of operations of Interspace, which Clear Channel acquired in July 2006.

Statement 123(R)

Clear Channel Capital does not have any equity incentive plans. Clear Channel s employees receive equity awards from Holdings equity incentive plans. Prior to the merger, Clear Channel granted equity awards to its employees under its own equity incentive plans.

As of December 31, 2008, there was $130.3 million of unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation arrangements that will vest based on service conditions. This cost is expected to be recognized over four years. In addition, as of December 31, 2008, there was $80.2 million of unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation arrangements that will vest based on market, performance and service conditions. This cost will be recognized when it becomes probable that the performance condition will be satisfied.

Vesting of certain Clear Channel stock options and restricted stock awards was accelerated upon the closing of the merger. As a result, except for certain executive officers and holders of certain options that could not, by their terms, be cancelled prior to their stated expiration date, holders of stock options received cash or, if elected, an amount of Holdings stock, in each case equal to the intrinsic value of the awards based on a market price of $36.00 per share while holders of restricted stock awards received, with respect to each share of restricted stock, $36.00 per share in cash, without interest or, if elected, a share of Holdings stock. Approximately $39.2 million of share-based compensation was recognized in the 2008 pre-merger period as a result of the accelerated vesting of stock options and restricted stock awards and is included in the table below.

The following table details compensation costs related to share-based payments for the years ended December 31, 2008, 2007 and 2006:

	Year Ended December 31,		
	2008 Combined	2007 Pre-merger	2006 Pre-merger
		(In millions)	
Radio Broadcasting			
Direct Operating Expenses	$ 17.2	$ 10.0	$ 11.1
SG&A	20.6	12.2	14.1
Americas Outdoor Advertising			
Direct Operating Expenses	$ 6.3	$ 5.7	$ 3.4
SG&A	2.1	2.2	1.3
International Outdoor Advertising			
Direct Operating Expenses	$ 1.7	$ 1.2	$ 0.9
SG&A	0.4	0.5	0.4
Other			
Direct Operating Expenses	$ 0.5	$	$ 0.7
SG&A	0.8		1.0
Corporate	$ 28.9	$ 12.2	$ 9.1

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The Comparison of Year Ended December 31, 2008 to Year Ended December 31, 2007 is as Follows:

	Post-merger Period from July 31 through December 31, 2008	Pre-merger Period from January 1 through July 30, 2008	Combined Year Ended December 31, 2008
		(In thousands)	
Revenue	$ 2,736,941	$ 3,951,742	$ 6,688,683
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	1,198,345	1,706,099	2,904,444
Selling, general and administrative expenses (excludes depreciation and amortization)	806,787	1,022,459	1,829,246
Depreciation and amortization	348,041	348,789	696,830
Corporate expenses (excludes depreciation and amortization)	102,276	125,669	227,945
Merger expenses	68,085	87,684	155,769
Impairment charge	5,268,858		5,268,858
Other operating income net	13,205	14,827	28,032
Operating income (loss)	(5,042,246)	675,869	(4,366,377)
Interest expense	715,768	213,210	928,978
Gain (loss) on marketable securities	(116,552)	34,262	(82,290)
Equity in earnings of nonconsolidated affiliates	5,804	94,215	100,019
Other income (expense) net	131,505	(5,112)	126,393
Income (loss) before income taxes, minority interest and discontinued operations	(5,737,257)	586,024	(5,151,233)
Income tax benefit (expense):			
Current	76,729	(27,280)	49,449
Deferred	619,894	(145,303)	474,591
Income tax benefit (expense)	696,623	(172,583)	524,040
Minority interest income (expense), net of tax	481	(17,152)	(16,671)
Income (loss) before discontinued operations	(5,040,153)	396,289	(4,643,864)
Income (loss) from discontinued operations, net	(1,845)	640,236	638,391
Net income (loss)	$ (5,041,998)	$ 1,036,525	$ (4,005,473)

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	Year Ended December 31,		
	2008 Combined	2007 Pre-merger	% Change
	(In thousands)		
Revenue	$ 6,688,683	$ 6,921,202	(3)%
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	2,904,444	2,733,004	6%
Selling, general and administrative expenses (excludes depreciation and amortization)	1,829,246	1,761,939	4%
Depreciation and amortization	696,830	566,627	23%
Corporate expenses (excludes depreciation and amortization)	227,945	181,504	26%
Merger expenses	155,769	6,762	
Impairment charge	5,268,858		
Other operating income net	28,032	14,113	
Operating income (loss)	(4,366,377)	1,685,479	
Interest expense	928,978	451,870	
Gain (loss) on marketable securities	(82,290)	6,742	
Equity in earnings of nonconsolidated affiliates	100,019	35,176	
Other income (expense) net	126,393	5,326	
Income (loss) before income taxes, minority interest and discontinued operations	(5,151,233)	1,280,853	
Income tax benefit (expense):			
Current	49,449	(252,910)	
Deferred	474,591	(188,238)	
Income tax benefit (expense)	524,040	(441,148)	
Minority interest income (expense), net of tax	(16,671)	(47,031)	
Income (loss) before discontinued operations	(4,643,864)	792,674	
Income (loss) from discontinued operations, net	638,391	145,833	
Net income (loss)	$ (4,005,473)	$ 938,507	

Consolidated Results of Operations

Revenue

Our consolidated revenue decreased $232.5 million during 2008 compared to 2007. Revenue growth during the first nine months of 2008 was offset by a decline of $254.0 million in the fourth quarter. Revenue declined $264.7 million during 2008 compared to 2007 from our radio business associated with decreases in both local and national advertising. Our Americas Outdoor Advertising revenue also declined approximately $54.8 million attributable to decreases in poster and bulletin revenues associated with cancellations and non-renewals from major national advertisers. The declines were partially offset by an increase from our International Outdoor Advertising revenue of approximately $62.3 million, with roughly $60.4 million from movements in foreign exchange.

Direct Operating Expenses

Our consolidated direct operating expenses increased approximately $171.4 million during 2008 compared to 2007. Our International Outdoor Advertising business contributed $90.3 million to the increase primarily from an increase in site lease expenses and $39.5 million related to movements in foreign exchange. Our Americas Outdoor Advertising business contributed $57.0 million to the increase primarily from new contracts. These increases were partially offset by a decline in direct operating expenses in our Radio Broadcasting segment of approximately $3.6 million related to a decline in programming expenses.

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Selling, General and Administrative Expenses (SG&A)

Our SG&A increased approximately $67.3 million during 2008 compared to 2007. Approximately $48.3 million of this increase occurred during the fourth quarter primarily as a result of an increase in severance. Our International Outdoor Advertising business contributed approximately $41.9 million to the increase primarily from movements in foreign exchange of $11.2 million and an increase in severance in 2008 associated with our restructuring plan of approximately $20.1 million. Our Americas Outdoor Advertising business SG&A increased approximately $26.4 million largely from increased bad debt expense of $15.5 million and an increase in severance in 2008 associated with our restructuring plan of $4.5 million. SG&A expenses in our radio business decreased approximately $7.5 million primarily from reduced marketing and promotional expenses and a decline in commissions associated with the decline in revenues, partially offset by an increase in severance in 2008 associated with our restructuring plan of approximately $32.6 million.

Depreciation and Amortization

Depreciation and amortization expense increased $130.2 million in 2008 compared to 2007 primarily due to $86.0 million in additional depreciation and amortization associated with the preliminary purchase accounting adjustments to the acquired assets, $29.3 million of accelerated depreciation in our Americas Outdoor Advertising and International Outdoor Advertising segments from billboards that were removed and approximately $11.3 million related to impaired advertising display contracts in our International Outdoor Advertising segment.

Corporate Expenses

The increase in corporate expenses of $46.4 million in 2008 compared to 2007 primarily relates to a $16.7 million increase in non-cash compensation related to awards that vested at the closing of the merger, a $6.3 million management fee to the Sponsors on connection with the management and advisory services provided following the merger, and $6.2 million related to outside professional services.

Merger Expenses

Merger expenses for 2008 were $155.8 million and include accounting, investment banking, legal and other expenses.

Impairment charge

The global economic slowdown has adversely affected advertising revenues across our businesses in recent months. As discussed above, we performed an impairment test in the fourth quarter of 2008 and recognized a non-cash impairment charge to our indefinite-lived intangible assets and goodwill of $5.3 billion.

Other Operating Income Net

The $28.0 million income for 2008 consists of $9.6 million from the favorable settlement of a lawsuit, a $7.0 million gain on the disposition of a representation contract, a $4.0 million gain on the sale of property, plant and equipment, $3.3 million from the sale of sports broadcasting rights and a $1.7 million gain on the sale of international street furniture. The $14.1 million income in 2007 related primarily to $8.9 million gain from the sale of street furniture assets and land in our International Outdoor Advertising segment as well as $3.4 million from the disposition of assets in our Radio Broadcasting segment.

Interest Expense

The increase in interest expense for 2008 over 2007 is the result of the increase in our average debt outstanding after the merger. Our outstanding debt was $19.5 billion and $6.6 billion at December 31, 2008 and 2007, respectively.

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Gain (Loss) on Marketable Securities

During the fourth quarter of 2008, we recorded a non-cash impairment charge to certain available-for-sale securities. The fair value of these available-for-sale securities was below their cost each month subsequent to the closing of the merger. As a result, we considered the guidance in SAB Topic 5M and reviewed the length of the time and the extent to which the market value was less than cost and the financial condition and near-term prospects of the issuer. After this assessment, we concluded that the impairment was other than temporary and recorded a $116.6 million impairment charge. This loss was partially offset by a net gain of $27.0 million recorded in the second quarter of 2008 on the unwinding of our secured forward exchange contracts and the sale of our American Tower Corporation (AMT) shares.

The $6.7 million gain on marketable securities for 2007 primarily related to changes in fair value of the shares of AMT held by us and the related forward exchange contracts.

Other Income (Expense) Net

Other income of $126.4 million in 2008 relates to an aggregate gain of $124.5 million on the fourth quarter 2008 tender of certain of Clear Channel s outstanding notes, a $29.3 million foreign exchange gain on translating short-term intercompany notes, an $8.0 million dividend received, partially offset by a $29.8 million loss on the third quarter 2008 tender of certain of Clear Channel s outstanding notes and a $4.7 million impairment of our investment in a radio partnership and $0.9 million of various other items.

Other income of $5.3 million in 2007 primarily relates to a foreign exchange gain on translating short-term intercompany notes.

Equity in Earnings of Nonconsolidated Affiliates

Equity in earnings of nonconsolidated affiliates increased $64.8 million in 2008 compared to 2007 primarily from a $75.6 million gain recognized in the first quarter 2008 on the sale of Clear Channel s 50% interest in Clear Channel Independent, a South African outdoor advertising company. We also recognized a gain of $9.2 million on the disposition of 20% of Grupo ACIR Comunicaciones. These gains were partially offset by a $9.0 million impairment charge to one of our International Outdoor Advertising equity method investments and declines in equity in income from our investments in certain international radio broadcasting companies as well as the loss of equity in earnings from the disposition of Clear Channel Independent.

Income Taxes

Current tax expense for 2008 decreased $302.4 million compared to 2007 primarily due to a decrease in income (loss) before income taxes, minority interest and discontinued operations of $1.2 billion which excludes the non-tax deductible impairment charge of $5.3 billion recorded in 2008. In addition, current tax benefits of approximately $74.6 million were recorded during 2008 related to the termination of Clear Channel s cross currency swap. Also, we recognized additional tax depreciation deductions as a result of the bonus depreciation provisions enacted as part of the Economic Stimulus Act of 2008. These current tax benefits were partially offset by additional current tax expense recorded in 2008 related to currently non deductible transaction costs as a result of the merger.

The effective tax rate for the year ended December 31, 2008 decreased to 10.2% as compared to 34.4% for the year ended December 31, 2007, primarily due to the impairment charge that resulted in a $5.3 billion decrease in income (loss) before income taxes, minority interest and discontinued operations and tax benefits of approximately $648.2 million. Partially offsetting this decrease to the effective rate were tax benefits recorded as a result of the release of valuation allowances on the capital loss carryforwards that were used to offset the taxable gain from the disposition of Clear Channel s investment in AMT and Grupo ACIR Comunicaciones.

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Additionally, Clear Channel sold its 50% interest in Clear Channel Independent in 2008, which was structured as a tax free disposition. The sale resulted in a gain of $75.6 million with no current tax expense. Further, in 2008 valuation allowances were recorded on certain net operating losses generated during the period that were not able to be carried back to prior years. Due to the lack of earnings history as a merged company and limitations on net operating loss carryback claims allowed, Clear Channel Capital cannot rely on future earnings and carryback claims as a means to realize deferred tax assets which may arise as a result of future period net operating losses. Pursuant to the provision of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*, deferred tax valuation allowances would be required on those deferred tax assets.

For the year ended December 31, 2008, deferred tax expense decreased $662.8 million as compared to 2007 primarily due to the impairment charge recorded in 2008 related to the tax deductible intangibles. This decrease was partially offset by increases in deferred tax expense in 2008 related to recording of valuation allowances on certain net operating losses as well as the termination of the cross currency swap and the additional tax depreciation deductions as a result of the bonus depreciation provisions enacted as part of the Economic Stimulus Act of 2008 mentioned above.

Minority Interest, Net of Tax

The decline in minority interest expense of $30.4 million in 2008 compared to 2007 relates to the decline for the same period in net income of our subsidiary, CCOH.

Discontinued Operations

Income from discontinued operations of $638.4 million recorded during 2008 primarily relates to a gain of $631.9 million, net of tax, related to the sale of our television business and radio stations.

Radio Broadcasting Results of Operations

Our Radio Broadcasting operating results were as follows:

	Year Ended December 31,		
	2008 Combined	2007 Pre-merger	% Change
	(In thousands)		
Revenue	$ 3,293,874	$ 3,558,534	(7)%
Direct operating expenses	979,324	982,966	(0)%
Selling, general and administrative expenses	1,182,607	1,190,083	(1)%
Depreciation and amortization	152,822	107,466	42%
Operating income	$ 979,121	$ 1,278,019	(23)%

Our Radio Broadcasting revenue declined approximately $264.7 million during 2008 compared to 2007, with approximately 43% of the decline occurring during the fourth quarter. Our local revenues were down $205.6 million in 2008 compared to 2007. National revenues declined as well. Both local and national revenues were down as a result of overall weakness in advertising. Our Radio Broadcasting revenue experienced declines across advertising categories including automotive, retail and entertainment advertising categories. For the year ended December 31, 2008, our total minutes sold and average minute rate declined compared to 2007.

Direct operating expenses declined approximately $3.6 million. Decreases in programming expenses of approximately $21.2 million from our radio markets were partially offset by an increase in programming expenses of approximately $16.3 million in our national syndication business. The increase in programming expenses in our national syndication business was mostly related to contract talent payments. SG&A expenses

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decreased approximately $7.5 million primarily from reduced marketing and promotional expenses and a decline in commission expenses associated with the revenue decline. Partially offsetting the decline in SG&A was an increase in severance in 2008 associated with our restructuring plan of approximately $32.6 million and an increase in bad debt expense of approximately $17.3 million.

Depreciation and amortization increased approximately $45.4 million mostly as a result of additional amortization associated with the preliminary purchase accounting adjustments to the acquired intangible assets.

Americas Outdoor Advertising Results of Operations

Our Americas Outdoor Advertising operating results were as follows:

	Year Ended December 31,		
	2008 Combined	2007 Pre-merger	% Change
	(In thousands)		
Revenue	$ 1,430,258	$ 1,485,058	(4)%
Direct operating expenses	647,526	590,563	10%
Selling, general and administrative expenses	252,889	226,448	12%
Depreciation and amortization	207,633	189,853	9%
Operating income	$ 322,210	$ 478,194	(33)%

Revenue decreased approximately $54.8 million during 2008 compared to 2007, with the entire decline occurring in the fourth quarter. Driving the decline was approximately $87.4 million attributable to poster and bulletin revenues associated with cancellations and non-renewals from major national advertisers, partially offset by an increase of $46.2 million in airport revenues, digital display revenues and street furniture revenues. Also impacting the decline in bulletin revenue was decreased occupancy while the decline in poster revenue was affected by a decrease in both occupancy and rate. The increase in airport and street furniture revenues was primarily driven by new contracts while digital display revenue growth was primarily the result of an increase in the number of digital displays. Other miscellaneous revenues also declined approximately $13.6 million.

Our Americas Outdoor Advertising direct operating expenses increased $57.0 million primarily from higher site lease expenses of $45.2 million primarily attributable to new taxi, airport and street furniture contracts and an increase of $2.4 million in severance. Our SG&A expenses increased $26.4 million largely from increased bad debt expense of $15.5 million and an increase of $4.5 million in severance in 2008 associated with our restructuring plan.

Depreciation and amortization increased approximately $17.8 million mostly as a result of $6.6 million related to additional depreciation and amortization associated with preliminary purchase accounting adjustments to the acquired assets and $11.3 million of accelerated depreciation from billboards that were removed.

International Outdoor Advertising Results of Operations

Our International Outdoor Advertising operating results were as follows:

	Year Ended December 31,		
	2008 Combined	2007 Pre-merger	% Change
	(In thousands)		
Revenue	$ 1,859,029	$ 1,796,778	3%
Direct operating expenses	1,234,610	1,144,282	8%
Selling, general and administrative expenses	353,481	311,546	13%
Depreciation and amortization	264,717	209,630	26%

Operating income	$ 6,221	$ 131,320	(95)%

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Revenue increased approximately $62.3 million, with roughly $60.4 million from movements in foreign exchange. The remaining revenue growth was primarily attributable to growth in China, Turkey and Romania, partially offset by revenue declines in France and the United Kingdom. China and Turkey benefited from strong advertising environments. Clear Channel acquired operations in Romania at the end of the second quarter of 2007, which also contributed to revenue growth in 2008. The decline in France was primarily driven by the loss of a contract to advertise on railways and the decline in the United Kingdom was primarily driven by weak advertising demand.

During the fourth quarter of 2008, revenue declined approximately $88.6 million compared to the fourth quarter of 2007, of which approximately $51.8 million was attributable to movements in foreign exchange and the remainder of which was primarily the result of a decline in advertising demand.

Direct operating expenses increased $90.3 million. Included in the increase is approximately $39.5 million related to movements in foreign exchange. The remaining increase in direct operating expenses was driven by an increase in site lease expenses. SG&A expenses increased $41.9 million in 2008 over 2007 with $20.1 million related to severance in 2008 associated with our restructuring plan and approximately $11.2 million related to movements in foreign exchange.

Depreciation and amortization expenses increased $55.1 million with $18.8 million related to additional depreciation and amortization associated with the preliminary purchase accounting adjustments to the acquired assets, approximately $18.0 million related to an increase in accelerated depreciation from billboards to be removed, approximately $11.3 million related to impaired advertising display contracts and $4.9 million related to an increase from movements in foreign exchange.

Reconciliation of Segment Operating Income (Loss)

	Year Ended December 31,	
	2008	2007
	Combined	Pre-merger
	(In thousands)	
Radio Broadcasting	$ 979,121	$ 1,278,019
Americas Outdoor Advertising	322,210	478,194
International Outdoor Advertising	6,221	131,320
Other	(31,419)	(11,659)
Impairment Charge	(5,268,858)	
Other operating income net	28,032	14,113
Merger expenses	(155,769)	(6,762)
Corporate	(245,915)	(197,746)
Consolidated operating income	$ (4,366,377)	$ 1,685,479

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The Comparison of Year Ended December 31, 2007 to Year Ended December 31, 2006 is as Follows:

	Year Ended December 31,		
	2007 Pre-merger	2006 Pre-merger	% Change
	(In thousands)		
Revenue	$ 6,921,202	$ 6,567,790	5%
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	2,733,004	2,532,444	8%
Selling, general and administrative expenses (excludes depreciation and amortization)	1,761,939	1,708,957	3%
Depreciation and amortization	566,627	600,294	(6)%
Corporate expenses (excludes depreciation and amortization)	181,504	196,319	(8)%
Merger expenses	6,762	7,633	
Other operating income net	14,113	71,571	
Operating income	1,685,479	1,593,714	6%
Interest expense	451,870	484,063	
Gain on marketable securities	6,742	2,306	
Equity in earnings of nonconsolidated affiliates	35,176	37,845	
Other income (expense) net	5,326	(8,593)	
Income before income taxes, minority interest expense and discontinued operations	1,280,853	1,141,209	
Income tax expense:			
Current	252,910	278,663	
Deferred	188,238	191,780	
Income tax expense	441,148	470,443	
Minority interest expense, net of tax	47,031	31,927	
Income before discontinued operations	792,674	638,839	
Income from discontinued operations, net	145,833	52,678	
Net income	$ 938,507	$ 691,517	

Consolidated Results of Operations

Revenue

Our consolidated revenue increased $353.4 million during 2007 compared to 2006. Our International Outdoor Advertising revenue increased $240.4 million, including approximately $133.3 million related to movements in foreign exchange and the remainder associated with growth across inventory categories. Our Americas Outdoor Advertising revenue increased $143.7 million driven by increases in bulletin, street furniture, airports and taxi display revenues as well as $32.1 million from Interspace. Our Radio Broadcasting revenue was essentially flat. Declines in local and national advertising revenue were partially offset by an increase in our syndicated radio programming, traffic and on-line businesses. These increases were also partially offset by declines from operations classified in our Other segment.

Direct Operating Expenses

Our direct operating expenses increased $200.6 million in 2007 compared to 2006. International Outdoor Advertising direct operating expenses increased $163.8 million principally from $88.0 million related to movements in foreign exchange. Americas Outdoor Advertising direct operating expenses increased $56.2 million primarily attributable to increased site lease expenses associated with new contracts and the increase in transit revenue as well as approximately $14.9 million from Interspace. Partially offsetting these increases was a decline in our Radio Broadcasting direct operating expenses of approximately $11.7 million primarily from a decline in programming and expenses associated with non-traditional revenue.

Selling, General and Administrative Expenses

Our SG&A increased $53.0 million in 2007 compared to 2006. International Outdoor Advertising SG&A expenses increased $31.9 million primarily related to movements in foreign exchange. Americas Outdoor Advertising SG&A expenses increased $19.1 million mostly attributable to sales expenses associated with the increase in revenue and $6.7 million from Interspace. Our Radio Broadcasting SG&A expenses increased $4.3 million for the comparative periods primarily from an increase in our marketing and promotions department which was partially offset by a decline in bonus and commission expenses.

Depreciation and Amortization

Depreciation and amortization expense decreased approximately $33.7 million primarily from a decrease in the radio segments fixed assets and a reduction in amortization from international outdoor contracts.

Corporate Expenses

Corporate expenses decreased $14.8 million during 2007 compared to 2006 primarily related to a decline in radio bonus expenses.

Merger Expenses

We entered into the merger agreement in the fourth quarter of 2006. Expenses associated with the merger were $6.8 million and $7.6 million for the years ended December 31, 2007 and 2006, respectively, and include accounting, investment banking, legal and other expenses.

Other Operating Income Net

Other operating income net of $14.1 million for the year ended December 31, 2007 related primarily to a $8.9 million gain from the sale of street furniture assets and land in our International Outdoor Advertising segment, as well as $3.4 million from the disposition of assets in our Radio Broadcasting segment.

Other operating income net of $71.6 million for the year ended December 31, 2006 mostly related to $34.6 million in our Radio Broadcasting segment primarily from the sale of stations and programming rights and $13.2 million in our Americas Outdoor Advertising segment from the exchange of assets in one of our markets for the assets of a third party located in a different market.

Interest Expense

Interest expense declined $32.2 million for the year ended December 31, 2007 compared to the same period of 2006. The decline was primarily associated with the reduction in our average outstanding debt during 2007.

Gain (Loss) on Marketable Securities

The $6.7 million gain on marketable securities for 2007 primarily related to changes in fair value of the AMT shares and the related forward exchange contracts. The gain of $2.3 million for the year ended December 31, 2006 related to a $3.8 million gain from terminating our secured forward exchange contract associated with our investment in XM Satellite Radio Holdings Inc. partially offset by a loss of $1.5 million from the change in fair value of AMT securities that are classified as trading and the related secured forward exchange contracts associated with those securities.

Other Income (Expense) Net

Other income of $5.3 million recorded in 2007 primarily relates to foreign exchange gains while other expense of $8.6 million recorded in 2006 primarily relates to foreign exchange losses.

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Income Taxes

Current tax expense decreased $25.8 million for the year ended December 31, 2007 as compared to the year ended December 31, 2006 primarily due to current tax benefits of approximately $45.7 million recorded in 2007 related to the settlement of several tax positions with the Internal Revenue Service (IRS) for the 1999 through 2004 tax years. In addition, we recorded current tax benefits of approximately $14.6 million in 2007 related to the utilization of capital loss carryforwards. The 2007 current tax benefits were partially offset by additional current tax expense due to an increase in income before income taxes of $139.6 million.

Deferred tax expense decreased $3.5 million for the year ended December 31, 2007 as compared to the year ended December 31, 2006 primarily due to additional deferred tax benefits of approximately $8.3 million recorded in 2007 related to accrued interest and state tax expense on uncertain tax positions. In addition, we recorded deferred tax expense of approximately $16.7 million in 2006 related to the uncertainty of our ability to utilize certain tax losses in the future for certain international operations. The changes noted above were partially offset by additional deferred tax expense recorded in 2007 as a result of tax depreciation expense related to capital expenditures in certain foreign jurisdictions.

Minority Interest, Net of Tax

Minority interest expense increased $15.1 million in 2007 compared to 2006 primarily from an increase in net income attributable to our subsidiary, CCOH.

Discontinued Operations

Clear Channel closed on the sale of 160 stations in 2007 and five stations in 2006. The gain on sale of assets recorded in discontinued operations for these sales was $144.6 million and $0.3 million in 2007 and 2006, respectively. The remaining $1.2 million and $52.4 million are associated with the net income from radio stations and our television business that are recorded as income from discontinued operations for 2007 and 2006, respectively.

Radio Broadcasting Results of Operations

Our Radio Broadcasting operating results were as follows:

	Year Ended December 31,		
	2007 Pre-merger	2006 Pre-merger	% Change
	(In thousands)		
Revenue	$ 3,558,534	$ 3,567,413	0%
Direct operating expenses	982,966	994,686	(1)%
Selling, general and administrative expenses	1,190,083	1,185,770	0%
Depreciation and amortization	107,466	125,631	(14)%
Operating income	$ 1,278,019	$ 1,261,326	1%

Our Radio Broadcasting revenue was essentially flat. Declines in local and national revenues were partially offset by increases in network, traffic, syndicated radio and on-line revenues. Local and national revenues were down partially as a result of overall weakness in advertising as well as declines in automotive, retail and political advertising categories. During 2007, our average minute rate declined compared to 2006.

Our Radio Broadcasting direct operating expenses declined approximately $11.7 million in 2007 compared to 2006. The decline was primarily from a $14.8 million decline in programming expenses partially related to salaries, a $16.5 million decline in non-traditional expenses primarily related to fewer concert events sponsored

by us in the current year and $5.1 million in other direct operating expenses. Partially offsetting these declines were increases of $5.7 million in traffic expenses and $19.1 million in internet expenses associated with the increased revenue in these businesses. SG&A expenses increased $4.3 million during 2007 as compared to 2006 primarily from an increase of $16.2 million in our marketing and promotions department partially offset by a decline of $9.5 million in bonus and commission expenses.

Americas Outdoor Advertising Results of Operations

Our Americas Outdoor Advertising operating results were as follows:

	Year Ended December 31,		
	2007 Pre-merger	2006 Pre-merger	% Change
	(In thousands)		
Revenue	$ 1,485,058	$ 1,341,356	11%
Direct operating expenses	590,563	534,365	11%
Selling, general and administrative expenses	226,448	207,326	9%
Depreciation and amortization	189,853	178,970	6%
Operating income	$ 478,194	$ 420,695	14%

Americas Outdoor Advertising revenue increased $143.7 million, or 11%, during 2007 as compared to 2006 with Interspace contributing approximately $32.1 million to the increase. The growth occurred across our inventory, including bulletins, street furniture, airports and taxi displays. The revenue growth was primarily driven by bulletin revenue attributable to increased rates and airport revenue which had both increased rates and occupancy. Leading advertising categories during the year were telecommunications, retail, automotive, financial services and amusements. Revenue growth occurred across our markets, led by Los Angeles, New York, Washington/Baltimore, Atlanta, Boston, Seattle and Minneapolis.

Our Americas Outdoor Advertising direct operating expenses increased $56.2 million primarily from an increase of $46.6 million in site lease expenses associated with new contracts and the increase in airport, street furniture and taxi revenues. Interspace contributed $14.9 million to the increase. Our SG&A expenses increased $19.1 million primarily from bonus and commission expenses associated with the increase in revenue and from Interspace, which contributed approximately $6.7 million to the increase.

Depreciation and amortization increased $10.9 million during 2007 compared to 2006 primarily associated with $5.9 million from Interspace.

International Outdoor Advertising Results of Operations

Our International Outdoor Advertising operating results were as follows:

	Year Ended December 31,		
	2007 Pre-merger	2006 Pre-merger	% Change
	(In thousands)		
Revenue	$ 1,796,778	$ 1,556,365	15%
Direct operating expenses	1,144,282	980,477	17%
Selling, general and administrative expenses	311,546	279,668	11%
Depreciation and amortization	209,630	228,760	(8)%
Operating income	$ 131,320	$ 67,460	95%

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International Outdoor Advertising revenue increased $240.4 million, or 15%, in 2007 as compared to 2006. Included in the increase was approximately $133.3 million related to movements in foreign exchange. Revenue growth occurred across inventory categories including billboards, street furniture and transit, driven by both increased rates and occupancy. Growth was led by increased revenues in France, Italy, Australia, Spain and China.

Our International Outdoor Advertising direct operating expenses increased approximately $163.8 million in 2007 compared to 2006. Included in the increase was approximately $88.0 million related to movements in foreign exchange. The remaining increase in direct operating expenses was primarily attributable to an increase in site lease expenses associated with the increase in revenue. SG&A expenses increased $31.9 million in 2007 over 2006 from approximately $23.4 million related to movements in foreign exchange and an increase in selling expenses associated with the increase in revenue. Additionally, we recorded a $9.8 million reduction to SG&A in 2006 as a result of the favorable settlement of a legal proceeding.

Depreciation and amortization declined $19.1 million during 2007 compared to 2006 primarily from contracts which were recorded at fair value in purchase accounting in prior years and became fully amortized at December 31, 2006.

Reconciliation of Segment Operating Income (Loss)

	Year Ended December 31,	
	2007	2006
	Pre-merger	Pre-merger
	(In thousands)	
Radio Broadcasting	$ 1,278,019	$ 1,261,326
Americas Outdoor Advertising	478,194	420,695
International Outdoor Advertising	131,320	67,460
Other	(11,659)	(4,225)
Other operating income net	14,113	71,571
Merger expenses	(6,762)	(7,633)
Corporate	(197,746)	(215,480)
Consolidated operating income	$ 1,685,479	$ 1,593,714

Liquidity and Capital Resources

Cash Flows

	2008 Combined	Period from July 31 through December 31, 2008 Post-merger	Period from January 1 through July 30, 2008 Pre-merger	Year Ended December 31, 2007 Pre-merger	Year Ended December 31, 2006 Pre-merger
			(In thousands)		
Cash provided by (used in):					
Operating activities	$ 1,281,284	$ 246,026	$ 1,035,258	$ 1,576,428	$ 1,748,057
Investing activities	$ (18,127,954)	$ (17,711,703)	$ (416,251)	$ (482,677)	$ (607,011)
Financing activities	$ 15,907,798	$ 17,554,739	$ (1,646,941)	$ (1,431,014)	$ (1,178,610)
Discontinued operations	$ 1,033,570	$ 2,429	$ 1,031,141	$ 366,411	$ 69,227

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Operating Activities

Fiscal Year 2008

Net cash flow from operating activities for 2008 primarily reflects a loss before discontinued operations of $4.6 billion plus a non-cash impairment charge of $5.3 billion, depreciation and amortization of $696.8 million, the amortization of deferred financing charges of approximately $106.4 million, and share-based compensation of $78.6 million, partially offset by a deferred tax benefit of $474.6 million.

Fiscal Year 2007

Net cash flow from operating activities during 2007 primarily reflected income before discontinued operations of $792.7 million plus depreciation and amortization of $566.6 million and deferred taxes of $188.2 million.

Fiscal Year 2006

Net cash flow from operating activities of $1.7 billion for the year ended December 31, 2006 principally reflected net income from continuing operations of $638.8 million and depreciation and amortization of $600.3 million. Net cash flows from operating activities also reflect an increase of $190.2 million in accounts receivable as a result of the increase in revenue and a $390.4 million federal income tax refund related to restructuring our international businesses consistent with our strategic realignment and the utilization of a portion of the capital loss generated on the spin-off of Live Nation, Inc.

Investing Activities

Fiscal Year 2008

Net cash used in investing activities during 2008 principally reflected cash used in the acquisition of Clear Channel by Holdings of $17.5 billion and the purchase of property, plant and equipment of $430.5 million.

Fiscal Year 2007

Net cash used in investing activities of $482.7 million for the year ended December 31, 2007 principally reflected the purchase of property, plant and equipment of $363.3 million.

Fiscal Year 2006

Net cash used in investing activities of $607.0 million for the year ended December 31, 2006 principally reflected capital expenditures of $336.7 million related to purchases of property, plant and equipment and $341.2 million primarily related to acquisitions of operating assets, partially offset by proceeds from the sale of other assets of $99.7 million.

Financing Activities

Fiscal Year 2008

Net cash used in financing activities for 2008 principally reflected $15.4 billion in debt proceeds used to finance the acquisition of Clear Channel by Holdings, an equity contribution of $2.1 billion used to finance the acquisition of Clear Channel by Holdings, $1.9 billion primarily for the redemptions of certain of Clear Channel s subsidiaries notes and $93.4 million in dividends paid.

Fiscal Year 2007

Net cash used in financing activities for the year ended December 31, 2007 principally reflects $372.4 million in dividend payments, decrease in debt of $1.1 billion, partially offset by the proceeds from the exercise of stock options of $80.0 million.

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Fiscal Year 2006

Net cash used in financing activities for the year ended December 31, 2006 principally reflects $1.4 billion for shares repurchased, $382.8 million in dividend payments, partially offset by the net increase in debt of $601.3 million and proceeds from the exercise of stock options of $57.4 million.

Discontinued Operations

During 2008, Clear Channel completed the sale of our television business to Newport Television, LLC for $1.0 billion and completed the sales of certain radio stations for $110.5 million. The cash received from these sales was recorded as a component of cash flows from discontinued operations during the first quarter of 2008.

The proceeds from the sale of five stations in 2006 and 160 stations in 2007 are classified as cash flows from discontinued operations in 2006 and 2007, respectively. Additionally, the cash flows from these stations are classified as discontinued operations for all periods presented.

Anticipated Cash Requirements

Our primary source of liquidity is cash flow from operations, which has been adversely affected by the global economic slowdown. 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. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. The current global economic slowdown has resulted in a decline in advertising and marketing services among our customers, resulting in a decline in advertising revenues across our businesses. This reduction in advertising revenues has had an adverse effect on our revenue, profit margins, cash flow and liquidity, particularly during the second half of 2008. The continuation of the global economic slowdown may continue to adversely impact our revenue, profit margins, cash flow and liquidity.

In January 2009, in response to the deterioration in general economic conditions and the resulting negative impact on our business, we commenced a restructuring program targeting a reduction of fixed costs by approximately $350 million on an annualized basis. As part of the program, we eliminated approximately 1,850 full-time positions representing approximately 9% of total workforce. The program is expected to result in restructuring and other non-recurring charges of approximately $200 million, although additional costs may be incurred as the program evolves. The cost savings initiatives are expected to be fully implemented by the end of the first quarter of 2010. No assurance can be given that the restructuring program will be successful or will achieve the anticipated cost savings in the timeframe expected or at all.

Based on our current and anticipated levels of operations and conditions in our markets, we believe that cash flow from operations as well as cash on hand (including amounts drawn or available under Clear Channel s senior secured credit facilities) will enable us to meet our working capital, capital expenditure, debt service and other funding requirements for at least the next 12 months.

Continuing adverse securities and credit market conditions could significantly affect the availability of equity or credit financing. While there is no assurance in the current economic environment, we believe the lenders participating in Clear Channel s credit agreements will be willing and able to provide financing in accordance with the terms of their agreements. In this regard, on February 6, 2009 Clear Channel borrowed the approximately $1.6 billion of remaining availability under its $2.0 billion revolving credit facility to improve our liquidity position in light of continuing uncertainty in credit market and economic conditions. We expect to refinance Clear Channel s $500.0 million 4.25% notes due May 15, 2009 with a draw under the $500.0 million delayed draw term loan facility that is specifically designated for this purpose. The remaining $69.5 million of indebtedness maturing in 2009 will either be refinanced or repaid with cash flow from operations or on hand.

We expect to be in compliance with the covenants under Clear Channel s senior secured credit facilities in 2009. However, our anticipated results are subject to significant uncertainty and there can be no assurance that actual results will be in compliance with the covenants. In addition, our ability to comply with the covenants in Clear Channel s financing agreements may be affected by events beyond our control, including prevailing economic, financial and industry conditions. The breach of any covenants set forth in Clear Channel s financing agreements would result in a default thereunder. An event of default would permit the lenders under a defaulted financing agreement to declare all indebtedness thereunder to be due and payable prior to maturity. Moreover, the lenders under the revolving credit facility under Clear Channel s senior secured credit facilities would have the option to terminate their commitments to make further extensions of revolving credit thereunder. If we are unable to repay Clear Channel s obligations under any senior secured credit facilities or the receivables based credit facility, the lenders under such senior secured credit facilities or receivables based credit facility could proceed against any assets that were pledged to secure such senior secured credit facilities or receivables based credit facility. In addition, a default or acceleration under any of Clear Channel s financing agreements could cause a default under other of our obligations that are subject to cross-default and cross-acceleration provisions.

Clear Channel s corporate credit and issue-level ratings were downgraded on February 20, 2009 by Standard & Poor s Ratings Services. Clear Channel s corporate credit rating was lowered to B- . These ratings remain on credit watch with negative implications. Additionally, Moody s Investors Service downgraded our corporate family rating to Caa3 on March 9, 2009. These ratings are significantly below investment grade. These ratings and any additional reductions in Clear Channel s credit ratings could further increase our borrowing costs and reduce the availability of financing to us. In addition, deteriorating economic conditions, including market disruptions, tightened credit markets and significantly wider corporate borrowing spreads, may make it more difficult or costly for us to obtain financing in the future. A credit rating downgrade does not constitute a default under any of Clear Channel s debt obligations.

Our ability to fund our working capital needs, debt service and other obligations, and to comply with the financial covenants under Clear Channel s financing agreements depends on our future operating performance and cash flow, which are in turn subject to prevailing economic conditions and other factors, many of which are beyond our control. If our future operating performance does not meet our expectation or our plans materially change in an adverse manner or prove to be materially inaccurate, we may need additional financing. Continuing adverse securities and credit market conditions could significantly affect the availability of equity or credit financing. Consequently, there can be no assurance that such financing, if permitted under the terms of Clear Channel s financing agreements, will be available on terms acceptable to us or at all. The inability to obtain additional financing in such circumstances could have a material adverse effect on our financial condition and on our ability to meet Clear Channel s obligations.

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Sources of Capital

As of December 31, 2008 and 2007, we had the following indebtedness outstanding:

	December 31,	
	2008 Post-merger	2007 Pre-merger
	(In millions)	
Revolving credit facility (a)	$ 220.0	
Term loan A facility	1,331.5	
Term loan B facility	10,700.0	
Term loan C asset sale facility	695.9	
Delayed draw term loan facilities	532.5	
Receivables based credit facility	445.6	
Secured subsidiary debt	6.6	8.3
Total Secured Debt	13,932.1	8.3
Senior cash pay notes	980.0	
Senior toggle notes	1,330.0	
Clear Channel $1.75 billion credit facility		174.6
Clear Channel retained senior notes (b)	3,192.3	5,646.4
Clear Channel subsidiary debt (c)	69.3	745.9
Total Debt	19,503.7	6,575.2
Less: Cash and cash equivalents	239.8	145.1
	$ 19,263.9	$ 6,430.1

(a) Subsequent to December 31, 2008, Clear Channel borrowed the approximately $1.6 billion of remaining availability under this facility.

(b) Includes $1.1 billion at December 31, 2008 in unamortized fair value purchase accounting discounts related to the acquisition of Clear Channel by Holdings. Includes an $11.4 million increase related to fair value adjustments for interest rate swap agreements and a $15.0 million decrease related to original issue discounts at December 31, 2007.

(c) Includes $3.2 million at December 31, 2007 in unamortized fair value purchase accounting adjustment premiums related to Clear Channel s merger with AMFM Inc.

We may utilize available funds for general working capital purposes including funding capital expenditures and acquisitions. We may also from time to time seek to retire or purchase Clear Channel s outstanding debt or equity securities or obligations through cash purchases, prepayments and/or exchanges for debt or equity securities or obligations, in open market purchases, privately negotiated transactions or otherwise. Such uses, repurchases, prepayments or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Credit Facility

Clear Channel had a multi-currency revolving credit facility in the amount of $1.75 billion. This facility was terminated in connection with the closing of the Transactions.

Dispositions and Other

Clear Channel received proceeds of $110.5 million related to the sale of radio stations recorded as investing cash flows from discontinued operations and recorded a gain of $28.8 million as a component of income from

discontinued operations, net during 2008. Clear Channel received proceeds of $1.0 billion related to the sale of its television business recorded as investing cash flows from discontinued operations and recorded a gain of $662.9 million as a component of income from discontinued operations, net during 2008.

In addition, Clear Channel sold its 50% interest in Clear Channel Independent and recognized a gain of $75.6 million in equity in earnings of nonconsolidated affiliates based on the fair value of the equity securities received in the pre-merger period.

Clear Channel sold a portion of its investment in Grupo ACIR Comunicaciones for approximately $47.0 million on July 1, 2008 and recorded a gain of $9.2 million in equity in earnings of nonconsolidated affiliates. Effective January 30, 2009, Clear Channel sold 57% of its remaining 20% interest in Grupo ACIR Comunicaciones for approximately $23.5 million and recorded a loss of approximately $2.2 million.

Uses of Capital

Dividends

Clear Channel declared a $93.4 million dividend on December 3, 2007 payable to shareholders of record on December 31, 2007 and paid on January 15, 2008.

Clear Channel Capital currently does not intend to pay regular quarterly cash dividends on the shares of its common stock.

Tender Offers

On August 7, 2008, Clear Channel launched a cash tender offer and consent solicitation for its outstanding $750 million principal amount of its 7.65% senior notes due 2010 on the terms and conditions set forth in the Offer to Purchase and Consent Solicitation Statement. Clear Channel s tender offer and consent solicitation expired on September 9, 2008. Clear Channel received validly tendered notes with respect to $364 million aggregate principal amount of its 7.65% senior notes due 2010, constituting approximately 49% of the total outstanding amount of such senior notes. Clear Channel borrowed amounts available under its delayed draw 1 term loan facility in order to purchase such senior notes. The total debt outstanding following the expiration of the cash tender offer and consent solicitation remained unchanged. On November 24, 2008, Clear Channel announced that it commenced a cash tender offer for a portion of its outstanding $386 million principal amount of 7.65% senior notes due 2010, on the terms and conditions set forth in the Offer to Purchase dated November 24, 2008. Clear Channel s cash tender offer expired on December 23, 2008. Clear Channel received validly tendered notes with respect to $252 million principal amount of its 7.65% senior notes due 2010, constituting approximately 65% of the total outstanding amount of such senior notes. Clear Channel purchased such senior notes with the second of three borrowings permitted to be drawn under its delayed draw 1 term loan facility. After settlement of the cash tender offer, $134 million principal amount of Clear Channel s 7.65% senior notes due 2010 remains outstanding.

On December 17, 2007, AMFM Operating Inc. commenced a cash tender offer and consent solicitation for the outstanding $644.9 million principal amount of its 8% senior notes due 2008 on the terms and conditions set forth in the Offer to Purchase and Consent Solicitation Statement dated December 17, 2007. On July 30, 2008, AMFM Operating Inc. completed its tender offer. AMFM Operating Inc. received validly tendered notes with respect to $639 million aggregate principal amount of its 8% senior notes due 2008, constituting approximately 99% of the total outstanding principal amount of such senior notes, and a loss of $8.0 million was recorded in other expense in the pre-merger consolidated income statement. The remaining AMFM Operating Inc. 8% senior notes were redeemed at maturity on November 1, 2008.

On November 24, 2008, CC Finco, LLC, an indirect wholly-owned subsidiary of Clear Channel (CC Finco), commenced a cash tender offer for Clear Channel s outstanding 6.25% senior notes due 2011 and

outstanding 4.40% senior notes due 2011, on the terms and conditions set forth in the governing Offer to Purchase. On the same date, CC Finco commenced a cash tender offer for Clear Channel s outstanding 5.00% senior notes due 2012 and outstanding 5.75% senior notes due 2013, on the terms and conditions set forth in the governing Offer to Purchase. CC Finco s cash tender offers expired on December 23, 2008. CC Finco received validly tendered notes with respect to $27 million principal amount of each of Clear Channel s 6.25% senior notes due 2011 and 4.40% senior notes due 2011, constituting approximately 4% and 11% of the total outstanding amounts of such senior notes, respectively. Furthermore, CC Finco received validly tendered notes with respect to $24 million principal amount of each of Clear Channel s 5.00% senior notes due 2012 and 5.75% senior notes due 2013, constituting approximately 8% and 5% of the total outstanding amounts of such senior notes, respectively. CC Finco purchased and currently holds such tendered notes.

Debt Maturities and Other

On January 15, 2008, Clear Channel redeemed its 4.625% senior notes at their maturity for $500.0 million plus accrued interest with proceeds from its bank credit facility.

On June 15, 2008, Clear Channel redeemed its 6.625% senior notes at their maturity for $125.0 million with available cash on hand.

Clear Channel terminated its cross currency swaps on July 30, 2008 by paying the counterparty $196.2 million from available cash on hand.

Capital Expenditures

Capital expenditures, on a combined basis for the year ended December 31, 2008, were $430.5 million. Capital expenditures were $363.3 million in the year ended December 31, 2007.

	Combined Year Ended December 31, 2008				
	Radio Broadcasting	Americas Outdoor Advertising	International Outdoor Advertising	Corporate and Other	Total
			(In millions)		
Non-revenue producing	$ 61.5	$ 40.5	$ 44.9	$ 10.7	$ 157.6
Revenue producing		135.3	137.6		272.9
	$ 61.5	$ 175.8	$ 182.5	$ 10.7	$ 430.5

Acquisitions

We acquired FCC licenses in our Radio Broadcasting segment for $11.7 million in cash during 2008. We acquired outdoor display faces and additional equity interests in international outdoor companies for $96.5 million in cash during 2008. Our national representation business acquired representation contracts for $68.9 million in cash during 2008.

Certain Relationships with the Sponsors

In connection with the Transactions, Holdings paid certain affiliates of the Sponsors $87.5 million in fees and expenses for financial and structural advice and analysis, assistance with due diligence investigations and debt financing negotiations and $15.9 million for reimbursement of certain escrow and other out-of-pocket expenses. This amount was preliminarily allocated between merger expense, debt issuance costs or included in the overall purchase price of the merger.

Holdings has agreements with certain affiliates of the Sponsors pursuant to which such affiliates of the Sponsors will provide management and financial advisory services to Holdings until 2018. The agreements require Holdings to pay management fees to such affiliates of the Sponsors for such services at a rate not greater than $15.0 million per year, with any additional fees subject to approval by Holdings Board of Directors. For the post-merger period ended December 31, 2008, Holdings recognized Sponsors management fees of $6.3 million.

Commitments, Contingencies and Guarantees

There are various lawsuits and claims pending against Clear Channel. Based on current assumptions, we have accrued an estimate of the probable costs for the resolution of these claims. Future results of operations could be materially affected by changes in these assumptions.

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.

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 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 allow us to cancel the contract with good cause.

The scheduled maturities of the senior secured credit facilities, the receivables based credit facility, the notes, 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, capital expenditure commitments and other long-term obligations as of December 31, 2008 are as follows:

		Payments due by Period			
Contractual Obligations	**Total**	**2009**	**2010-2011**	**2012-2013**	**Thereafter**
			(In thousands)		
Long-term debt					
Senior secured debt	$ 13,932,092	677	249,748	745,115	12,936,552
Senior cash pay notes and senior toggle notes (1)	2,310,000				2,310,000
Clear Channel retained senior notes	4,306,440	500,000	1,329,901	751,539	1,725,000
Other long-term debt	69,260	68,850	410		
Interest payments on long-term debt (2)	9,136,049	1,151,824	2,077,657	1,899,257	4,007,311
Non-cancelable operating leases	2,745,110	383,568	627,884	468,084	1,265,574
Non-cancelable contracts	2,648,262	673,900	859,061	471,766	643,535
Employment/Talent contracts	599,363	196,391	220,040	112,214	70,718
Capital expenditures	151,663	76,760	62,426	9,336	3,141
Other long-term obligations (3)	159,805		26,489	9,233	124,083
Total (4)	$ 36,058,044	$ 3,051,970	$ 5,453,616	$ 4,466,544	$ 23,085,914

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(1) On January 15, 2009, we made a permitted election under the indenture to pay PIK Interest with respect to 100% of the outstanding senior toggle notes. For subsequent interest periods, we must make an election regarding whether the applicable interest payment on the senior toggle notes will be made entirely in cash, entirely through PIK Interest, or 50% in cash and 50% in PIK Interest. In the absence of such an election for any interest period, interest on the senior toggle notes will be payable according to the election for the immediately preceding interest period. As a result, we are deemed to have made the PIK Interest election for future interest periods unless and until we elect otherwise. Therefore, the interest payments on the senior toggle notes assume that the PIK Interest election will apply over the term of the notes.

(2) Interest payments on the senior secured credit facilities, other than the revolving credit facility, assume the obligations are repaid in accordance with the amortization schedule included in the credit agreements and the interest rate is held constant over the remaining term based on the weighted average interest rate at December 31, 2008 on the credit facilities.

Interest payments related to the revolving credit facility assume the balance and interest rate as of December 31, 2008 is held constant over the remaining term. On February 6, 2009, Clear Channel borrowed the approximately $1.6 billion of remaining availability under its $2.0 billion revolving credit facility. Assuming the balance on the facility after the draw on February 6, 2009 and weighted average interest rate are held constant over the remaining term, interest payments would have increased by approximately $60.2 million per year.

Interest payments on $6.0 billion of the term loan B facility are effectively fixed at interest rates between 2.6% and 4.4%, plus applicable margins, per annum, as a result of an aggregate of $6.0 billion notional amount of interest rate swap agreements.

(3) Other long-term obligations consist of $55.6 million related to asset retirement obligations recorded pursuant to Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations*, which assumes the underlying assets will be removed at some period over the next 50 years. Also included are $50.8 million of contract payments in our syndicated radio and media representation businesses and $53.4 million of various other long-term obligations.

(4) Excluded from the table is $423.1 million related to various obligations with no specific contractual commitment or maturity, $267.8 million of which relates to unrecognized tax benefits recorded pursuant to FIN 48. Approximately $1.0 million of the benefits are recorded as current liabilities.

Market Risk

Interest Rate Risk

After the Transactions, a significant amount of Clear Channel s long-term debt bears interest at variable rates. Accordingly, earnings will be affected by changes in interest rates. At December 31, 2008, we had interest rate swap agreements with a $6.0 billion notional amount that effectively fixes interest at rates between 2.6% and 4.4%, plus applicable margins, per annum. The fair value of these agreements at December 31, 2008 was a liability of $118.8 million. At December 31, 2008, approximately 39% of our aggregate principal amount of long-term debt, including taking into consideration debt on which we have entered into pay-fixed rate receive-floating interest rate swap agreements, bears interest at floating rates.

Assuming the current level of borrowings and interest rate swap contracts and assuming a 200 basis point change in LIBOR, it is estimated that interest expense for the post-merger period ended December 31, 2008 would have changed by approximately $66.0 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.

Equity Price Risk

The carrying value of our available-for-sale 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, 2008 by $5.4 million and would change comprehensive income by $3.2 million. At December 31, 2008, we also held $6.4 million of investments that do not have a quoted market price, but are subject to fluctuations in their value.

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. We believe we mitigate a small portion of our exposure to foreign currency fluctuations with a natural hedge through borrowings in currencies other than the United States dollar. Our foreign operations reported a net loss of approximately $135.2 million for the year ended December 31, 2008. We estimate a 10% change in the value of the United States dollar relative to foreign currencies would have changed our net income for the year ended December 31, 2008 by approximately $13.5 million.

Our earnings are also affected by fluctuations in the value of the United States dollar as compared to foreign currencies as a result of our equity method investments in various countries. It is estimated that the result of a 10% fluctuation in the value of the dollar relative to these foreign currencies at December 31, 2008 would change our equity in earnings of nonconsolidated affiliates by $10.0 million and would change our net income by approximately $5.9 million for the year ended December 31, 2008.

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 United States or the foreign countries or on the results of operations of these foreign entities.

Recent Accounting Pronouncements

Statement of Financial Accounting Standards No. 141(R), Business Combinations (Statement 141(R)), was issued in December 2007. Statement 141(R) requires that upon initially obtaining control, an acquirer will recognize 100% of the fair values of acquired assets, including goodwill, and assumed liabilities, with only limited exceptions, even if the acquirer has not acquired 100% of its target. Additionally, contingent consideration arrangements will be fair valued at the acquisition date and included on that basis in the purchase price consideration and transaction costs will be expensed as incurred. Statement 141(R) also modifies the recognition for preacquisition contingencies, such as environmental or legal issues, restructuring plans and acquired research and development value in purchase accounting. Statement 141(R) amends Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*, to require the acquirer to recognize changes in the amount of its deferred tax benefits that are recognizable because of a business combination either in income from continuing operations in the period of the combination or directly in contributed capital, depending on the circumstances. Statement 141(R) is effective for fiscal years beginning after December 15, 2008. Adoption is prospective and early adoption is not permitted. We adopted Statement 141(R) on January 1, 2009. Statement 141(R) s impact on accounting for business combinations is dependent upon the nature of future acquisitions.

Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51* (Statement 160), was issued in December 2007. Statement 160 clarifies the classification of noncontrolling interests in consolidated statements of financial position and the accounting for and reporting of transactions between the reporting entity and holders of such noncontrolling interests. Under Statement 160, noncontrolling interests are considered equity and should be reported as an element of consolidated equity, net income will encompass the total income of all consolidated subsidiaries and there will be separate disclosure on the face of the income statement of the attribution of that income between the controlling and noncontrolling interests, and increases and decreases in the noncontrolling ownership interest amount will be accounted for as equity transactions. Statement 160 is effective for the first annual reporting

period beginning on or after December 15, 2008, and earlier application is prohibited. Statement 160 is required to be adopted prospectively, except for reclassifying noncontrolling interests to equity, separate from the parent s shareholders equity, in the consolidated statement of financial position and recasting consolidated net income (loss) to include net income (loss) attributable to both the controlling and noncontrolling interests, both of which are required to be adopted retrospectively. We adopted Statement 160 on January 1, 2009, which resulted in a reclassification of approximately $463.9 million of noncontrolling interests to shareholders equity.

On March 19, 2008, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 161, *Disclosures about Derivative Instruments and Hedging Activities* (Statement 161). Statement 161 requires additional disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items effect an entity s financial position, results of operations and cash flows. It is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. We will adopt the disclosure requirements beginning January 1, 2009.

In April 2008, the FASB issued FASB Staff Position No. FAS 142-3, *Determination of the Useful Life of Intangible Assets* (FSP FAS 142-3). FSP FAS 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets* (Statement 142). FSP FAS 142-3 removes an entity s requirement under paragraph 11 of Statement 142 to consider whether an intangible asset can be renewed without substantial cost or material modifications to the existing terms and conditions. It is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008, and early adoption is prohibited. We adopted FSP FAS 142-3 on January 1, 2009. FSP FAS 142-3 s impact is dependent upon future acquisitions.

In June 2008, the FASB issued FASB Staff Position Emerging Issues Task Force 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* (FSP EITF 03-6-1). FSP EITF 03-6-1 clarifies that unvested share-based payment awards with a right to receive nonforfeitable dividends are participating securities. Guidance is also provided on how to allocate earnings to participating securities and compute basic earnings per share using the two-class method. This FSP is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008, and early adoption is prohibited. We adopted FSP EITF 03-6-1 on January 1, 2009. We are evaluating the impact FSP EITF 03-6-1 will have on our earnings per share.

Critical Accounting Estimates

The preparation of our financial statements in conformity with GAAP 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 the 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. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such difference could be material. Our significant accounting policies are discussed in the notes to our consolidated financial statements in this prospectus. Management believes that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management s most difficult, subjective, or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. The following narrative describes these critical accounting estimates, the judgments and assumptions and the effect if actual results differ from these assumptions.

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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 revenue for each business unit, adjusted for relative improvements or deteriorations in the agings and changes in current economic conditions.

If our allowance were to change 10%, it is estimated that our 2008 bad debt expense would have changed by $9.7 million and our 2008 net income would have changed by $6.0 million.

Long-Lived Assets

Long-lived assets, such as property, plant and equipment and definite-lived intangibles are reviewed for impairment 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 the current fair market value.

We use various assumptions in determining the current fair market value of these assets, including future expected cash flows, industry growth rates and discount rates, as well as future salvage values. Our impairment loss calculations require management to apply judgment in estimating future cash flows, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

Using the impairment review described, we recorded an impairment charge of approximately $33.4 million for the year ended December 31, 2008. If actual results are not consistent with our assumptions and judgments used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material to our results of operations.

Indefinite-lived Assets

Indefinite-lived assets are reviewed annually for possible impairment using the direct valuation method as prescribed in Topic D-108. Under the direct valuation method, it is assumed that rather than acquiring indefinite-lived intangible assets as a part of a going concern business, the buyer hypothetically obtains indefinite-lived intangible assets and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase, which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flows model which results in value that is directly attributable to the indefinite-lived intangible assets.

Our key assumptions using the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average asset within a market.

In accordance with Statement 142, we performed an interim impairment test as of December 31, 2008. The estimated fair value of our FCC licenses and permits was below their carrying values. As a result, we recognized a non-cash impairment charge of $1.7 billion in 2008 on our indefinite-lived FCC licenses and permits as a result of the impairment test. The United States and global economies are undergoing a period of economic uncertainty, which has caused, among other things, a general tightening in the credit markets, limited access to the credit markets, lower levels of liquidity and lower consumer and business spending. These disruptions in the credit and

financial markets and the continuing impact of adverse economic, financial and industry conditions on the demand for advertising negatively impacted the key assumptions in the discounted cash flow models used to value our FCC licenses and permits.

While we believe we had made reasonable estimates and utilized reasonable assumptions to calculate the fair value of our FCC license and permits, it is possible a material change could occur. If our future results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations. The following table shows the impact on the fair value of our FCC licenses and billboard permits of a 100 basis point decline in our long-term revenue growth rate, profit margin, and discount rate assumptions, respectively:

(In thousands) Indefinite-lived intangible	Revenue growth rate	Profit margin	Discount rates
FCC licenses	$ (285,900)	$ (121,670)	$ 524,900
Billboard permits	(508,300)	(84,000)	770,200

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. We review goodwill for potential impairment annually using a discounted cash flow approach to determine the fair value of our reporting units. The fair value of our reporting units is used to apply value to the net assets of each reporting unit. To the extent that the carrying amount of net assets would exceed the fair value, an impairment charge may be required to be recorded.

The discounted cash flow approach we use for valuing goodwill involves 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. In accordance with Statement 142, we performed an interim impairment test as of December 31, 2008 on goodwill.

The estimated fair value of our reporting units was below their carrying values, which required us to compare the implied fair value of each reporting units goodwill with its carrying value. As a result, we recognized a non-cash impairment charge of $3.6 billion to reduce our goodwill. The macroeconomic factors discussed above had an adverse effect on our estimated cash flows and discount rates used in the discounted cash flow approach.

While we believe we had made reasonable estimates and utilized reasonable assumptions to calculate the fair value of our reporting units, it is possible a material change could occur. If future results are not consistent with our assumptions and estimates, we may be exposed to impairment charges in the future. The following table shows the impact on the fair value of each of our reportable segments of a 100 basis point decline in our long-term revenue growth rate, profit margin, and discount rate assumptions, respectively:

(In thousands) Reportable segment	Revenue growth rate	Profit margin	Discount rates
Radio Broadcasting	$ (960,000)	$ (240,000)	$ 1,090,000
Americas Outdoor Advertising	(380,000)	(90,000)	420,000
International Outdoor Advertising	(190,000)	(160,000)	90,000

Tax Accruals

The IRS 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

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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.

Our estimates of income taxes and the significant items giving rise to the deferred assets and liabilities are shown in the notes to our audited consolidated financial statements included in this prospectus and reflect our assessment of actual future taxes to be paid on items reflected in the financial statements, giving consideration to both timing and probability of these estimates. Actual income taxes could vary from these estimates due to future changes in income tax law or results from the final review of our tax returns by federal, state, or foreign tax authorities.

We have considered these potential changes in accordance with Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes,* and FIN 48, which requires us to record reserves for estimates of probable settlements of federal and state tax audits.

Litigation Accruals

Clear Channel is currently involved in certain legal proceedings and, as required, has accrued an estimate of the probable costs for the resolution of these claims.

Management s estimates used 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 are currently self-insured beyond certain retention amounts for various insurance coverages, including general liability, 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.

Our self-insured liabilities contain uncertainties because management must make assumptions and apply judgment to estimate the ultimate cost to settle reported claims and claims incurred but not reported as of December 31, 2008.

If actual results are not consistent with our assumptions and judgments, we may be exposed to gains or losses that could be material. A 10% change in our self-insurance liabilities at December 31, 2008 would have affected net income by approximately $3.2 million for the year ended December 31, 2008.

Share-based Payments

Under the fair value recognition provisions of Statement 123(R), stock based compensation cost is measured at the grant date based on the value of the award. For awards that vest based on service conditions, this cost is recognized as expense on a straight-line basis over the vesting period. For awards that will vest based on market, performance and service conditions, this cost will be recognized when it becomes probable that the performance condition will be satisfied. Determining the fair value of share-based awards at the grant date requires assumptions and judgments about expected volatility and forfeiture rates, among other factors. If actual results differ significantly from these estimates, our results of operations could be materially impacted.

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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:

Period from July 31 through December 31, 2008 Post-merger	Period from January 1 through July 30, 2008 Pre-merger	Year Ended December 31,			
		2007 Pre-merger	2006 Pre-merger	2005 Pre-merger	2004 Pre-merger
N/A	2.06	2.38	2.27	2.24	2.76

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. Earnings, as adjusted, were not sufficient to cover fixed charges by approximately $5.7 billion for the post-merger period from July 31 through December 31, 2008.

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BUSINESS

Clear Channel

On November 16, 2006, Clear Channel entered into the merger agreement with Merger Sub, an entity formed by the Sponsors to effect the acquisition of Clear Channel by Holdings. Clear Channel held a special meeting of its shareholders on July 24, 2008, at which time the proposed merger was approved. On July 30, 2008, upon the satisfaction of the conditions set forth in the merger agreement, Holdings acquired Clear Channel. The acquisition was effected by the merger of Merger Sub, then an indirect subsidiary of Holdings, with and into Clear Channel. As a result of the merger, Clear Channel became a wholly-owned subsidiary of Holdings, held indirectly through intermediate holding companies including Clear Channel Capital. Upon the consummation of the merger, Holdings became a public company and Clear Channel was no longer a public company.

Recent Developments

The global economic slowdown has adversely affected advertising revenue across our businesses in recent months. In this regard, we performed an interim impairment test in the fourth quarter of 2008 and recorded a non-cash impairment of approximately $5.3 billion.

On January 20, 2009, we announced that we commenced a restructuring program targeting a reduction of fixed costs by approximately $350 million on an annualized basis. As part of the program, we eliminated approximately 1,850 full-time positions representing approximately 9% of total workforce. The restructuring program will also include other actions, including elimination of overlapping functions and other cost savings initiatives. The program is expected to result in restructuring and other non-recurring charges of approximately $200 million, although additional costs may be incurred as the program evolves. The cost savings initiatives are expected to be fully implemented by the end of the first quarter of 2010. No assurance can be given that the restructuring program will be successful or will achieve the anticipated cost savings in the timeframe expected or at all. In addition, we may modify or terminate the restructuring program in response to economic conditions or otherwise. As of December 31, 2008, we had recognized approximately $95.9 million of expenses related to our restructuring program. These expenses primarily related to severance of approximately $83.3 million and $12.6 million related to professional fees.

Our Business Segments

We are a diversified media company incorporated in 1974 with three reportable business segments: Radio Broadcasting, Americas Outdoor Advertising (consisting primarily of operations in the United States, Canada and Latin America) and International Outdoor Advertising. As of December 31, 2008, we owned 894 radio stations and a leading national radio network operating in the United States. In addition, we had equity interests in various international radio broadcasting companies. For the year ended December 31, 2008, the Radio Broadcasting segment represented 49% of net revenue on a combined basis. As of December 31, 2008, we also owned or operated approximately 237,000 Americas Outdoor Advertising display faces and approximately 670,000 International Outdoor Advertising display faces. For the year ended December 31, 2008, the Americas Outdoor Advertising and International Outdoor Advertising segments represented 21% and 27% of net revenue on a combined basis, respectively. As of December 31, 2008 we also owned a media representation firm, as well as other general support services and initiatives, all of which are within the category Other. This segment represented 3% of net revenue on a combined basis for the year ended December 31, 2008.

We believe we offer advertisers a diverse platform of media assets across geographies, radio programming formats and outdoor products. We intend to continue to execute upon our long-standing radio broadcasting and outdoor advertising strategies, while closely managing expense growth and focusing on achieving operating efficiencies throughout our businesses. Within each of our operating segments, we share best practices across our markets in an attempt to replicate our successes throughout the markets in which we operate.

Radio Broadcasting

As of December 31, 2008, we owned 894 domestic radio stations, with 272 stations operating in the 50 largest markets. For the year ended December 31, 2008, Radio Broadcasting represented 49% of our net revenue on a combined basis. Our portfolio of stations offers a broad assortment of programming formats, including adult contemporary, country, contemporary hit radio, rock, urban and oldies, among others, to a total weekly listening base of more than 90 million individuals based on Arbitron National Regional Database figures for the Spring 2008 ratings period. Our radio broadcasting business includes radio stations for which we are the licensee and for which we program and/or sell air time under local marketing agreements (LMAs) or joint sales agreements (JSAs).

In addition to our radio broadcasting business, we operate our Premiere Radio Network, a national radio network that produces, distributes or represents approximately 90 syndicated radio programs and services for approximately 5,000 radio station affiliates. Some of our more popular syndicated radio personalities include Rush Limbaugh, Sean Hannity, Steve Harvey, Ryan Seacrest and Jeff Foxworthy. We also own various sports, news and agriculture networks.

Strategy

Our radio broadcasting strategy centers on providing programming and services to the local communities in which we operate and being a contributing member of those communities. We believe that by serving the needs of local communities, we will be able to grow listenership and deliver target audiences to advertisers.

Our radio broadcasting strategy also entails improving the ongoing operations of our stations through effective programming, promotion, marketing and sales and careful management of costs. In late 2004, we implemented price and yield optimization systems and invested in new information systems, which provide station level inventory yield and pricing information previously unavailable. We shifted our sales force compensation plan from a straight volume-based commission percentage system to a value-based system to reward success in optimizing price and inventory.

We will continue to focus on enhancing the radio listener experience by offering a wide variety of compelling content. We believe our investments in radio programming over time have created a collection of leading on-air talent. The distribution platform provided by our Premiere Radio Network allows us to attract talent and more effectively utilize quality content across many stations.

We are also continually expanding content choices for our listeners, including utilization of HD radio, Internet and other distribution channels with complementary formats. HD radio enables crystal clear reception, interactive features, data services and new applications. Further, HD radio allows for many more stations, providing greater variety of content which we believe will enable advertisers to target consumers more effectively. The interactive capabilities of HD radio will potentially permit us to participate in commercial download services. In addition, we provide streaming audio via the Internet, and accordingly, have increased listener reach and developed new listener applications as well as new advertising capabilities. Our websites hosted approximately 11.7 million unique visitors in December 2008 as measured by CommScore / Media Metrix, making the collection of these websites one of the top five trafficked music websites. Finally, we have pioneered mobile applications which allow subscribers to use their cell phones to interact directly with the station, including finding titles/artists, requesting songs and downloading station wallpapers.

Sources of Revenue

Our Radio Broadcasting segment generated 49%, 50% and 53% of our consolidated revenue in 2008 (on a combined basis), 2007 and 2006, respectively. The primary source of revenue in our Radio Broadcasting segment is the sale of spots on our radio stations for local, regional and national advertising. Our local advertisers cover a

wide range of categories, including consumer services, retailers, entertainment, health and beauty products, telecommunications, automotive and media. Our contracts with our advertisers generally provide for a term which extends for less than a one-year period. We also generate additional revenue from network compensation, the Internet, air traffic, events, barter and other miscellaneous transactions. These other sources of revenue supplement traditional advertising revenue without increasing on-air-commercial time.

Each radio station s local sales staff solicits advertising directly from local advertisers or indirectly through advertising agencies. Our strategy of producing commercials that respond to the specific needs of our advertisers helps to build local direct advertising relationships. Regional advertising sales are also generally realized by our local sales staff. To generate national advertising sales, we engage firms specializing in soliciting radio advertising sales on a national level. National sales representatives obtain advertising principally from advertising agencies located outside the station s market and receive commissions based on advertising sold.

Advertising rates are principally based on the length of the spot and how many people in a targeted audience listen to our stations, as measured by independent ratings services. A station s format can be important in determining the size and characteristics of its listening audience, and advertising rates are influenced by the station s ability to attract and target audiences that advertisers aim to reach. The size of the market influences rates as well, with larger markets typically receiving higher rates than smaller markets. Rates are generally highest during morning and evening commuting periods.

We seek to maximize revenue by closely managing on-air inventory of advertising time and adjusting prices to local market conditions. We implemented price and yield optimization systems and invested in new information systems, which provide detailed inventory information. These systems enable our station managers and sales directors to adjust commercial inventory and pricing based on local market demand, as well as to manage and monitor different commercial durations (60 second, 30 second, 15 second and five second) in order to provide more effective advertising for our customers at optimal prices.

Competition

We compete in our respective markets for audiences, advertising revenue and programming with other radio stations owned by companies such as CBS, Citadel, Entercom and Cumulus. We also compete with other advertising media, including satellite radio, broadcast and cable television, print media, outdoor advertising, direct mail, the Internet and other forms of advertisement.

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Radio Stations

As of December 31, 2008, we owned 264 AM and 630 FM domestic radio stations, of which 148 stations were in the 25 largest United States markets. The following table sets forth certain selected information with regard to our radio broadcasting stations:

Market	Market Rank*	Number of Stations	Market	Market Rank*	Number of Stations
New York, NY	1	5	Louisville, KY	53	8
Los Angeles, CA	2	8	Richmond, VA	54	6
Chicago, IL	3	7	New Orleans, LA	55	7
San Francisco, CA	4	7	Rochester, NY	56	7
Dallas-Ft. Worth, TX	5	6	Birmingham, AL	57	5
Houston-Galveston, TX	6	8	McAllen-Brownsville-Harlingen, TX	58	5
Atlanta, GA	7	6	Greenville-Spartanburg, SC	59	6
Philadelphia, PA	8	6	Tucson, AZ	60	7
Washington, DC	9	5	Ft. Myers-Naples-Marco Island, FL	61	4
Boston, MA	10	4	Dayton, OH	62	8
Detroit, MI	11	7	Albany-Schenectady-Troy, NY	63	7
Miami-Ft. Lauderdale-Hollywood, FL	12	7	Honolulu, HI	64	7
Seattle-Tacoma, WA	13	6	Tulsa, OK	65	6
Phoenix, AZ	15	8	Fresno, CA	66	8
Minneapolis-St. Paul, MN	16	7	Grand Rapids, MI	67	7
San Diego, CA	17	8	Albuquerque, NM	68	7
Tampa-St. Petersburg-Clearwater, FL	18	8	Allentown-Bethlehem, PA	69	4
Nassau-Suffolk (Long Island), NY	19	2	Omaha-Council Bluffs, NE-IA	72	5
St. Louis, MO	20	6	Sarasota-Bradenton, FL	73	6
Denver-Boulder, CO	21	8	Bakersfield, CA	74	5
Baltimore, MD	22	3	Akron, OH	75	4
Portland, OR	23	5	El Paso, TX	76	5
Pittsburgh, PA	24	6	Wilmington, DE	77	5
Charlotte-Gastonia-Rock Hill, NC-SC	25	5	Baton Rouge, LA	78	5
Riverside-San Bernardino, CA	26	6	Harrisburg-Lebanon-Carlisle, PA	79	6
Sacramento, CA	27	5	Stockton, CA	80	6
Cincinnati, OH	28	8	Monterey-Salinas-Santa Cruz, CA	82	5
Cleveland, OH	29	6	Syracuse, NY	83	7
Salt Lake City-Ogden-Provo, UT	30	6	Charleston, SC	84	5
San Antonio, TX	31	6	Little Rock, AR	85	5
Las Vegas, NV	33	3	Springfield, MA	88	5
Orlando, FL	34	7	Columbia, SC	89	6
San Jose, CA	35	3	Des Moines, IA	90	5
Columbus, OH	36	7	Toledo, OH	91	5
Milwaukee-Racine, WI	37	6	Spokane, WA	92	6
Austin, TX	39	6	Colorado Springs, CO	94	3
Indianapolis, IN	40	3	Ft. Pierce-Stuart-Vero Beach, FL	95	6
Providence-Warwick-Pawtucket, RI	41	4	Mobile, AL	96	4
Norfolk-Virginia Beach-Newport News, VA	42	4	Melbourne-Titusville-Cocoa, FL	97	4
Raleigh-Durham, NC	43	4	Madison, WI	98	6
Nashville, TN	44	5	Wichita, KS	99	4
Greensboro-Winston Salem-High Point, NC	45	5	Various United States Cities	101-150	104
Jacksonville, FL	46	7	Various United States Cities	151-200	91
West Palm Beach-Boca Raton, FL	47	6	Various United States Cities	201-250	53
Oklahoma City, OK	48	6	Various United States Cities	251+	67
Memphis, TN	49	6	Various United States Cities	unranked	75

Hartford-New Britain-Middletown, CT	50	5	Total (a)(b)	894

* Per Arbitron Rankings as of November 2008.

(a) Excluded from the 894 radio stations owned by us are three radio stations programmed pursuant to a LMA or shared services agreement (where the FCC licenses are not owned by us) and one Mexican radio station that we provide programming to and sell airtime for under exclusive sales agency arrangements. Also excluded are radio stations in

Australia, New Zealand and Mexico. We own a 50%, 50% and 20% equity interest in companies that have radio broadcasting operations in these markets, respectively. Effective January 30, 2009, we sold 57% of our remaining 20% interest in Grupo ACIR Comunicaciones, the owner of the radio stations in Mexico.

(b) Included in the total are stations that were placed in a trust in order to bring the merger into compliance with the FCC s media ownership rules. We will have to divest these stations.

Radio Networks

In addition to radio stations, our Radio Broadcasting segment includes our Premiere Radio Network, a national radio network that produces, distributes or represents more than 90 syndicated radio programs and services for more than 5,000 radio station affiliates. Our broad distribution platform enables us to attract and retain top programming talent. Some of our more popular radio personalities include *Rush Limbaugh*, *Sean Hannity*, *Steve Harvey*, *Ryan Seacrest* and *Jeff Foxworthy*. We believe recruiting and retaining top talent is an important component of the success of our radio networks.

We also own various sports, news and agriculture networks serving Alabama, California, Colorado, Florida, Georgia, Iowa, Kentucky, Missouri, Ohio, Oklahoma, Pennsylvania, Tennessee and Virginia.

International Radio Investments

We own equity interests in various international radio broadcasting companies located in Australia (50% ownership), Mexico (20% ownership) and New Zealand (50% ownership), which we account for under the equity method of accounting. Effective January 30, 2009, we sold 57% of our remaining 20% interest in Grupo ACIR Comunicaciones, the owner of the radio stations in Mexico.

Outdoor Advertising

Our Americas Outdoor Advertising segment includes our operations in the United States, Canada and Latin America, with approximately 92% of our 2008 revenue (on a combined basis) in this segment derived from the United States. We own or operate approximately 237,000 displays in our Americas Outdoor Advertising segment and have operations in 49 of the 50 largest markets in the United States, including all of the 20 largest markets. Our International Outdoor Advertising business segment includes our operations in Asia, Australia and Europe, with approximately 40% of our 2008 revenue (on a combined basis) in this segment derived from France and the United Kingdom. We own or operate approximately 670,000 displays in 36 countries.

Our outdoor assets consist of billboards, street furniture and transit displays, airport displays, mall displays, and wallscapes and other spectaculars, which we own or operate under lease management agreements. Our outdoor advertising business is focused on urban markets with dense populations.

Strategy

We have made and continue to make investments in research tools that enable our clients to better understand how our displays can successfully reach their target audiences and promote their advertising campaigns. We are working closely with clients, advertising agencies and other diversified media companies to develop more sophisticated systems that will provide improved demographic measurements of outdoor advertising. We believe that these measurement systems will further enhance the attractiveness of outdoor advertising for both existing clients and new advertisers.

We intend to continue to work toward ensuring that our customers have a superior experience by leveraging our presence in each of our markets and by increasing our focus on customer satisfaction and improved measurement systems.

Finally, we aim to capitalize on advances in electronic displays, including flat screens, LCDs and LEDs, as an alternative to traditional methods of outdoor advertising. These electronic displays may be linked through centralized computer systems to instantaneously and simultaneously change static advertisements on a large number of displays. Digital outdoor advertising provides advantages to advertisers, including the flexibility to change messaging over the course of a day, the ability to quickly change messaging and the ability to enhance targeting by reaching different demographics at different times of day. Digital outdoor displays provide us with advantages, as they are operationally efficient and eliminate safety issues from manual copy changes.

Americas Outdoor Advertising

Sources of Revenue

Americas Outdoor Advertising generated 21%, 21% and 20% of consolidated net revenue in 2008 (on a combined basis), 2007 and 2006, respectively. Americas Outdoor Advertising revenue is derived from the sale of advertising copy placed on our display inventory. Our display inventory consists primarily of billboards, street furniture displays and transit displays. Billboards comprise approximately two-thirds of display revenue. The margins on our billboard contracts tend to be higher than those on contracts for other displays, due to their greater size, impact and location along major roadways that are highly trafficked. The following table shows the approximate percentage of revenue derived from each category for our Americas Outdoor Advertising inventory:

	Year Ended December 31,		
	2008 Combined	**2007 Pre-merger**	**2006 Pre-merger**
Billboards			
Bulletins (1)	51%	52%	52%
Posters	15%	16%	18%
Street furniture displays	5%	4%	4%
Transit displays	17%	16%	14%
Other displays (2)	12%	12%	12%
Total	100%	100%	100%

(1) Includes digital displays.

(2) Includes spectaculars, mall displays and wallscapes.

Our Americas Outdoor Advertising segment generates revenue from local, regional and national sales. Our advertising rates are based on a number of different factors including location, competition, size of display, illumination, market and gross ratings points. Gross ratings points are the total number of impressions delivered, expressed as a percentage of a market population, of a display or group of displays. The number of impressions delivered by a display is measured by the number of people passing the site during a defined period of time. For all of our billboards in the United States, we use independent, third-party auditing companies to verify the number of impressions delivered by a display. Reach is the percent of a target audience exposed to an advertising message at least once during a specified period of time, typically during a period of four weeks. Frequency is the average number of exposures an individual has to an advertising message during a specified period of time. Out-of-home frequency is typically measured over a four-week period.

While location, price and availability of displays are important competitive factors, we believe that providing quality customer service and establishing strong client relationships are also critical components of sales. In addition, we have long-standing relationships with a diversified group of advertising brands and agencies that allow us to diversify client accounts and establish continuing revenue streams.

Billboards

Our billboard inventory primarily includes bulletins and posters.

Bulletins. Bulletins vary in size, with the most common size being 14 feet high by 48 feet wide. Almost all of the advertising copy displayed on bulletins is computer printed on vinyl and transported to the bulletin where it is secured to the display surface. Because of their greater size and impact, we typically receive our highest rates for bulletins. Bulletins generally are located along major expressways, primary commuting routes and main intersections that are highly visible and heavily trafficked. Our clients may contract for individual bulletins or a network of bulletins, meaning the clients advertisements are rotated among bulletins to increase the reach of the campaign. Our client contracts for bulletins generally have terms ranging from one month to one year.

Posters. Posters are available in two sizes, 30-sheet and eight-sheet displays. The 30-sheet posters are approximately 11 feet high by 23 feet wide, and the eight-sheet posters are approximately five feet high by 11 feet wide. Advertising copy for posters is printed using silk-screen or lithographic processes to transfer the designs onto paper that is then transported and secured to the poster surfaces. Posters generally are located in commercial areas on primary and secondary routes near point-of-purchase locations, facilitating advertising campaigns with greater demographic targeting than those displayed on bulletins. Our poster rates typically are less than our bulletin rates, and our client contracts for posters generally have terms ranging from four weeks to one year. Two types of posters are premiere panels and squares. Premiere displays are innovative hybrids between bulletins and posters that we developed to provide our clients with an alternative for their targeted marketing campaigns. The premiere displays utilize one or more poster panels, but with vinyl advertising stretched over the panels similar to bulletins. Our intent is to combine the creative impact of bulletins with the additional reach and frequency of posters.

Street Furniture Displays

Our street furniture displays, marketed under our global Adshel™ brand, are advertising surfaces on bus shelters, information kiosks, public toilets, freestanding units and other public structures, and are primarily located in major metropolitan cities and along major commuting routes. Generally, we own the street furniture structures and are responsible for their construction and maintenance. Contracts for the right to place our street furniture displays in the public domain and sell advertising space on them are awarded by municipal and transit authorities in competitive bidding processes governed by local law. Generally, these contracts have terms ranging from 10 to 20 years. As compensation for the right to sell advertising space on our street furniture structures, we pay the municipality or transit authority a fee or revenue share that is either a fixed amount or a percentage of the revenue derived from the street furniture displays. Typically, these revenue sharing arrangements include payments by us of minimum guaranteed amounts. Client contracts for street furniture displays typically have terms ranging from four weeks to one year, and, similar to billboards, may be for network packages.

Transit Displays

Our transit displays are advertising surfaces on various types of vehicles or within transit systems, including on the interior and exterior sides of buses, trains, trams and taxis, and within the common areas of rail stations and airports. Similar to street furniture, contracts for the right to place our displays on such vehicles or within such transit systems and to sell advertising space on them generally are awarded by public transit authorities in competitive bidding processes or are negotiated with private transit operators. These contracts typically have terms of up to five years. Our client contracts for transit displays generally have terms ranging from four weeks to one year.

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Other Inventory

The balance of our display inventory consists of spectaculars, mall displays and wallscapes. Spectaculars are customized display structures that often incorporate video, multidimensional lettering and figures, mechanical devices and moving parts and other embellishments to create special effects. The majority of our spectaculars are located in Times Square in New York City, Dundas Square in Toronto, Fashion Show in Las Vegas, Sunset Strip in Los Angeles, Westgate City Center in Glendale, Arizona, the Boardwalk in Atlantic City and across from the Target Center in Minneapolis. Client contracts for spectaculars typically have terms of one year or longer. We also own displays located within the common areas of malls on which our clients run advertising campaigns for periods ranging from four weeks to one year. Contracts with mall operators grant us the exclusive right to place our displays within the common areas and sell advertising on those displays. Our contracts with mall operators generally have terms ranging from five to ten years. Client contracts for mall displays typically have terms ranging from six to eight weeks. A wallscape is a display that drapes over or is suspended from the sides of buildings or other structures. Generally, wallscapes are located in high-profile areas where other types of outdoor advertising displays are limited or unavailable. Clients typically contract for individual wallscapes for extended terms.

Competition

The outdoor advertising industry in the Americas is fragmented, consisting of several larger companies involved in outdoor advertising, such as CBS and Lamar Advertising Company, as well as numerous smaller and local companies operating a limited number of display faces in a single or a few local markets. We also compete with other advertising media in our respective markets, including broadcast and cable television, radio, print media, the Internet and direct mail.

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Advertising Inventory and Markets

As of December 31, 2008, we owned or operated approximately 237,000 displays in our Americas Outdoor Advertising segment. The following table sets forth certain selected information with regard to our Americas Outdoor Advertising inventory, with our markets listed in order of their designated market area (DMA®) region ranking (DMA® is a registered service mark of Nielsen Media Research, Inc.):

DMA® Region Rank	Markets	Billboards: Bulletins	Billboards: Posters	Street Furniture Displays	Transit Displays	Other Displays (1)	Total Displays
	United States						
1	New York, NY						17,047
2	Los Angeles, CA						10,689
3	Chicago, IL						15,532
4	Philadelphia, PA						6,214
5	Dallas-Ft. Worth, TX						16,688
6	San Francisco-Oakland-San Jose, CA						10,819
7	Boston, MA (Manchester, NH)						7,091
8	Atlanta, GA						2,950
9	Washington, DC (Hagerstown, MD)						3,914
10	Houston, TX				(2)		3,259
11	Detroit, MI						315
12	Phoenix, AZ						9,918
13	Tampa-St. Petersburg (Sarasota), FL						2,439
14	Seattle-Tacoma, WA						12,863
15	Minneapolis-St. Paul, MN						1,978
16	Miami-Ft. Lauderdale, FL						6,411
17	Cleveland-Akron (Canton), OH						3,399
18	Denver, CO						976
19	Orlando-Daytona Beach-Melbourne, FL						4,228
20	Sacramento-Stockton-Modesto, CA						2,421
21	St. Louis, MO						284
22	Portland, OR						1,224
23	Pittsburgh, PA						104
24	Charlotte, NC						12
25	Indianapolis, IN						3,283
26	Baltimore, MD						2,572
27	Raleigh-Durham (Fayetteville), NC						1,994
28	San Diego, CA						809
29	Nashville, TN						648
30	Hartford-New Haven, CT						340
31	Kansas City, KS/MO				(2)		1,169
32	Columbus, OH						1,487
33	Salt Lake City, UT						64
34	Cincinnati, OH						12
35	Milwaukee, WI						5,883
36	Greenville-Spartanburg, SC-Asheville, NC-Anderson, SC						85
37	San Antonio, TX				(2)		7,481
38	West Palm Beach-Ft. Pierce, FL						808
39	Grand Rapids-Kalamazoo-Battle Creek, MI						300

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DMA®		Billboards					
Region				Street			
Rank	Markets	Bulletins	Posters	Furniture Displays	Transit Displays	Other Displays (1)	Total Displays
41	Harrisburg-Lancaster-Lebanon-York, PA						139
42	Las Vegas, NV						13,518
43	Norfolk-Portsmouth-Newport News, VA						457
44	Albuquerque-Santa Fe, NM						1,377
45	Oklahoma City, OK						3
46	Greensboro-High Point-Winston Salem, NC						1,051
47	Jacksonville, FL						987
48	Memphis, TN						2,239
49	Austin, TX				(2)		46
50	Louisville, KY						178
51-100	Various United States Cities				(2)		15,850
101-150	Various United States Cities						4,087
151+	Various United States Cities						2,186
	Non-United States Markets						
n/a	Australia						1,398
n/a	Brazil						7,237
n/a	Canada						4,392
n/a	Chile						1,124
n/a	Mexico						4,974
n/a	New Zealand						1,607
n/a	Peru						3,024
n/a	Other (3)						3,768
					Total Americas Outdoor Advertising Displays		237,352

(1) Includes wallscapes, spectaculars, mall and digital displays. Includes other small displays not counted as separate displays since their contribution to revenue is not material.

(2) We have access to additional displays through arrangements with local advertising and other companies.

(3) Includes displays in Antigua, Aruba, Bahamas, Barbados, Belize, Costa Rica, Dominican Republic, Grenada, Guam, Jamaica, Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia and the Virgin Islands.

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International Outdoor Advertising

Sources of Revenue

Our International Outdoor Advertising segment generated 27%, 25% and 23% of consolidated net revenue in 2008 (on a combined basis), 2007 and 2006, respectively. International Outdoor Advertising revenue is derived from the sale of advertising copy placed on our display inventory. Our international outdoor display inventory consists primarily of billboards, street furniture displays, transit displays and other out-of-home advertising displays, such as neon displays. The following table shows the approximate percentage of revenue derived from each inventory category of our International Outdoor Advertising segment:

	Year Ended December 31,		
	2008 Combined	**2007 Pre-merger**	**2006 Pre-merger**
Billboards (1)	35%	39%	41%
Street furniture displays	38%	37%	37%
Transit displays (2)	9%	8%	9%
Other displays (3)	18%	16%	13%
Total	100%	100%	100%

(1) Includes revenue from spectaculars and neon displays.

(2) Includes small displays.

(3) Includes advertising revenue from mall displays, other small displays, and non-advertising revenue from sales of street furniture equipment, cleaning and maintenance services and production revenue.

Our International Outdoor Advertising segment generates revenue worldwide from local, regional and national sales. Similar to our Americas Outdoor Advertising segment, advertising rates generally are based on the gross rating points of a display or group of displays. The number of impressions delivered by a display, in some countries, is weighted to account for such factors as illumination, proximity to other displays and the speed and viewing angle of approaching traffic.

While location, price and availability of displays are important competitive factors, we believe that providing quality customer service and establishing strong client relationships are also critical components of sales. Our entrepreneurial culture allows local management to operate their markets as separate profit centers, encouraging customer cultivation and service.

Billboards

The sizes of our international billboards are not standardized. The billboards vary in both format and size across our networks, with the majority of our international billboards being similar in size to our posters used in our Americas outdoor business (30-sheet and eight-sheet displays). Our international billboards are sold to clients as network packages with contract terms typically ranging from one to two weeks. Long-term client contracts are also available and typically have terms of up to one year. We lease the majority of our billboard sites from private landowners. Billboards include our spectacular and neon displays. DEFI, our international neon subsidiary, is a global provider of neon signs with approximately 400 displays in more than 15 countries worldwide. Client contracts for international neon displays typically have terms of approximately five years.

Street Furniture Displays

Our international street furniture displays are substantially similar to their Americas street furniture counterparts, and include bus shelters, freestanding units, public toilets, various types of kiosks and benches. Internationally, contracts with municipal and transit authorities for the

right to place our street furniture in the

public domain and sell advertising on such street furniture typically provide for terms ranging from 10 to 15 years. The major difference between our international and Americas street furniture businesses is in the nature of the municipal contracts. In our international outdoor business, these contracts typically require us to provide the municipality with a broader range of urban amenities such as public wastebaskets and lampposts, as well as space for the municipality to display maps or other public information. In exchange for providing such urban amenities and display space, we are authorized to sell advertising space on certain sections of the structures we erect in the public domain. Our international street furniture is typically sold to clients as network packages, with contract terms ranging from one to two weeks. Long-term client contracts are also available and typically have terms of up to one year.

Transit Displays

Our international transit display contracts are substantially similar to their Americas transit display counterparts, and typically require us to make only a minimal initial investment and few ongoing maintenance expenditures. Contracts with public transit authorities or private transit operators typically have terms ranging from three to seven years. Our client contracts for transit displays generally have terms ranging from one week to one year, or longer.

Other International Inventory and Services

The balance of the revenue from our International Outdoor Advertising segment consists primarily of advertising revenue from mall displays, other small displays and non-advertising revenue from sales of street furniture equipment, cleaning and maintenance services and production revenue. Internationally, our contracts with mall operators generally have terms ranging from five to ten years and client contracts for mall displays generally have terms ranging from one to two weeks, but are available for up to six-month periods. Our international inventory includes other small displays that are counted as separate displays since they form a substantial part of our network and International Outdoor Advertising revenue. We also have a bike rental program which provides bicycles for rent to the general public in several municipalities. In exchange for providing the bike rental program, we generally derive revenue from advertising rights to the bikes, bike stations, or additional street furniture displays. Several of our international markets sell equipment or provide cleaning and maintenance services as part of a billboard or street furniture contract with a municipality. Production revenue relates to the production of advertising posters, usually for small customers.

Competition

The international outdoor advertising industry is fragmented, consisting of several larger companies involved in outdoor advertising, such as CBS and JC Decaux, as well as numerous smaller and local companies operating a limited number of display faces in a single or a few local markets. We also compete with other advertising media in our respective markets, including broadcast and cable television, radio, print media, the Internet and direct mail.

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Advertising Inventory and Markets

As of December 31, 2008, we owned or operated approximately 670,000 displays in our International Outdoor Advertising segment. The following table sets forth certain selected information with regard to our International Outdoor Advertising inventory, which are listed in descending order according to 2008 revenue contribution:

International Markets	Billboards (1)	Street Furniture Displays	Transit Displays (2)	Other Displays (3)	Total Displays
France					131,049
United Kingdom					66,982
Italy					58,774
China					64,051
Spain					33,814
Australia/New Zealand					17,897
Belgium					23,984
Sweden					116,230
Switzerland					17,962
Norway					21,370
Ireland					9,533
Turkey					11,822
Denmark					34,106
Finland					24,700
Poland					11,041
Holland					4,630
India					737
Baltic States/Russia					16,250
Romania					150
Greece					1,201
Singapore					3,857
Hungary					36
Japan					433
Germany					52
Austria					17
Czech Republic					10
Indonesia					1
Portugal					15
United Arab Emirates					1
		Total International Outdoor Advertising Displays			670,705

(1) Includes spectaculars and neon displays.

(2) Includes small displays.

(3) Includes mall displays and other small displays counted as separate displays since they form a substantial part of our network and International Outdoor Advertising revenue.

Equity Investments

In addition to the displays listed above, as of December 31, 2008, we had equity investments in various out-of-home advertising companies that operate in the following markets:

Market	Company	Equity Investment	Billboards (1)	Street Furniture Displays	Transit Displays
Outdoor Advertising Companies					
Italy	Alessi	34.3%			
Italy	AD Moving SpA	17.5%			
Hong Kong	Buspak	50.0%			
Spain	Clear Channel Cemusa	50.0%			
Thailand	Master & More	32.5%			
Belgium	MTB	49.0%			
Belgium	Streep	25.0%			
Other Media Companies					
Norway	CAPA	50.0%			

(1) Includes spectaculars and neon displays.

Other

The Other category includes our media representation firm and other general support services and initiatives which are ancillary to our other businesses.

Media Representation

We own Katz Media, a full-service media representation firm that sells national spot advertising time for clients in the radio and television industries throughout the United States. As of December 31, 2008, Katz Media represented approximately 3,900 radio stations, nearly one-fifth of which are owned by us and approximately 400 television stations.

Katz Media generates revenue 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.

Management Team and Employees

We have an experienced management team from our senior executives to our local market managers. Our executive officers and certain radio and outdoor senior managers possess an average of 21 years of industry experience, and have combined experience of over 250 years. The core of the executive management team includes Chief Executive Officer and Chief Operating Officer Mark P. Mays, who has been with Clear Channel for over 19 years, and President and Chief Financial Officer Randall T. Mays, who has been with Clear Channel for over 15 years.

As of February 27, 2009, we had approximately 16,800 domestic employees and 5,300 international employees of which approximately 21,300 were in operations and approximately 800 were in corporate-related activities. Approximately 470 of our United States employees and approximately 230 of our non-United States employees are subject to collective bargaining agreements in their respective countries. We are a party to numerous collective bargaining agreements, none of which represent a significant number of employees. We believe that our relationship with our employees is good.

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Regulation of Our Radio Broadcasting Business

Existing Regulation

Radio broadcasting is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the Communications Act). The Communications Act prohibits the operation of a radio broadcast 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 an FCC license or the transfer of control of an FCC licensee without prior approval of the FCC.

License Grant and Renewal

The FCC grants radio broadcast licenses for a term of up to eight years. Generally, upon application, the FCC renews a broadcast license for an additional eight year term 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 violations by the licensee which, taken together, constitute a pattern of abuse.

After considering these factors and any petitions to deny a license renewal application (which may lead to a hearing), the FCC may grant the license renewal application with or without conditions, including renewal for a term less than the maximum otherwise permitted. In making its licensing determination, the FCC may consider petitions to deny and informal objections, and may order a hearing if sufficiently serious issues have been raised. The FCC may grant the license renewal application with or without conditions, including renewal for less than eight years. A station may continue to operate beyond the expiration date if a timely filed license renewal application is pending.

Although in the vast majority of cases radio 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 for a full term and without sanctions or conditions at the expiration of their terms.

Current Multiple Ownership Restrictions

The Communications Act and FCC rules limit the ability of individuals and entities to own or have an attributable interest in broadcast stations and other specified mass media entities. 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 5% 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 20% 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 stockholder, 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 (EDP) rule. Under the EDP rule, an aggregate debt and/or equity 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). The FCC recently adopted revisions to the EDP rule to promote diversification of broadcast ownership. To the best of our knowledge at present, none of our officers, directors, or 5% or greater shareholders 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.

Additionally, an entity that owns one or more radio stations in a market and programs more than 15% of the broadcast time on another radio station 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 stations, we generally cannot provide programming under an LMA to another radio station if we cannot acquire that station under the FCC s ownership rules. The media ownership rules are subject to periodic review by the FCC. As the result of its third periodic review, in 2003 the FCC adopted new rules which, among other changes, modified broadcast ownership limits, changed the way a local radio market is defined, and made certain JSAs attributable under the ownership limits. Numerous parties, including us, appealed the modified ownership rules. These appeals were consolidated before the United States Court of Appeals for the Third Circuit, which stayed their implementation. In June 2004, the court issued a decision that upheld the modified ownership rules in certain respects, including allowing the new local market definition to go into effect, and remanded them to the FCC for further justification in other respects.

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.

- 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.

The FCC s June 2003 decision abandoned the existing local radio market 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. 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.

The June 2003 rules also made JSAs involving more than 15% per week of a same-market radio station s advertising time attributable under the ownership rules. Consequently, in a market where we own one or more radio stations, we generally cannot enter into a JSA with another radio station if we could not acquire that station under the FCC s rules.

Irrespective of FCC rules governing radio ownership, the Antitrust Division of the DOJ (the Antitrust Division) and the FTC have the authority to determine that a particular transaction presents antitrust concerns. Over the past decade, the Antitrust Division has become more aggressive in reviewing proposed radio station acquisitions, particularly where the proposed purchaser already owns one or more radio stations in a particular market and seeks to acquire additional radio stations in that 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 delays action on radio acquisitions in situations where antitrust authorities have expressed concentration concerns, even if the acquisition complies with the FCC s numerical station limits, until after action has been taken by the antitrust authorities.

A number of cross-ownership rules pertain to licensees of a radio station, including limits on broadcast-newspaper and radio-television cross ownership. FCC rules generally prohibit an individual or entity from having an attributable interest in a radio or television station and a daily newspaper located in the same market, although in late 2007 the FCC adopted a revised rule that would allow a degree of same-market newspaper/broadcast cross-ownership based on certain presumptions, criteria and limitations.

Regarding radio-television cross ownership, FCC rules permit 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 20 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 10 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 compliance with 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. In its 2003 ownership decision, the FCC adopted new cross-media limits to replace these newspaper-broadcast and radio-television cross-ownership rules. These provisions were remanded by the Third Circuit for further FCC consideration, and are currently subject to judicial stay.

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.

In June 2006, the FCC commenced its proceeding on remand from the Third Circuit of the modified media ownership rules. At an open meeting on December 18, 2007, the FCC adopted a decision that revised the newspaper/broadcast cross-ownership rule to allow a degree of same-market newspaper/broadcast ownership based on certain presumptions, criteria and limitations. The FCC made no changes to the currently effective local radio ownership rules (as modified by the 2003 decision) or the radio/television cross-ownership rule (as modified in 1999). The FCC s 2007 decision, including the determination not to relax the numerical radio ownership limits, is the subject of a request for reconsideration and various court appeals, including by Clear Channel. Also at its December 18, 2007 meeting, the FCC adopted rules to promote diversification of broadcast ownership, including revisions to its EDP attribution rule and the eligible entity exception to the prohibition on the sale of grandfathered noncompliant radio station combinations.

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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 media ownership proceedings or their effects 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.

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-United States citizens, representatives of non-United States citizens and corporations or partnerships organized under the laws of a foreign nation are barred from holding broadcast licenses. Non-United States citizens, collectively, may own or vote up to 20% 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 business entity more than one-fourth of whose capital stock is owned or voted by non-United States citizens or their representatives, by foreign governments or their representatives, or by non-United States business entities, 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 entity, 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-United States citizens or their representatives, foreign governments, representatives of foreign governments, or foreign business entities.

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 political advertising practices, obscenity and indecency in broadcast programming, application procedures and other areas affecting the business or operations of broadcast stations. Moreover, recent and possible future actions by the FCC in the areas of localism and public interest obligations may impose additional regulatory requirements on us.

Indecency. Provisions of federal law regulate the broadcast of obscene, indecent, or profane material. The FCC has substantially increased its monetary penalties for violations of these regulations. Legislation enacted in 2006 provides the FCC with authority to impose fines of up to $325,000 per violation for the broadcast of such material. We cannot predict whether Congress will consider or adopt further legislation in this area. Several judicial appeals of FCC indecency enforcement actions are currently pending, and their outcomes could affect future FCC policies in this area.

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 December 2007, the FCC adopted a report on broadcast localism and proposed new localism rules. The report tentatively concluded that broadcast licensees should be required to establish and hold regular meetings with a local advisory board to ascertain the needs and interests of the communities where they own stations. The report also proposed the adoption of specific renewal application processing guidelines that would require broadcasters to air a minimum amount of local programming. Finally, it sought comment on a variety of other issues concerning localism, including potential changes to the main studio rule and sponsorship identification rules. The FCC has not yet issued a decision in this proceeding. We cannot predict whether the FCC will enact any of the initiatives discussed in the report.

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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 to the public via stations public files and websites. Radio stations with more than 10 full-time employees must file certain annual Equal Employment Opportunity reports with the FCC midway through their license term. The FCC is still considering whether to apply these rules to part-time employment positions. Broadcasters are subject to random audits to ensure compliance with the Equal Employment Opportunity rules and could be sanctioned for noncompliance. Broadcasters are also obligated not to engage in employment discrimination based on race, color, religion, national origin or sex.

Digital Radio. The FCC 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. We and other broadcasters have intensified efforts to roll out terrestrial digital radio service. In May 2007, the FCC established service, operational and technical rules for terrestrial digital audio broadcasting and sought public comment on what, if any, limitations should be placed on subscription services offered by digital audio broadcasters and whether any new public interest requirements should be applied to terrestrial digital audio broadcast service. We cannot predict the impact of 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 , is authorized to operate with a maximum power of 100 watts and a service radius of about 3.5 miles. The other class, LP10 , is authorized to operate with a maximum power of 10 watts and a service radius of about one to two 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 authorized a number of LPFM stations. 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. In addition, in November 2007, the FCC adopted rules that, among other things, enhance LPFM s interference protection from subsequently authorized full-service stations. Concurrently, the FCC solicited public comment on technical rules for possible expansion of LPFM licensing opportunities and technical and financial assistance to LPFM broadcasters from full-service stations which propose to create interference to LPFM stations. 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. Finally, Congress and the FCC from time to time consider, 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 have included, 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 streaming of audio and video programming via the Internet, digital radio technologies and the establishment of a low power FM radio service.

The foregoing is a brief summary of certain provisions of the Communications 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 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.

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Regulation of our Americas Outdoor Advertising and International Outdoor Advertising Businesses

The outdoor advertising industry in the United States is subject to governmental regulation at the federal, state and local levels. These regulations may include, among others, restrictions on the construction, repair, maintenance, lighting, upgrading, height, size, spacing and location of and, in some instances, content of advertising copy being displayed on outdoor advertising structures. In addition, the outdoor advertising industry outside of the United States is subject to certain foreign governmental regulation.

Domestically, in recent years, outdoor advertising has become the subject of targeted state and municipal taxes and fees. These laws may affect prevailing competitive conditions in our markets in a variety of ways. Such laws may reduce our expansion opportunities, or may increase or reduce competitive pressure from other members of the outdoor advertising industry. No assurance can be given that existing or future laws or regulations, and the enforcement thereof, will not materially and adversely affect the outdoor advertising industry. However, we contest laws and regulations that we believe unlawfully restrict our constitutional or other legal rights and may adversely impact the growth of our outdoor advertising business.

Federal law, principally the HBA, regulates outdoor advertising on controlled roads within the United States. The HBA regulates the size and placement of billboards, requires the development of state standards, mandates a state s compliance program, promotes the expeditious removal of illegal signs and requires just compensation for takings.

To satisfy the HBA s requirements, all states have passed billboard control statutes and regulations which regulate, among other things, construction, repair, maintenance, lighting, height, size, spacing and the placement of outdoor advertising structures. We are not aware of any state which has passed control statutes and regulations less restrictive than the prevailing federal requirements, including the requirement that an owner remove any non-grandfathered non-compliant signs along the controlled roads, at the owner s expense and without compensation, or requiring an owner to remove any non-grandfathered structures that do not comply with certain of the states requirements. Municipal and county governments generally also include billboard control as part of their zoning laws and building codes regulating those items described above and include similar provisions regarding the removal of non-grandfathered structures that do not comply with certain of the local requirements.

As part of their billboard control laws, state and local governments regulate the construction of new signs. Some jurisdictions prohibit new construction, some jurisdictions allow new construction only to replace existing structures and some jurisdictions allow new construction subject to the various restrictions discussed above. In certain jurisdictions, restrictive regulations also limit our ability to relocate, rebuild, repair, maintain, upgrade, modify, or replace existing legal non-conforming billboards. While these regulations set certain limits on the construction of new outdoor advertising displays, they also benefit established companies, including us, by creating barriers to entry and by protecting the outdoor advertising industry against an oversupply of inventory.

Federal law neither requires nor prohibits the removal of existing lawful billboards, but it does mandate the payment of compensation if a state or political subdivision compels the removal of a lawful billboard along the controlled roads. In the past, state governments have purchased and removed existing lawful billboards for beautification purposes using federal funding for transportation enhancement programs, and these jurisdictions may continue to do so in the future. From time to time, state and local government authorities use the power of eminent domain and amortization to remove billboards. Thus far, we have been able to obtain satisfactory compensation for our billboards purchased or removed as a result of these types of governmental action, although there is no assurance that this will continue to be the case in the future.

Other important outdoor advertising regulations include the Intermodal Surface Transportation Efficiency Act of 1991, the Bonus Act/Bonus Program, the 1995 Scenic Byways Amendment and various increases or implementations of property taxes, billboard taxes and permit fees. From time to time, legislation has been introduced in both the United States and foreign jurisdictions attempting to impose taxes on revenue from outdoor advertising. Several state and local jurisdictions have already imposed such taxes as a percentage of our

outdoor advertising revenue in that jurisdiction. While these taxes have not had a material impact on our business and financial results to date, we expect state and local governments to continue to try to impose such taxes as a way of increasing revenue.

We have introduced and intend to expand the deployment of digital billboards that display static digital advertising copy from various advertisers that change up to several times per minute. We have encountered some existing regulations that restrict or prohibit these types of digital displays. However, since digital technology for changing static copy has only recently been developed and introduced into the market on a large scale, existing regulations that currently do not apply to digital technology by their terms could be revised to impose greater restrictions. These regulations may impose greater restrictions on digital billboards due to alleged concerns over aesthetics or driver safety.

International regulation of the outdoor advertising industry varies by region and country, but generally limits the size, placement, nature and density of out-of-home displays. Other regulations may limit the subject matter and language of out-of-home displays.

Properties

Corporate

Our corporate headquarters is in San Antonio, Texas, where we own an approximately 55,000 square foot executive office building and an approximately 123,000 square foot data and administrative service center.

Operations

Radio Broadcasting

Our radio executive operations are located in our corporate headquarters in San Antonio, Texas. The types of properties required to support each of our radio stations include offices, studios, transmitter sites and antenna sites. We either own or lease our transmitter and antenna sites. These leases generally have expiration dates that range from five to 15 years. 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.

Americas Outdoor Advertising and International Outdoor Advertising

The headquarters of our Americas Outdoor Advertising operations is in Phoenix, Arizona and the headquarters of our International Outdoor Advertising operations is 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 or warehouse district.

In both our Americas Outdoor Advertising and International Outdoor Advertising segments, we own or have acquired permanent easements for relatively few parcels of real property that serve as the sites for our outdoor displays. Our remaining outdoor display sites are leased. Our leases generally range from month-to-month to year-to-year and can be for terms of 10 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.

Consolidated

The studios and offices of our radio stations and outdoor advertising branches are located in leased or owned facilities. These leases generally have expiration dates that range from one to 40 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 and outdoor advertising businesses.

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As noted above, as of December 31, 2008, we owned 894 radio stations and owned or leased approximately 908,000 outdoor advertising display faces in various markets throughout the world. Therefore, no one property is material to our overall operations. We believe that our properties are in good condition and suitable for our operations.

Legal Proceedings

We are currently involved in certain legal proceedings arising in the ordinary course of business 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.

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. On October 5, 2006, we received a subpoena from the Assistant United States Attorney for the Southern District of New York requiring us to produce certain information regarding substantially the same matters as covered in the subpoena from the Eastern District of Missouri. We are cooperating with such requirements. While we are unable to estimate the impact of any potential liabilities associated with these proceedings, the outcome of these proceedings is not expected to be material to Clear Channel.

We are a co-defendant with Live Nation, Inc. (which was spun off as an independent company in December 2005) in 22 putative class actions filed by different named plaintiffs in various district courts throughout the country. These actions generally allege that the defendants monopolized or attempted to monopolize the market for live rock concerts in violation of Section 2 of the Sherman Act. Plaintiffs claim that they paid higher ticket prices for defendants rock concerts as a result of defendants conduct. They seek damages in an undetermined amount. On April 17, 2006, the Judicial Panel for Multidistrict Litigation centralized these class action proceedings in the District Court for the Central District of California. On March 2, 2007, plaintiffs filed motions for class certification in five template cases involving five regional markets, Los Angeles, Boston, New York, Chicago and Denver. Defendants opposed that motion and, on October 22, 2007, the District Court issued its decision certifying the class for each regional market. On November 4, 2007, defendants filed a petition for permission to appeal the class certification ruling with the Ninth Circuit Court of Appeals. On November 5, 2007 the District Court issued a stay on all proceedings pending the Ninth Circuit s decision on our Petition to Appeal. On February 19, 2008, the Ninth Circuit denied our Petition to Appeal, and we filed a Motion for Reconsideration of the District Court s ruling on class certification. The plaintiffs have filed a reply to our motion and we have replied to their filing. The District Court s decision on our Motion for Reconsideration is still pending. On February 18, 2009, the District Court requested that the parties submit briefs concerning issuing an additional stay of the proceedings. These briefs were due on March 2, 2009. In the Master Separation and Distribution Agreement between us and Live Nation, Inc. that was entered into in connection with our spin-off of Live Nation, Inc. in December 2005, Live Nation, Inc. agreed, among other things, to assume responsibility for legal actions existing at the time of, or initiated after, the spin-off in which we are a defendant if such actions relate in any material respect to the business of Live Nation, Inc.. Pursuant to the agreement, Live Nation, Inc. also agreed to indemnify us with respect to all liabilities assumed by Live Nation, Inc., including those pertaining to the claims discussed above.

Merger-Related Litigation

Eight putative class action lawsuits were filed in the District Court of Bexar County, Texas, in 2006 in connection with the merger. Of the eight, three have been voluntarily dismissed, one has been dismissed for lack of prosecution and four are still pending. The remaining putative class actions, *Teitelbaum v. Clear Channel*

Communications, Inc., et al., No. 2006CI17492 (filed November 14, 2006), *City of St. Clair Shores Police and Fire Retirement System v. Clear Channel Communications, Inc., et al*., No. 2006CI17660 (filed November 16, 2006), *Levy Investments, Ltd. v. Clear Channel Communications, Inc., et al*., No. 2006CI17669 (filed November 16, 2006), *DD Equity Partners LLC v. Clear Channel Communications, Inc., et al*., No. 2006CI7914 (filed November 22, 2006) and *Pioneer Investments Kapitalanlagegesellschaft MBH v. L. Lowry Mays, et al*. (filed December 7, 2006), were consolidated into one proceeding and all raised substantially similar allegations on behalf of a purported class of our shareholders against the defendants for breaches of fiduciary duty in connection with the approval of the merger. The *Pioneer Investments Kapitalanlagegesellschaft MBH v. L. Lowry Mays, et al*. lawsuit has been dismissed by the court for lack of prosecution and we paid nothing in connection with the termination. The plaintiffs seek monetary damages.

Three other lawsuits were filed in connection with the merger, two of which are still pending, *Rauch v. Clear Channel Communications, Inc., et al.*, Case No. 2006-CI17436 (filed November 14, 2006 in the District Court of Bexar County, Texas), *Pioneer Investments Kapitalanlagegesellschaft mbH v. Clear Channel Communications, Inc., et al.*, (filed January 30, 2007 in the United States District Court for the Western District of Texas) and *Alaska Laborers Employees Retirement Fund v. Clear Channel Communications, Inc., et. al.*, Case No. SA-07-CA-0042 (filed January 11, 2007 in the United States District Court for the Western District of Texas). These lawsuits raise substantially similar allegations to those found in the pleadings of the consolidated class actions. The plaintiffs seek monetary damages. The *Pioneer Investments Kapitalanlagegesellschaft mbH v. Clear Channel Communications, Inc., et al.* lawsuit has been dismissed by consent of the parties and we paid nothing in connection with the dismissal.

On July 24, 2008, approximately twenty months after the filing of the first merger-related lawsuit, our shareholders approved the merger. We believe that the approval of the merger by the shareholders renders the claims in all the merger-related litigation moot. On November 5, 2008, counsel for plaintiffs in the various state court actions filed a petition in state court seeking the right to recover attorneys fees and expenses associated with their respective lawsuits. Clear Channel opposes the petition. The matter has not been resolved. Consequently, we may incur significant related expenses and costs that could have an adverse effect on our business and operations. Furthermore, the cases could involve a substantial diversion of the time of some members of management. At this time, we are unable to estimate the impact of any potential liabilities associated with the claims for fees and expenses.

We continue to believe that the allegations contained in each of the pleadings in the above-referenced actions are without merit and we intend to contest the actions vigorously. We cannot assure you that we will successfully defend the allegations included in the complaints or that pending motions to dismiss the lawsuits will be granted. If we are unable to resolve the claims that are the basis for the lawsuits or to prevail in any related litigation, we may be required to pay substantial monetary damages for which we may not be adequately insured, which could have a material adverse effect on our business, financial position and results of operations. Regardless of the outcome of the lawsuits, we may incur significant related expenses and costs that could have an adverse effect on our business and operations. Furthermore, the cases could involve a substantial diversion of the time of some members of management. While we are unable to estimate the impact of any potential liabilities associated with these complaints, the amount of damages claimed in these pleadings is not expected to be material to Clear Channel.

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MANAGEMENT

Directors and Executive Officers

Below is a list of the names, ages and positions, and a brief account of the business experience, of (1) the individuals who serve as our executive officers and as members of our Board of Directors and (2) the individuals who serve as the members of the Board of Directors of our indirect parent, Holdings. We have included information for both Clear Channel and Holdings, an entity controlled by the Sponsor and their co-investors, since our directors and certain of our executive officers also serve as directors and officers in the same capacity for, and certain of them are compensated by, Holdings, and certain decisions relating to our business are made by the Holdings Board of Directors in their capacity as our indirect parent. See Executive Compensation for further discussion on the relationship between our management and the management of Holdings.

Holdings Board of Directors consists of 12 members. Holders of Holdings Class A common stock, voting as a separate class, are entitled to elect two members of the Board of Directors. However, since the Sponsors and their affiliates hold a majority of the outstanding capital stock and voting power of Holdings, the holders of Holdings Class A common stock did not have the voting power to elect the remaining 10 members of Holdings Board of Directors. Pursuant to an amended and restated voting agreement (the Voting Agreement) entered into among B Triple Crown Finco, LLC, T Triple Crown Finco, LLC, Merger Sub, Holdings, Highfields Capital I LP, a Delaware limited partnership, Highfields Capital II LP, a Delaware limited partnership, Highfields Capital III L.P., an exempted limited partnership organized under the laws of the Cayman Islands, B.W.I. (collectively, with Highfields Capital I LP and Highfields Capital II LP, the Highfields Funds), and Highfields Capital Management LP, a Delaware limited partnership, following the effective time of the Transactions, one of the members of the Board of Directors who was to be elected by holders of Holdings Class A common stock was selected by Highfields Capital Management LP, which member was named to Holdings nominating committee and who the parties to the Voting Agreement agreed would be Jonathon S. Jacobson, and the other director was selected by Holdings nominating committee after consultation with Highfields Capital Management LP, who the parties to the Voting Agreement agreed would be David C. Abrams. These directors will serve until Holdings next stockholders meeting. In addition, until the Highfields Funds own less than five percent of the outstanding voting securities of Holdings issued as stock consideration in connection with the Transactions, Holdings will nominate two candidates for election by the holders of Class A common stock, of which one candidate (who initially is Mr. Jacobson) will be selected by Highfields Capital Management LP, and one candidate (who initially is Mr. Abrams) will be selected by Holdings nominating and governance committee after consultation with Highfields Capital Management LP. Holdings has also agreed that until the termination of the Voting Agreement and subject to the fiduciary duties of its Board of Directors, Holdings shall cause at least one of the independent directors to be appointed to each of the committees of the Board of Directors of Holdings and if such independent director shall cease to serve as a director of Holdings or otherwise is unable to fulfill his or her duties on any such committee, Holdings shall cause the director to be succeeded by another independent director. Upon the consummation of the Transactions, the members of Holdings Board of Directors were appointed as members of Clear Channel s Board of Directors. Clear Channel s directors will serve until the next annual meeting of the shareholders of Clear Channel

Each executive officer of Clear Channel will hold office until the third meeting of the Board of Directors following the next annual meeting of the shareholders of Clear Channel.

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Directors of Clear Channel and Holdings

The following information is provided with respect to (1) individuals who serve as our executive officers and as members of our Board of Directors and (2) the individuals who serve as the members of the Board of Directors of our indirect parent, Holdings, in each instance, as of March 15, 2009.

Name	Age	Position	Director of Clear Channel Since
Mark P. Mays	45	Director	1998
Randall T. Mays	43	Director	1999
David C. Abrams	48	Director	2008
Steven Barnes	48	Director	2008
Richard J. Bressler	51	Director	2008
Charles A. Brizius	40	Director	2008
John Connaughton	43	Director	2008
Blair E. Hendrix	43	Director	2008
Jonathon S. Jacobson	47	Director	2008
Ian K. Loring	42	Director	2008
Scott M. Sperling	51	Director	2008
Kent R. Weldon	41	Director	2008

Executive Officers of Clear Channel

Name	Age	Position	Officer Since
L. Lowry Mays	73	Chairman Emeritus	1972
Mark P. Mays	45	Chief Executive Officer and Chief Operating Officer	1989
Randall T. Mays	43	President and Chief Financial Officer	1993
Herbert W. Hill, Jr.	50	Senior Vice President/Chief Accounting Officer	1989
Paul J. Meyer	66	President and Chief Executive Officer Clear Channel Americas and Asia Divisions	1997
John E. Hogan	52	President/Chief Executive Officer Radio Division	2002
Andrew W. Levin	46	Executive Vice President/Chief Legal Officer and Secretary	2004

Mark P. Mays served as Clear Channel s President and Chief Operating Officer from February 1997 until his appointment as its President and Chief Executive Officer in October 2004. He relinquished his duties as President in February 2006. Mr. Mark P. Mays has been one of Clear Channel s directors since May 1998. Mr. Mark P. Mays was also appointed the Chief Executive Officer and a director of Holdings on July 30, 2008, and serves as a director or manager for each of the additional registrant guarantors (or its respective governing member or limited partner) other than Clear Channel Capital I, LLC. Additionally, he serves as the Chief Executive Officer of Clear Channel Capital and as a director for Clear Channel s publicly traded subsidiary, CCOH. Mr. Mark P. Mays is the son of L. Lowry Mays, Clear Channel s Chairman Emeritus and the brother of Randall T. Mays, Clear Channel s President and Chief Financial Officer.

Randall T. Mays was appointed as Clear Channel s Executive Vice President and Chief Financial Officer in February 1997 and was appointed as Clear Channel s Secretary in April 2003. He relinquished his duties as Secretary in 2004. Mr. Randall T. Mays was appointed Clear Channel s President in February 2006. Mr. Randall T. Mays has been one of Clear Channel s directors since April 1999. He was also appointed the President, Chief Financial Officer and a director of Holdings on July 30, 2008, and serves as a director or manager for each of the additional registrant guarantors (or its respective governing member or limited partner) other than Clear Channel Capital I, LLC. Additionally, he serves as the Chief Financial Officer of Clear Channel Capital and as a director for Clear Channel s publicly traded subsidiary, CCOH. Mr. Randall T. Mays is the son of L. Lowry Mays, Clear Channel s Chairman Emeritus and the brother of Mark P. Mays, Clear Channel s Chief Executive Officer and Chief Operating Officer.

David C. Abrams is the managing partner of Abrams Capital, a Boston-based investment firm he founded in 1998. Abrams Capital manages approximately $2.8 billion in assets across a wide spectrum of investments. Mr. Abrams serves on the Board of Directors of Crown Castle International, Inc. (NYSE: CCI) and several private companies and also serves as a Trustee of Berklee College of Music and Milton Academy. He received a BA from the University of Pennsylvania. Mr. Abrams has been one of Clear Channel s and Holdings directors since July 30, 2008.

Steven Barnes has been associated with Bain Capital Partners, LLC since 1988 and has been a Managing Director since 2000. In addition to working for Bain Capital Partners, LLC, he also held senior operating roles of several Bain Capital portfolio companies including Chief Executive Officer of Dade Behring, Inc., President of Executone Business Systems, Inc., and President of Holson Burnes Group, Inc. Prior to 1988, he held several senior management positions in the Mergers & Acquisitions Support Group of PricewaterhouseCoopers. Mr. Barnes presently serves on several boards including CRC Health Corporation and Accellent Inc. He is also active in numerous community activities including being a member of the Board of Director s of Make-A-Wish Foundation of Massachusetts, the United Way of Massachusetts Bay, the Trust Board of Children s Hospital in Boston, the Syracuse University School of Management Corporate Advisory Council and the Executive Committee of the Young President s Organization in New England. He received a B.S. from Syracuse University and is a Certified Public Accountant. Mr. Barnes has been one of Clear Channel s directors since July 30, 2008, one of Holdings directors since May 2007 and one of Clear Channel Capital s directors since February 2008.

Richard J. Bressler is a Managing Director of Thomas H. Lee Partners, L.P. Prior to joining Thomas H. Lee Partners, L.P., Mr. Bressler was the Senior Executive Vice President and Chief Financial Officer of Viacom Inc. from May 2001 to 2005, with responsibility for managing all strategic, financial, business development and technology functions. Prior to that, Mr. Bressler served in various capacities with Time Warner Inc., including as Chairman and Chief Executive Officer of Time Warner Digital Media. He also served as Executive Vice President and Chief Financial Officer of Time Warner Inc. Before joining Time Warner Inc., Mr. Bressler was a partner with the accounting firm of Ernst & Young LLP. He is currently a director of American Media Operations, Inc., Gartner, Inc., The Nielsen Company and Warner Music Group Corp. Mr. Bressler holds a B.B.A. from Adelphi University. Mr. Bressler has been one of Clear Channel s directors since July 30, 2008, one of Holdings directors since May 2007 and one of Clear Channel Capital s directors since February 2008.

Charles A. Brizius is a Managing Director of Thomas H. Lee Partners, L.P. Prior to joining Thomas H. Lee Partners, L.P., Mr. Brizius worked in the Corporate Finance Department at Morgan Stanley & Co. Incorporated. Mr. Brizius has also worked as a securities analyst at The Capital Group Companies, Inc. and as an accounting intern at Coopers & Lybrand. Mr. Brizius is currently a director of Ariel Holdings Ltd. His prior directorships include Big V Supermarkets, Inc., Eye Care Centers of America, Inc., Front Line Management Companies, Inc., Houghton Mifflin Company, Spectrum Brands, Inc., TransWestern Publishing, United Industries Corporation and Warner Music Group Corp. Mr. Brizius holds a B.B.A., *magna cum laude*, in Finance and Accounting from Southern Methodist University and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Brizius presently serves as President of the Board of Trustees of The Institute of Contemporary Art, Boston, Trustee of the Buckingham Browne & Nichols School and Board Member of The Steppingstone Foundation a non-profit organization that develops programs which prepare urban schoolchildren for educational opportunities that lead to college. Mr. Brizius has been one of Clear Channel s directors since July 30, 2008, one of Holdings directors since May 2007 and one of Clear Channel Capital s directors since February 2008.

John Connaughton has been a Managing Director of Bain Capital Partners, LLC since 1997 and a member of the firm since 1989. He has played a leading role in transactions in the media, technology and medical industries. Prior to joining Bain Capital Partners, LLC, Mr. Connaughton was a consultant at Bain & Company, Inc., where he advised Fortune 500 companies. Mr. Connaughton currently serves as a director of Warner Music Group Corp., AMC Theatres, SunGard Data Systems, Hospital Corporation of America (HCA), Quintiles Transnational Corp., Warner Chilcott and CRC Health Corporation. He also volunteers for a variety of charitable

organizations, serving as a member of The Berklee College of Music Board of Trustees and the UVA McIntire Foundation Board of Trustees. Mr. Connaughton received a B.S. in commerce from the University of Virginia and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Connaughton has been one of Clear Channel s directors since July 30, 2008, one of Holdings directors since May 2007 and one of Clear Channel Capital s directors since February 2008.

Blair E. Hendrix joined Bain Capital Partners, LLC in 2000. Prior to joining Bain Capital Partners, LLC, Mr. Hendrix was Executive Vice President and Chief Operating Officer of DigiTrace Care Services, Inc. (now SleepMed), a national healthcare services company he cofounded. Earlier in his career, Mr. Hendrix was with Corporate Decisions, Inc. (now Mercer Management Consulting), a management consulting firm where he worked in a variety of industries. Mr. Hendrix received a B.A. from Brown University. Mr. Hendrix has been one of Clear Channel s, Holdings and Clear Channel Capital s directors since October 2008. Additionally, he serves as a director for Clear Channel s publicly traded subsidiary, CCOH.

Jonathon S. Jacobson founded Highfields Capital Management, a Boston-based investment firm, in July 1998. Prior to founding Highfields, he spent eight years as a senior equity portfolio manager at Harvard Management Company, Inc. (HMC), which is responsible for investing Harvard University s endowment. At HMC, Mr. Jacobson managed both a U.S. and an Emerging Markets equity fund. Prior to that, Mr. Jacobson spent three years in the Equity Arbitrage Group at Lehman Brothers and two years in investment banking at Merrill Lynch in New York. Mr. Jacobson received an M.B.A. from the Harvard Business School in 1987 and graduated *magna cum laude* with a B.S. in Economics from the Wharton School, University of Pennsylvania in 1983. Mr. Jacobson is a member of the Asset Managers Committee of the President s Working Group on Financial Markets, which was formed in 2007 to foster a dialogue with the Federal Reserve Board and Department of the Treasury on issues of significance to the investment industry. He is a Trustee of Brandeis University, where he is a member of both the Executive and Investment Committees, and Gilman School, where he also serves on the investment committee. He also serves on the boards of the Birthright Israel Foundation and Facing History and Ourselves and is a member of the Board of Dean s Advisors at the Harvard Business School. Mr. Jacobson has been one of Clear Channel s and Holdings directors since July 30, 2008.

Ian K. Loring is a Managing Director at Bain Capital Partners, LLC. Since joining the firm in 1996, Mr. Loring has played a leading role in prominent media, technology and telecommunications investments such as Warner Music Group Corp., Pro Seiben Sat 1 Media AG, Advertising Directory Solutions, Cumulus Media Partners, Eschelon Telecom, NXP Technologies and Therma-Wave. Currently, Mr. Loring sits on the Board of Directors of Warner Music Group Corp. He also volunteers for a variety of non-profit organizations and is a Director of the Linda Loring Nature Foundation. Prior to joining Bain Capital Partners, LLC, Mr. Loring was a Vice President of Berkshire Partners, with experience in its specialty manufacturing, technology and retail industries. Previously, Mr. Loring worked in the Corporate Finance department at Drexel Burnham Lambert. He received an M.B.A. from Harvard Business School and a B.A. from Trinity College. Mr. Loring has been one of Clear Channel s directors since July 30, 2008, one of Holdings directors since May 2007 and one of Clear Channel Capital s directors since February 2008.

Scott M. Sperling is Co-President of Thomas H. Lee Partners, L.P. Mr. Sperling s current directorships include Thermo Fisher Scientific Inc., Warner Music Group Corp., and Vertis, Inc. and his prior directorships include Hawkeye Holdings, Experian Information Solutions, Fisher Scientific, Front Line Management Companies, Inc., Houghton Mifflin Co., The Learning Company, LiveWire, LLC, PriCellular Corp., ProcureNet, ProSiebenSat.1, Tibbar, LLC, Wyndham Hotels and several other private companies. Prior to joining Thomas H. Lee Partners, L.P. in 1994, Mr. Sperling was Managing Partner of The Aeneas Group, Inc., the private capital affiliate of Harvard Management Company, for more than ten years. Before that he was a senior consultant with the Boston Consulting Group. Mr. Sperling is also a director of several charitable organizations including the Brigham & Women s / Faulkner Hospital Group, The Citi Center for Performing Arts and Wang Theater and Harvard Business School s Rock Center for Entrepreneurship. Mr. Sperling has been one of Clear Channel s directors since July 30, 2008, one of Holdings directors since May 2007 and one of Clear Channel Capital s directors since February 2008.

Kent R. Weldon is a Managing Director of Thomas H. Lee Partners, L.P. Prior to joining Thomas H. Lee Partners, L.P., Mr. Weldon worked at Morgan Stanley & Co. Incorporated in the Financial Institutions Group. Mr. Weldon also worked at Wellington Management Company, an institutional money management firm. Mr. Weldon is currently a director of Michael Foods and Nortek Inc. His prior directorships include FairPoint Communications, Inc., Fisher Scientific and Progressive Moulded Products. Mr. Weldon holds a B.A., *summa cum laude*, in Economics and Arts and Letters Program for Administrators from the University of Notre Dame and an M.B.A. from the Harvard Graduate School of Business Administration. Mr. Weldon has been one of Clear Channel s directors since July 30, 2008, one of Holdings directors since May 2007 and one of Clear Channel Capital s directors since February 2008.

L. Lowry Mays is the founder of Clear Channel and was its Chairman and Chief Executive Officer from February 1997 to October 2004. Since that time, he served as Clear Channel s Chairman of the Board until July 30, 2008 and was appointed Clear Channel s and Holdings Chairman Emeritus on July 30, 2008. Mr. L. Lowry Mays was one of Clear Channel s directors from its inception until July 30, 2008. Additionally, he serves as a director for Clear Channel s publicly traded subsidiary, CCOH. Mr. L. Lowry Mays is the father of Mark P. Mays, currently Clear Channel s Chief Executive Officer and Chief Operating Officer, and Randall T. Mays, currently Clear Channel s President and Chief Financial Officer.

Andrew W. Levin was appointed Executive Vice President, Chief Legal Officer and Secretary of Clear Channel in February 2004, Holdings on July 30, 2008 and Clear Channel Capital on July 31, 2008. Prior thereto, he served as Senior Vice President for Governmental Affairs since he joined Clear Channel in 2002.

Herbert W. Hill, Jr. was appointed Senior Vice President and Chief Accounting Officer of Clear Channel in February 1997. Mr. Hill was appointed Senior Vice President, Chief Accounting Officer and Assistant Secretary of Holdings on July 30, 2008 and Clear Channel Capital on July 31, 2008.

John E. Hogan was appointed Chief Executive Officer of Clear Channel s radio division in August 2002. Mr. Hogan was appointed a Senior Vice President of Holdings on July 30, 2008.

Paul J. Meyer was appointed President/Chief Executive Officer Clear Channel Americas and Asia Divisions in October 2008 and Global President/Chief Operating Officer for Clear Channel Outdoor Holdings, Inc. (formerly Eller Media and a subsidiary of Clear Channel) in April 2005. Prior thereto, he was the President/Chief Executive Officer for Clear Channel Outdoor for the remainder of the relevant five-year period. Mr. Meyer was appointed a Senior Vice President of Holdings on July 30, 2008.

EXECUTIVE COMPENSATION

Introduction

On November 16, 2006, Clear Channel entered into an Agreement and Plan of Merger, as amended by Amendment No. 1, dated April 18, 2007, Amendment No. 2, dated May 17, 2007, and Amendment No. 3, dated May 13, 2008, to effect the acquisition of Clear Channel by Holdings. On July 30, 2008, upon the satisfaction of the conditions set forth in the merger agreement, Holdings acquired Clear Channel. The merger was effected by the merger of Merger Sub, an indirect subsidiary of Holdings, with and into Clear Channel. As a result of the merger, Clear Channel became a wholly-owned subsidiary of Holdings, held indirectly through intermediate holding companies including Clear Channel Capital. Upon the consummation of the merger, Holdings became a public company and Clear Channel ceased to be a public company.

At the effective time of the merger, Clear Channel s shareholders who elected to receive cash consideration in connection with the merger received $36.00 in cash for each pre-merger share of Clear Channel s outstanding common stock they owned. Pursuant to the merger agreement, as an alternative to receiving the $36.00 per share cash consideration, Clear Channel s shareholders were offered the opportunity to exchange some or all of their pre-merger shares on a one-for-one basis for shares of common stock in Holdings. Immediately following the Transactions, those shares represented, in the aggregate, approximately 25% (whether measured by voting power or economic interest) of the equity of Holdings.

Several new entities controlled by the Sponsors acquired directly or indirectly through newly formed companies (each of which is ultimately controlled jointly by the Sponsors) shares of stock in Holdings. Immediately following the Transactions, those shares represented, in the aggregate, approximately 72% (whether measured by voting power or economic interest) of the equity of Holdings. In connection with the Transactions, Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays rolled over unrestricted common stock, restricted equity securities, and in the money stock options exercisable for common stock of Clear Channel, with an aggregate value of approximately $45 million, in exchange for equity securities of Holdings, and Messrs. Mark P. Mays and Randall T. Mays received restricted stock of Holdings with an aggregate value of approximately $40 million (in each case based upon the per share price paid by the Sponsors for shares of Holdings in connection with the merger). Certain other members of Clear Channel s management also rolled over restricted equity securities and in the money stock options exercisable for common stock of Clear Channel in exchange for equity securities of Holdings. Accordingly, the remaining approximately 3% of the equity of Holdings was held by Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and certain members of Clear Channel s management.

Upon consummation of the Transactions, a new Board of Directors for each of Clear Channel and Holdings was constituted, a new compensation committee of the Board of Directors of Holdings (the Committee), a new audit committee of the Board of Directors of Holdings, and a new nominating and governance committee of the Board of Directors of Holdings were formed, and certain members of Clear Channel s management entered into employment agreements with Holdings.

Accordingly, upon the consummation of the Transactions, Clear Channel s named executive officers were governed by the compensation programs and practices developed and implemented by Holdings. Consequently, this section of the prospectus primarily focuses on the objectives, administration and payment of executive compensation following the completion of the Transactions. Except where relevant to provide context for the payment of post-merger compensation, this section does not contain a detailed analysis of pre-merger compensation since Clear Channel is of the view that, as an indirectly, wholly-owned subsidiary of a recently formed, publicly-held company, an analysis of the compensation decisions that were made for the named executive officers during their employment with solely Clear Channel would not accurately reflect Holdings compensation programs and philosophies going forward. Notwithstanding the foregoing, the 2008 Summary Compensation Table and each of the other related tables set forth below in this section contain all of the plan and non-plan compensation awarded to, earned by, or paid to the named executive officers during 2008, 2007 and 2006.

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As set forth in the 2008 Summary Compensation Table, Mark P. Mays, the Chief Executive Officer and Chief Operating Officer of Clear Channel and the Chief Executive Officer of Holdings (the Principal Executive Officer of Clear Channel and Holdings); Randall T. Mays, the President and Chief Financial Officer of Clear Channel and Holdings (the Principal Financial Officer of Clear Channel and Holdings); L. Lowry Mays, the Chairman Emeritus of the Board of Directors of Clear Channel and Holdings; John E. Hogan, the President and Chief Executive Officer of Clear Channel s radio division; and Andrew W. Levin, the Executive Vice President, Chief Legal Officer and Secretary of Clear Channel and Holdings (L. Lowry Mays, John E. Hogan and Andrew W. Levin, together representing the three next most highly compensated executive officers for services rendered in all capacities to Clear Channel and Holdings) are Clear Channel s and Holdings named executive officers for the 2008 fiscal year of Clear Channel and Holdings. In connection with the Transactions, each of Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and John E. Hogan entered into new, five-year employment agreements. Mr. Andrew W. Levin does not have an employment agreement with either Clear Channel or Holdings.

The new employment agreements for Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and John E. Hogan generally set forth information regarding base salary, annual incentive bonus, long-term incentive compensation and other employee benefits. These new employment agreements were negotiated on an arm s length basis between each of the executives and Holdings Board of Directors prior to the effectiveness of the merger. In January 2009, Messrs. Mark P. Mays and Randall T. Mays employment agreements were amended as further described below. For a more detailed description of the employment agreements of Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and John E. Hogan, please refer to Employment Agreements with the Named Executive Officers .

Compensation Discussion and Analysis

The following compensation discussion and analysis section contains statements regarding Holdings individual performance measures and other goals. These goals are disclosed in the limited context of Holdings executive compensation program and should not be understood to be statements of management s expectations or estimates of results or other guidance. Holdings specifically cautions investors not to apply these statements to other contexts.

Compensation Programs Terminated in Connection with the Transactions

On July 30, 2008, prior to the consummation of the merger, Clear Channel terminated its 2000 Employee Stock Purchase Plan. At the effective time of the merger, each share held under the plan was converted into the right to receive a cash payment equal to the value of $36.00 per share. In addition, except with respect to certain stock options and shares of restricted stock of Clear Channel that were converted into stock options and shares of restricted stock of Holdings as of July 30, 2008, Clear Channel terminated each of the following incentive plans: Clear Channel s 1994 Incentive Stock Option Plan; 1994 Nonqualified Stock Option Plan; 1998 Stock Incentive Plan; 2001 Stock Incentive Plan; the Clear Channel Sharesave Scheme; The Ackerly Group, Inc. Fifth Amended and Restated Employees Stock Option Plan; The 1998 AMFM Inc. Stock Option Plan; The 1999 AMFM Inc. Stock Option Plan; Capstar Broadcasting Corporation 1998 Stock Option Plan; Jacor Communication, Inc. 1997 Long-Term Incentive Stock Plan; The Marquee Group, Inc. 1996 Stock Option Plan; SFX Entertainment, Inc. 1998 Stock Option and Restricted Stock Plan; and SFX Entertainment, Inc. 1999 Stock Option and Restricted Stock Plan. Each of the incentive plans under which certain stock options and shares of restricted stock of Clear Channel that were converted into stock options and shares of restricted stock of Holdings were granted (the 1994 Nonqualified Stock Option Plan; the 1998 Stock Incentive Plan; the 2001 Stock Incentive Plan; the Jacor Communications, Inc. 1997 Long-Term Incentive Stock Plan; The Marquee Group, Inc. 1996 Stock Option Plan; and the SFX Entertainment, Inc. 1999 Stock Option Plan and Restricted Stock Plan) will terminate only at the time when the last outstanding stock option or share of restricted stock granted under such plan expires or, in the case of options, is exercised or, in the case of restricted stock, is no longer subject to restrictions.

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Overview and Objectives of Holdings Compensation Program

Holdings believes that compensation of its named executive officers should be directly and materially linked to operating performance. The fundamental objective of Holdings compensation program is to attract, retain and motivate top quality executives through compensation and incentives which are competitive with the various labor markets and industries in which Holdings competes for talent and which align the interests of Holdings executives with the interests of Holdings stockholders.

Overall, Holdings has designed its compensation program to:

- support its business strategy and business plan by clearly communicating what is expected of executives with respect to goals and results and by rewarding achievement;
- recruit, motivate and retain executive talent; and
- create a strong performance alignment with stockholders.

Holdings seeks to achieve these objectives through a variety of compensation elements:

- annual base salary;
- an annual incentive bonus, the amount of which is dependent on Holdings performance and, for certain executives, individual performance during the prior fiscal year;
- long-term incentive compensation, delivered in the form of equity awards that are awarded based on competitive pay practices and other factors described below, and that are designed to align the executives interests with those of stockholders by rewarding outstanding performance and providing long-term incentives; and
- other executive benefits and perquisites.

Compensation Practices

The Committee will typically determine total compensation, as well as the individual components of such compensation, of Clear Channel s and Holdings named executive officers on an annual basis. All compensation decisions are made within the scope of any employment agreement.

In making decisions with respect to each element of executive compensation, the Committee will consider the total compensation that may be awarded to the executive, including salary, annual incentive bonus and long-term incentive compensation. Multiple factors will be considered in determining the amount of total compensation (the sum of base salary, annual incentive bonus and long-term incentive compensation delivered through equity awards) to award the named executive officers. These factors may include, among others:

- the terms of any employment agreement;
- the Chief Executive Officer s (other than for himself) recommendations;

- how proposed amounts of total compensation to Holdings executives compare to amounts paid to similar executives of the Media Peers (as defined below) both for the prior year and over a multi-year period;
- the value of previous equity awards;
- internal pay equity considerations; and
- broad trends in executive compensation generally.

The Committee s goal will be to award compensation that is reasonable when all elements of potential compensation are considered.

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In January 2008, Clear Channel s compensation committee engaged Hewitt Associates, an independent leading national executive compensation consulting firm (Hewitt), to develop and provide market pay data (including base salary, bonus, total cash compensation, long-term incentive compensation and total compensation data) to better evaluate the appropriateness and competitiveness of the overall compensation paid to Mr. John E. Hogan. Compensation objectives were developed based on market pay data from proxy statements and other sources, when available, of leading media companies identified as key competitors for business and/or executive talent (the Media Peers). Mr. John E. Hogan s individual pay components and total compensation were benchmarked against similarly situated executives of the Media Peers.

The Media Peers include Belo Corp., CBS Corporation, Comcast Corporation, The Walt Disney Company, Gannett Company, Inc., IAC/Interactive Corp., Lamar Advertising, News Corporation, Time Warner Inc., Tribune Company, Viacom, Inc. and Yahoo! Inc. Hewitt selected the Media Peers, in consultation with Clear Channel s compensation committee, by selecting companies comparable to Clear Channel on the basis of criteria including market capitalization, total assets, total revenue, EBITDA, cash flow and number of employees. The Media Peers do not include companies in the Radio Index, which historically was used for Clear Channel s, and is currently being used for Holdings , stock performance graph, due to the fact that the companies comprising the Radio Index are smaller in size and have less diversified business operations than the Media Peers. The Committee believes that the Media Peers are more comparable to Holdings for executive compensation purposes.

Set forth below is a table showing the compensation of executives of the Media Peers similarly situated to Mr. John E. Hogan:

Company	Revenues ($M)	Executive (1) $	Salary $	Bonus Total (2) $	Total Cash Compensation $	Total Long-Term (Black-Scholes) $	Total Compensation $
BELO CORP.	1,588	WILLIAMSON, DENNIS A.	500,000	341,250	841,250	720,725	1,561,975
CBS CORPORATION	14,320	GORDON, SUSAN C.	780,121	475,000	1,255,121	1,511,446	2,766,567
COMCAST CORPORATION	24,966	SMITH, LAWRENCE S.	1,226,000	1,531,250	2,757,250	6,293,831	9,051,081
GANNETT COMPANY, INC.	8,033	OGDEN, ROGER L.	551,667	360,000	911,667	1,328,860	2,240,527
IAC/INTERACTIVE CORP.	6,278	BLATT, GREGORY R.	550,000	1,000,000	1,550,000	5,976,238	7,526,238
NEWS CORPORATION	28,655	DEVOE, DAVID F.	2,853,750	7,000,000	9,853,750	1,700,308	11,554,058
TIME WARNER INC.	44,224	PACE, WAYNE H.	1,000,000	2,000,000	3,000,000	2,837,900	5,837,900
TRIBUNE COMPANY	5,518	REARDON, JOHN E.	509,615	350,000	859,615	997,745	1,857,360
VIACOM INC.	11,467	FRICKLAS, MICHAEL D.	1,513,200	1,375,000	2,888,200	3,682,602	6,570,802
THE WALT DISNEY COMPANY	34,285	MAYER, KEVIN A.	537,500	1,200,000	1,737,500	445,095	2,182,595
YAHOO! INC.	6,426	NAZEM, FARZAD	479,167	1,000,000	1,479,167	13,162,500	14,641,667
25th %ile	6,352		523,558	417,500	1,083,394	1,163,303	2,211,561
50th %ile	11,467		551,667	1,000,000	1,550,000	1,700,308	5,837,900
75th %ile	26,811		1,113,000	1,453,125	2,822,725	4,829,420	8,288,660

(1) Peer executive make-up includes four Chief Financial Officers, two General Counsels, two Group Presidents, one Business Development VP, one Chief Administrative Officer and one Chief Technology Officer.

(2) Bonus Total for CBS Corporation, Gannett Company, Inc., IAC/Interactive Corp., Viacom Inc. and The Walt Disney Company reflect actual bonus values, and Bonus Total for all other listed peers reflect target bonuses.

The Committee, consistent with the past, will aim to set Mr. John E. Hogan s total compensation between the 50th and 75th percentile of the Media Peers. Notwithstanding, his total compensation may from time to time be above or below these percentiles as the Committee deems appropriate due to performance or prevailing market conditions for executive talent.

Neither the Committee, nor Clear Channel s compensation committee, requested Hewitt to perform an assessment of the compensation of Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and Andrew W. Levin in 2008 and did not set their 2008 post-merger compensation based upon any benchmarks. The individual

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pay components for Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays following the merger, including their base salary, any annual incentive bonus and long-term incentive compensation, were based upon arm s-length negotiations between each such executive and Holdings Board of Directors. Historically, Clear Channel has not engaged an independent compensation consultant to assess Mr. Andrew W. Levin s compensation, and his cash compensation (base salary and annual incentive bonus) did not change following the merger.

Elements of Compensation

The Committee and the Executive Performance Subcommittee of the Committee (the Subcommittee) believe that a combination of various elements of compensation best serves the interests of Holdings and its stockholders. Having a variety of compensation elements enables Holdings to meet the requirements of the highly competitive environment in which Holdings operates while ensuring that its named executive officers are compensated in a way that advances the interests of all stockholders. Under this approach, executive compensation generally involves a significant portion of pay that is at risk , namely, the annual incentive bonus. The annual incentive bonus is based entirely on Holdings financial performance, individual performance, or a combination of both. Equity awards constitute a significant portion of long-term remuneration that is tied directly to stock price appreciation that benefits all of Holdings stockholders.

Holdings practices with respect to each of the elements of executive compensation are set forth below, followed by a discussion of the specific factors considered in determining the amounts for each of the key elements.

Base Salary

Purpose. The objective of base salary is to reflect job responsibilities, value to Holdings and individual performance with respect to market competitiveness.

Administration. Base salaries for the named executive officers will typically be reviewed on an annual basis and at the time of promotion or other change in responsibilities. In general, any increases in salary will be based on the subjective evaluation of such factors as the level of responsibility, individual performance, level of pay both of the executive in question and other similarly situated executives of the Media Peers and competitive pay practices. All decisions regarding increasing or decreasing a named executive officer s base salary will be made within the scope of his respective employment agreement, if any.

In reviewing base salaries, the Committee will consider the importance of linking a significant proportion of the named executive officer s compensation to performance in the form of the annual incentive bonus, which is tied to Holdings financial performance measures, individual performance, or a combination of both, as well as long-term incentive compensation.

Analysis. Pursuant to their new employment agreements, effective July 28, 2008, the rate of base salary for each of Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays was set at not less than $895,000, $875,000, and $250,000, respectively. These base salary amounts were mutually agreed upon between each of Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays and Holdings Board of Directors on an arm s-length basis prior to the effectiveness of the merger. However, in light of current economic conditions, Messrs. Mark P. Mays and Randall T. Mays each agreed to amend his employment agreement to reduce his base salary in 2009 to $500,000 and to a base salary of not less than $1,000,000 thereafter.

Effective February 1, 2008, Mr. John E. Hogan received a 3.3% merit increase in his base salary from $750,000 in 2007 to $775,000 in 2008. It was determined that the 3.3% merit increase was appropriate in order to maintain the competitiveness of his compensation package relative to similarly situated executives of the Media Peers. As set forth in Mr. John E. Hogan s new employment agreement, effective June 29, 2008, Holdings Board of Directors agreed to continue to pay his base salary rate of $775,000 through January 31, 2009.

Effective February 1, 2008, Mr. Andrew W. Levin received a 14.3% increase in his base salary from $350,000 in 2007 to $400,000 in 2008. It was determined that the 14.3% merit increase was appropriate in order to maintain the competitiveness of his compensation package and to reward Mr. Andrew W. Levin for his performance to date in moving the merger towards a successful close. Following the merger, Holdings agreed to continue to pay his base salary rate of $400,000 through January 31, 2009.

Annual Incentive Bonus

Purpose. Holdings executive compensation program provides for an annual incentive bonus that is performance-linked. The objective of the annual incentive bonus compensation element is to compensate an executive based on the achievement of specific goals that are intended to correlate closely with growth of long-term stockholder value.

Administration. Our named executive officers and other key executives of Holdings participate in the Clear Channel 2008 Annual Incentive Plan (the Annual Incentive Plan), which replaced the Clear Channel 2005 Annual Incentive Plan (the Clear Channel 2005 Plan) upon the closing of the merger.

On July 28, 2008, Holdings sole stockholder at that time, Clear Channel Capital IV, LLC (CC IV), approved the Annual Incentive Plan. The Annual Incentive Plan is administered by the Subcommittee and is intended to provide an incentive to the named executive officers and other selected key executives to contribute to the growth, profitability and increased stockholder value of Holdings and to retain such executives. Under the Annual Incentive Plan, participants are eligible for performance-based awards, which represent the conditional right to receive cash or other property based upon the achievement of pre-established performance goals within a specified performance period. Awards granted under the Annual Incentive Plan are intended to qualify for the performance-based compensation exception under Section 162(m) of the Code. No single participant may receive more than $15,000,000 in awards in any calendar year.

The performance-based goals (as further described below) pursuant to which the 2008 annual incentive bonuses were calculated were set prior to the merger and pursuant to the Clear Channel 2005 Plan. For the 2008 annual incentive bonuses, (i) Messrs. Mark P. Mays , Randall T. Mays and L. Lowry Mays performance goals were based on 2008 Core Assets OIBDAN (as defined below) (excluding the results of operations of Clear Channel s television business sold on March 14, 2008), on a company-wide basis, (ii) Mr. John E. Hogan s performance goals were based upon year-over-year growth in OIBDAN of Clear Channel s radio division and other performance measures, which best reflect Mr. John E. Hogan s respective contribution to outstanding divisional performance, and (iii) Mr. Andrew W. Levin s performance goals were based upon year-over-year growth in OIBDAN, on a company-wide basis, and other performance measures, which were directly relevant to his position and responsibilities.

As all of the named executive officers 2008 performance goals were determined prior to the merger, Holdings Board of Directors confirmed its approval of the performance goals by resolution dated July 28, 2008.

Commencing in 2009, performance goals for each named executive officer will be set pursuant to an extensive annual operating plan developed by the Chief Executive Officer of Holdings in consultation with Holdings Board of Directors, the President and Chief Financial Officer of Holdings and other senior executive officers of Holdings. The Chief Executive Officer of Holdings will make recommendations as to the compensation levels and performance goals of Holdings named executive officers (other than his own) to the Subcommittee for its review, consideration and approval. The Subcommittee will have complete discretion to accept, reject, or modify the recommendations of the Chief Executive Officer. In accordance with the amended employment agreements, the performance goals for each of Messrs. Mark P. Mays and Randall T. Mays 2009 annual bonuses will be determined based on achievement of EBITDA goals (as defined below) rather than OIBDAN.

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In 2008, and as currently contemplated for 2009, the annual incentive bonus was paid in cash. The aggregate annual incentive bonus is determined according to the level of achievement of the objective performance goals, and any individual performance goals, as applicable. Below a minimum threshold level of performance, no awards may be granted pursuant to the objective performance goal, and the Subcommittee may, in its discretion, reduce the awards pursuant to either objective or individual performance goals, as applicable.

The annual incentive bonus process for each of the named executive officers will involve four basic steps:

- At the outset of the fiscal year:
  - Set performance goals for the year for Holdings and each participant; and
  - Set a target bonus for each participant;
- After the end of the fiscal year:
  - Measure actual performance (individual and company-wide) against the predetermined goals of Holdings and any individual performance goals to determine the preliminary bonus; and
  - Make adjustments to the preliminary bonus calculation to reflect Holdings performance relative to the performance of the Media Peers, as applicable.

Analysis. In determining whether the 2008 financial performance goals were met, the Subcommittee considered, on a combined basis, the financial results of Clear Channel from January 1, 2008 to July 30, 2008 and the financial results of Holdings from July 31, 2008 to December 31, 2008.

For 2008, the performance-based goals applicable to the named executive officers are set forth below:

Mark P. Mays

Mr. Mark P. Mays 2008 performance-based goal consisted of achieving a targeted amount of Core Assets OIBDAN (excluding the results of operations of Clear Channel s television business sold on March 14, 2008) on a company-wide basis. Core Assets OIBDAN is defined as operating income before depreciation, amortization, non-cash compensation expense and gain or loss on disposition of assets generated by operations that were not identified in the plan announced by Clear Channel on November 16, 2006 to sell its television group and small market radio stations. OIBDAN is calculated by adjusting net income to exclude non-cash compensation and the following line items presented in the statement of operations: (i) minority interest income (expense), (ii) income tax (expense) benefit, (iii) other income (expense) net, (iv) equity in earnings of nonconsolidated affiliates, (v) gain (loss) on marketable securities, (vi) interest expense, (vii) gain (loss) on disposition of assets net and (viii) depreciation and amortization. Mr. Mark P. Mays 2008 target bonus was set at $6,625,000 if Clear Channel and Holdings achieved, on a combined basis, Core Assets OIBDAN in 2008 of approximately $1.8 billion. This performance target was met in 2008 and Mr. Mark P. Mays was entitled to his target bonus of $6,625,000; however, in light of the current global economic slowdown and the resulting negative impact upon Holdings and Clear Channel s businesses, Mr. Mark P. Mays agreed to be paid the lesser amount of $4,500,000 for his 2008 annual incentive bonus. Commencing for Mr. Mark P. Mays 2009 annual incentive bonus, the performance goals will be based on EBITDA rather than OIBDAN. For purposes of the annual incentive bonus, EBITDA is defined to mean the calculation of Consolidated EBITDA, as calculated in the manner provided in the senior secured credit facilities documentation. For a more detailed discussion of the use of performance goals based on EBITDA for 2009 and future years with respect to Mr. Mark P. Mays, see Employment Agreements with the Named Executive Officers .

Randall T. Mays

Mr. Randall T. Mays 2008 performance-based goal consisted of achieving a targeted amount of Core Assets OIBDAN (excluding the results of operations of Clear Channel s television business sold on March 14,

2008) on a company-wide basis. Mr. Randall T. Mays target bonus was set at $6,625,000 if Clear Channel and Holdings achieved, on a combined basis, Core Assets OIBDAN in 2008 of approximately $1.8 billion. This performance target was met in 2008 and Mr. Randall T. Mays was entitled to his target bonus of $6,625,000; however, in light of the current global economic slowdown and the resulting negative impact upon Holdings and Clear Channel s businesses, Mr. Randall T. Mays agreed to be paid the lesser amount of $4,500,000 for his 2008 annual incentive bonus. Commencing for Mr. Randall T. Mays 2009 annual incentive bonus, the performance goals will be based on EBITDA rather than OIBDAN. For purposes of the annual incentive bonus, EBITDA is defined to mean the calculation of Consolidated EBITDA, as calculated in the manner provided in the senior secured credit facilities documentation. For a more detailed discussion of the use of performance goals based on EBITDA for 2009 and future years with respect to Mr. Randall T. Mays, see Employment Agreements with the Named Executive Officers .

L. Lowry Mays

Mr. L. Lowry Mays 2008 performance-based goal consisted of achieving a targeted amount of Core Assets OIBDAN (excluding the results of operations of Clear Channel s television business sold on March 14, 2008), on a company-wide basis. Mr. L. Lowry Mays target bonus was set at $1,000,000 if Clear Channel and Holdings achieved, on a combined basis, Core Assets OIBDAN in 2008 of approximately $1.8 billion. This performance target was met in 2008 and Mr. L. Lowry Mays was entitled to his target bonus of $1,000,000; however, in light of the current global economic slowdown and the resulting negative impact upon Holdings and Clear Channel s businesses, Mr. L. Lowry Mays agreed to be paid the lesser amount of $452,500 for his 2008 annual incentive bonus.

In 2008, it was believed that OIBDAN was the best quantifiable indicator of operating performance; therefore, Messrs. Mark P. Mays , Randall T. Mays and L. Lowry Mays 2008 annual bonus opportunity was based on OIBDAN. As contemplated in their employment agreements, however, the Subcommittee currently anticipates that Messrs. Mark P. Mays and Randall T. Mays annual incentive bonus in 2009 and future years, at least in part, will instead be based upon EBITDA. EBITDA is an important indicator of Holdings operational strength and performance of its business because it provides a link between profitability and cash flows from operating activities. The Committee believes that in the current operating environment, and under Holdings new capital structure, EBITDA is the best measure of Messrs. Mark P. Mays and Randall T. Mays performance.

John E. Hogan

Mr. John E. Hogan s 2008 performance-based goals consisted of (i) year-over-year growth in OIBDAN of the radio division, (ii) implementing sales strategic initiatives, (iii) implementing a strategic audience development plan to increase and maintain overall radio audiences of Clear Channel s radio stations, (iv) implementing a plan to increase radio revenue, (v) developing and implementing a plan to fill key employment positions and (vi) developing and implementing programming strategic initiatives. Mr. John E. Hogan s aggregate target bonus for 2008 was set at $1,000,000, as further shown in the following table.

OIBDAN Growth (objective)		Sales Strategic Initiatives (subjective)	Strategic Audience Development Plan (subjective)	Plan to Increase Radio Revenue (subjective)	Plan to Fill Key Employment Positions (subjective)	Programming Strategic Initiatives (subjective)	Total Potential Performance-Based Bonus	
OIBDAN Growth Rate	Bonus	Bonus	Bonus	Bonus	Bonus	Bonus	Total Bonus Opportunity	% of Bonus Opportunity
0.2%	80,000	4,000	4,000	4,000	4,000	4,000	100,000	10.0%
0.4%	160,000	8,000	8,000	8,000	8,000	8,000	200,000	20.0%
0.6%	240,000	12,000	12,000	12,000	12,000	12,000	300,000	30.0%

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OIBDAN Growth (objective)		Sales Strategic Initiatives (subjective)	Strategic Audience Development Plan (subjective)	Plan to Increase Radio Revenue (subjective)	Plan to Fill Key Employment Positions (subjective)	Programming Strategic Initiatives (subjective)	Total Potential Performance-Based Bonus	
OIBDAN Growth Rate	Bonus	Bonus	Bonus	Bonus	Bonus	Bonus	Total Bonus Opportunity	% of Bonus Opportunity
0.8%	320,000	16,000	16,000	16,000	16,000	16,000	400,000	40.0%
1.0%	400,000	20,000	20,000	20,000	20,000	20,000	500,000	50.0%
1.2%	480,000	24,000	24,000	24,000	24,000	24,000	600,000	60.0%
1.4%	560,000	28,000	28,000	28,000	28,000	28,000	700,000	70.0%
1.6%	640,000	32,000	32,000	32,000	32,000	32,000	800,000	80.0%
1.8%	720,000	36,000	36,000	36,000	36,000	36,000	900,000	90.0%
2.0%	**800,000**	**40,000**	**40,000**	**40,000**	**40,000**	**40,000**	**1,000,000**	**100.0%**
2.2%	920,000	46,000	46,000	46,000	46,000	46,000	1,150,000	115.0%
2.4%	1,040,000	52,000	52,000	52,000	52,000	52,000	1,300,000	130.0%
2.6%	1,160,000	58,000	58,000	58,000	58,000	58,000	1,450,000	145.0%
2.8%	1,280,000	64,000	64,000	64,000	64,000	64,000	1,600,000	160.0%
3.0%	1,400,000	70,000	70,000	70,000	70,000	70,000	1,750,000	175.0%
3.2%	1,520,000	76,000	76,000	76,000	76,000	76,000	1,900,000	190.0%
3.4%	1,640,000	82,000	82,000	82,000	82,000	82,000	2,050,000	205.0%
3.6%	1,760,000	88,000	88,000	88,000	88,000	88,000	2,200,000	220.0%
3.8%	1,880,000	94,000	94,000	94,000	94,000	94,000	2,350,000	235.0%
4.0%	2,000,000	100,000	100,000	100,000	100,000	100,000	2,500,000	250.0%

As further discussed above, in 2008, it was believed that OIBDAN was the best quantifiable indicator of operating performance; therefore, 80% of Mr. John E. Hogan s 2008 annual bonus opportunity was based on the radio division s OIBDAN, which best reflects Mr. John E. Hogan s respective contribution to outstanding divisional performance. Mr. John E. Hogan s 2008 annual bonus opportunity was also based upon the five qualitatively-evaluated initiatives described above that were deemed to be critical to Holdings short and long-term success and future drivers of stockholder value, each of which represented 4% of his bonus opportunity.

The radio division, on a combined basis, had negative year-over-year growth in OIBDAN in 2008, resulting in no award for the OIBDAN growth component of Mr. John E. Hogan s performance-based bonus. However, it was determined that Mr. John E. Hogan had earned a bonus award with respect to each of the five qualitatively-evaluated initiatives and was awarded $76,000, $24,000, $52,000, $40,000 and $40,000, respectively, for such achievement.

Mr. John E. Hogan s total performance-based bonus for 2008 was $232,000.

Andrew W. Levin

Mr. Andrew W. Levin s 2008 performance-based goals consisted of (i) year-over-year growth in OIBDAN on a company-wide basis, (ii) overseeing the successful close of the merger, (iii) developing and implementing Clear Channel s legal strategies and (iv) developing and implementing strategies addressing legislative and regulatory matters. Mr. Andrew W. Levin s aggregate target bonus for 2008 was set at $200,000, as further shown in the following table.

OIBDAN Growth (objective)		Closing of the Merger (subjective)	Legal Strategies (subjective)	Legislative and Regulatory Strategies (subjective)	
OIBDAN Growth Rate	Bonus	Bonus	Bonus	Bonus	Total Bonus Opportunity
0.33%	15,000	1,667	1,667	1,667	20,000
0.66%	30,000	3,333	3,333	3,333	40,000
0.99%	45,000	5,000	5,000	5,000	60,000

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OIBDAN Growth (objective)		Closing of the Merger (subjective)	Legal Strategies (subjective)	Legislative and Regulatory Strategies (subjective)	
OIBDAN Growth Rate	Bonus	Bonus	Bonus	Bonus	Total Bonus Opportunity
1.32%	60,000	6,667	6,667	6,667	80,000
1.65%	75,000	8,333	8,333	8,333	100,000
1.98%	90,000	10,000	10,000	10,000	120,000
2.31%	105,000	11,667	11,667	11,667	140,000
2.64%	120,000	13,333	13,333	13,333	160,000
2.97%	135,000	15,000	15,000	15,000	180,000
3.30%	150,000	16,667	16,667	16,667	200,000
3.63%	165,000	18,333	18,333	18,333	220,000
3.96%	180,000	20,000	20,000	20,000	240,000
4.29%	195,000	21,667	21,667	21,667	260,000
4.62%	210,000	23,333	23,333	23,333	280,000
4.95%	225,000	25,000	25,000	25,000	300,000
5.28%	240,000	26,667	26,667	26,667	320,000
5.61%	255,000	28,333	28,333	28,333	340,000
5.94%	270,000	30,000	30,000	30,000	360,000
6.27%	285,000	31,667	31,667	31,667	380,000
6.60%	300,000	33,333	33,333	33,333	400,000
6.93%	315,000	35,000	35,000	35,000	420,000
7.26%	330,000	36,667	36,667	36,667	440,000
7.59%	345,000	38,333	38,333	38,333	460,000
7.92%	360,000	40,000	40,000	40,000	480,000
8.25%	375,000	41,667	41,667	41,667	500,000

As further discussed above, in 2008, it was believed that OIBDAN was the best quantifiable indicator of operating performance; therefore, 75% of Mr. Andrew W. Levin s 2008 annual bonus opportunity was based on OIBDAN and 25% of his 2008 annual bonus opportunity was based upon the three qualitatively-evaluated initiatives described above that were deemed to be directly relevant to his position and responsibilities, each of which represented 8.33% of his bonus opportunity.

Clear Channel and Holdings, on a combined basis, had negative year-over-year growth in OIBDAN in 2008, resulting in no award for the OIBDAN growth component of his performance-based bonus. However, it was determined that Mr. Andrew W. Levin had achieved target performance of the three qualitatively-evaluated initiatives and was awarded $16,667 for achieving each such initiative.

Mr. Andrew W. Levin s total performance-based bonus for 2008 was $50,000. In addition to his performance-based bonus, Mr. Andrew W. Levin was awarded a bonus of $223,000 upon the closing of the merger on July 30, 2008.

Long-Term Incentive Compensation

Purpose. The long-term incentive compensation element provides an award that is performance-based. The objective of the program is to align compensation of the named executive officers over a multi-year period directly with the interests of stockholders of Holdings by motivating and rewarding creation and preservation of long-term stockholder value. In general, the level of long-term incentive compensation is determined based on an evaluation of competitive factors in conjunction with total compensation provided to the named executive officers and the overall goals of the compensation program described above. Long-term incentive compensation may be paid in cash, stock options and restricted stock. Additionally, Holdings may from time to time grant equity awards to the named executive officers that are not tied to predetermined performance goals. Equity ownership for the named executive officers is important for purposes of incentive, retention and alignment with the interests of stockholders of Holdings.

Administration. The named executive officers participate in the 2008 Executive Incentive Plan (the 2008 Incentive Plan), which allows for the issuance of incentive and nonstatutory stock options, restricted stock and other equity awards. The 2008 Incentive Plan is administered by the Subcommittee. See Grants of Plan-Based Awards for a more detailed description of the 2008 Incentive Plan.

As of March 1, 2009, there were approximately 157 employees holding outstanding stock incentive awards under the 2008 Incentive Plan.

Stock Options. Long-term incentive compensation may be granted to the named executive officers in the form of stock options, with exercise prices of not less than the fair market value of Holdings stock on the date of grant. Vesting schedules are set by the Subcommittee in their discretion and vary per named executive officer, as further described below. All vesting is contingent on continued employment, with rare exceptions made by the Subcommittee. Holdings typically defines fair market value as the closing price on the date of grant. All decisions to award the named executive officers stock options are in the sole discretion of the Subcommittee.

Restricted Stock Awards. Long-term incentive compensation may also be granted to the named executive officers in the form of restricted stock awards. Vesting schedules are set by the Subcommittee in their discretion and vary per named executive officer, as further described below. All vesting is contingent on continued employment, with rare exceptions made by the Subcommittee. All decisions to award the named executive officers restricted stock are in the sole discretion of the Subcommittee.

Mix of Stock Options and Restricted Stock Awards. In 2008, long-term incentive compensation generally was paid in the form of stock options. In addition, in connection with the execution of the new employment agreements, Messrs. Randall T. Mays and Mark P. Mays were made a one time grant of restricted stock in the aggregate amount of $40,000,000. All stock options and restricted stock awards that were granted to the named executive officers in 2008 were approved by the Board of Directors of Holdings. These forms of compensation reward stockholder value creation in slightly different ways. Stock options (which have exercise prices equal to the market price of Holdings stock at the date of grant) reward executive officers only if the stock price increases. Restricted stock awards are impacted by all stock price changes, so the value to the executive officer is affected by both increases and decreases in stock price.

Analysis

In July 2008, Holdings granted the named executive officers the following stock options and restricted stock awards:

Named Executive Officer	Stock Options	Restricted Stock
Mark P. Mays	2,083,333(1)	555,556(2)
Randall T. Mays	2,083,333(1)	555,556(2)
L. Lowry Mays		
John E. Hogan	162,445(3)	
Andrew W. Levin	61,985(4)	

(1) Of this amount, (a) stock options representing 1,041,667 shares of common stock vest one-fourth on May 13, 2011, one-fourth on May 13, 2012 and one-half on May 13, 2013 and (b) stock options representing 1,041,666 shares of common stock vest if the performance targets further described below are met. These stock options have an exercise price of $36.00, which is the same price paid by the Sponsors for shares of Holdings in connection with the merger, and expire on July 30, 2018.

(2) These 555,556 shares of restricted stock vest in five equal installments annually beginning on July 30, 2009.

(3) Of this amount, (a) stock options representing 54,159 shares of common stock vest in five equal installments annually beginning on May 13, 2009 and (b) stock options representing 108,286 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if

the performance targets further described below are met. These stock options have an exercise price of $36.00, which is the same price paid by the Sponsors for shares of Holdings in connection with the merger, and expire on July 30, 2018.

(4) Of this amount, (a) stock options representing 20,666 shares of common stock vest in five equal installments annually beginning on May 13, 2009 and (b) stock options representing 41,319 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the performance targets further described below are met. These stock options have an exercise price of $36.00, which is the same price paid by the Sponsors for shares of Holdings in connection with the merger, and expire on July 30, 2018.

The amount and vesting schedules of Messrs. Mark P. Mays and Randall T. Mays stock option and restricted stock awards were mutually agreed upon between each individual and Holdings Board of Directors on an arm s-length basis prior to the effectiveness of the merger. With respect to each of Messrs. Mark P. Mays and Randall T. Mays award of stock options representing 2,083,333 shares of common stock, (i) stock options representing 1,041,667 shares of common stock are time-vesting and vest one-fourth on May 13, 2011, one-fourth on the May 13, 2012 and one-half on May 13, 2013 and (ii) stock options representing 1,041,666 shares of common stock are time-vesting and performance-based vesting in that (a) stock options representing 520,833 shares of common stock will fully vest upon the Sponsors receiving a 200% return on their investment in Holdings in the form of cash returns and (b) additional stock options representing 520,833 shares of common stock will fully vest upon the Sponsors receiving a 250% return on their investment in Holdings in the form of cash returns.

The amount of Mr. John E. Hogan s stock option award was determined by the Subcommittee based upon market pay data of the Media Peers and internal pay equity relative to other key executives of Holdings. With respect to Mr. John E. Hogan s award of stock options representing 162,445 shares of common stock, (i) stock options representing 54,159 shares of common stock are time-vesting and vest in five equal installments annually beginning on May 13, 2009 and (ii) stock options representing 108,286 shares of common stock are time-vesting and performance-based vesting in that (a) stock options representing 54,143 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 200% return on their investment in Holdings in the form of cash returns by such time and (b) additional stock options representing 54,143 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 250% return on their investment in Holdings in the form of cash returns by such time.

As described above, the Committee aims to set Mr. John E. Hogan s total compensation (base salary, annual incentive bonus and long-term incentive compensation) between the 50th and 75th percentile with respect to similarly situated executives of the Media Peers. In 2008, Mr. John E. Hogan s total compensation fell between the 25th and 50th percentile with respect to similarly situated executives of the Media Peers. The Committee deemed Mr. John E. Hogan s 2008 total compensation appropriate in light of the negative year-over-year growth in the radio division s 2008 OIBDAN.

The amount of Mr. Andrew W. Levin s stock option award was determined by the Subcommittee based upon his performance to date in moving the merger towards a successful close and internal pay equity relative to other key employees of Holdings. With respect to Mr. Andrew W. Levin s award of stock options representing 61,985 shares of common stock, (i) stock options representing 20,666 shares of common stock are time-vesting and vest in five equal installments annually beginning on May 13, 2009 and (ii) stock options representing 41,319 shares of common stock are time-vesting and performance-based vesting in that (a) stock options representing 20,660 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 200% return on their investment in Holdings in the form of cash returns by such time and (b) additional stock options representing 20,659 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 250% return on their investment in Holdings in the form of cash returns by such time.

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As described above, the Subcommittee considered internal pay equity when determining the stock options to be granted to Messrs. John E. Hogan and Andrew W. Levin. However, the Subcommittee did so broadly and does not have a specific policy, or seek to follow established guidelines or formulas, to maintain a particular ratio of long-term incentive compensation among the named executive officers or other executives of Holdings.

Equity Award Grant Timing Practices

Employee New Hires/Promotions Grant Dates. Grants of stock options, if any, to newly-hired or newly-promoted employees are made at the regularly scheduled meeting of the Board of Directors of Holdings immediately following the hire or promotion.

Initial Equity Award Grant Dates for Newly-Elected Non-employee Directors. Grants of stock options, if any, to newly-elected non-employee members of the Board of Directors of Holdings will be made at the regularly scheduled meeting of the Board of Directors of Holdings immediately following his or her election. If a non-employee member of the Board of Directors of Holdings is appointed between regularly scheduled meetings, then grants of stock options, if any, will be made at the first meeting in attendance after such appointment, and the first meeting after election thereafter.

Timing of Equity Awards. Holdings does not have a formal policy on timing equity awards in connection with the release of material non-public information to affect the value of compensation. In the event that material non-public information becomes known to the Committee or Subcommittee, as applicable, prior to granting equity awards, the Committee or Subcommittee will take the existence of such information under advisement and make an assessment in its business judgment whether to delay the grant of the equity award in order to avoid any potential impropriety.

Executive Benefits and Perquisites

Each of the named executive officers are entitled to participate in all pension, profit sharing and other retirement plans, and all group health, hospitalization, disability and other insurance and employee welfare benefit plans in which other similarly situated employees of Holdings may participate.

Holdings provides certain other perquisites to the named executive officers of Clear Channel and Holdings. As provided in their employment agreements, Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays are entitled to use company-owned aircraft for all business and personal air travel in accordance with the Clear Channel policy as in effect on November 16, 2006. With the approval of the Chief Executive Officer of Holdings, other executive officers and members of management are permitted limited personal use of such company-owned aircraft.

Additionally, as a result of Clear Channel s high public profile and due in part to threats against Clear Channel, its operations and management, Clear Channel engaged an outside security consultant to assess security risks to Clear Channel s physical plant and operations, as well as its employees, including executive management. Based upon the findings and recommendation of this security consultant, Clear Channel implemented, and management and Holdings Board of Directors intends to continue the implementation of, numerous security measures for Clear Channel s operations and employees, including a general security program covering selected senior executives.

Although Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays are each entitled under the terms of their respective employment agreements to the use of a company-owned automobile, none of Messrs. Mark P. Mays, Randall T. Mays, or L. Lowry Mays uses a company-owned automobile. Messrs. Mark P. Mays and L. Lowry Mays are reimbursed for the annual dues for memberships in two social dining clubs and Mr. Mark P. Mays is reimbursed for the annual dues for membership at a health and fitness club.

The Committee believes that the above benefits provide a more tangible incentive than an equivalent amount of cash compensation. In determining the named executive officers total compensation, the Committee

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will consider these benefits. However, as these benefits and perquisites represent a relatively insignificant portion of the named executive officers total compensation, it is unlikely that they will materially influence the Committee s decision in setting such named executive officers total compensation. For further discussion of these benefits and perquisites, including the methodology for computing their costs, please refer to 2008 Summary Compensation Table .

Severance Arrangements

Pursuant to the employment agreements of Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and John E. Hogan, such individuals are entitled to certain severance payments and, except for Mr. John E. Hogan, other benefits upon the termination of such individual s employment with Holdings and Clear Channel. Mr. Andrew W. Levin is entitled to participate in the severance plan generally applicable to employees of Clear Channel. For further discussion of these severance payments and benefits, see Potential Post-Employment Payments . Upon a change in control of Holdings, the vesting of certain equity awards are accelerated, and Messrs. Mark. P. Mays and Randall T. Mays are entitled to receive a tax gross-up payment in the event a change in control causes them to pay an excise tax. The named executive officers are not entitled to any additional severance or benefits upon a change in control of Holdings.

Roles and Responsibilities

Role of the Committee and the Subcommittee. The Committee and the Subcommittee, as applicable, are primarily responsible for conducting reviews of Holdings executive compensation policies and strategies and overseeing and evaluating Holdings overall compensation structure and programs. Direct responsibilities include, but are not limited to:

- evaluating and approving goals and objectives relevant to the compensation of the Chief Executive Officer of Holdings and the other named executive officers, and evaluating the performance of the named executive officers in light of those goals and objectives;
- determining and approving the compensation level for the Chief Executive Officer;
- evaluating and approving compensation levels of the other named executive officers;
- evaluating and approving any grants of equity-based compensation to the named executive officers;
- recommending to the Board of Directors of Holdings compensation policies for outside directors; and
- reviewing performance-based and equity-based incentive plans for the Chief Executive Officer and the other named executive officers and reviewing other benefit programs presented to the Committee by the Chief Executive Officer.

Role of Executive Officers. The Chief Executive Officer provides reviews and recommendations for the Committee s consideration regarding Holdings executive compensation programs, policies and governance. Direct responsibilities include, but are not limited to:

- providing an ongoing review of the effectiveness of the compensation programs, including their level of competitiveness and their alignment with Holdings objectives;
- recommending changes and new programs, if necessary, to ensure achievement of all program objectives; and

recommending pay levels, payout and awards for the named executive officers other than himself.

The Committee has delegated to the Subcommittee its responsibilities in administrating performance awards under the Annual Incentive Plan in accordance with Section 162(m) of the Code. These delegated duties include, among other things, setting the performance period, setting the performance goals and certifying the achievement of the predetermined performance goals by each named executive officer.

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Tax and Accounting Treatment

Deductibility of Executive Compensation

Although Section 162(m) of the Code places a limit of $1,000,000 on the amount of compensation a publicly held corporation may deduct for federal income tax purposes in any one year with respect to certain senior executives, in 2008, Holdings was not a publicly held corporation within the meaning of applicable provisions of Section 162(m) of the Code and Treasury regulations. This is because, on December 31, 2008, Holdings was not subject to the reporting obligations of Section 12 of the Exchange Act. In the event that Holdings subsequently becomes a publicly held corporation within the meaning of Section 162(m), the Committee will consider the anticipated tax treatment to Holdings and to senior executives covered by these rules of various payments and benefits. In that event, the Committee will consider various alternatives to preserving the deductibility of compensation and benefits to the extent reasonably practicable and consistent with its other compensation objectives.

Accounting for Stock-Based Compensation

Holdings accounts for stock-based payments including awards under the 2008 Incentive Plan in accordance with the requirements of Statement (123)R.

Corporate Services Agreement

In connection with CCOH s initial public offering, CCOH entered into a corporate services agreement with Clear Channel Management Services, L.P., now known as Clear Channel Management Services, Inc. (the Corporate Services Agreement). Under the terms of the agreement, Clear Channel Management Services, Inc. provides, among other things, executive officer services to CCOH. These executive officer services are charged to CCOH based on CCOH s 2007 OIBDAN as a percentage of Clear Channel s total 2007 OIBDAN. Holdings and CCOH considered these allocations to be a reflection of the utilization of services provided. For 2008, CCOH reimbursed Holdings $313,250 and $306,250 of Mr. Mark P. Mays and Mr. Randall T. Mays base salary , respectively, and $1,575,000 and $1,575,000 of Mr. Mark P. Mays and Mr. Randall T. Mays bonus , respectively, pursuant to the terms of the corporate services agreement. For further information on Messrs. Mark P. Mays and Randall T. Mays base salary and bonus, please refer to 2008 Summary Compensation Table .

2009 Compensation Decisions

On January 20, 2009, Holdings, Clear Channel and each of Messrs. Mark P. Mays and Randall T. Mays entered into an amendment to their respective employment agreements. The amendment to each employment agreement included the following changes:

- A decrease in base salary for 2009 to $500,000, and thereafter a minimum base salary of $1,000,000.

- A change in the calculation of the annual incentive bonus. Beginning in 2009, each of Messrs. Mark P. Mays and Randall T. Mays will be entitled to receive an annual incentive bonus of between $0 and $4,000,000 based on the percentage of target EBITDA that is achieved for the applicable year; under this calculation, achievement of 100% of target EBITDA would entitle Mr. Randall T. Mays or Mr. Mark P. Mays, as applicable, to a bonus of $2,000,000. Target EBITDA is determined by the Subcommittee in consultation with the management of Holdings.

- A change in the amount of base salary to no less than $1,000,000 for purposes of determining the amount of severance payable to either Messrs. Mark P. Mays or Randall T. Mays, if he is terminated by Holdings without Cause or if he resigns for Good Reason (each, as defined below).

Please refer to Employment Agreements with the Named Executive Officers for a more detailed description of these amended employment agreements.

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Summary Compensation

The Summary Compensation table shows certain compensation information for the years ended December 31, 2008, 2007 and 2006 for the named executive officers of Clear Channel and Holdings. The principal position listed is the individual s principal position at Holdings. All data presented below for the period from January 1, 2006 through July 30, 2008 represents compensation paid by Clear Channel.

2008 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards (1) ($)	Option Awards (1) ($)	Non Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Mark P. Mays	2008	581,750(3)		6,201,266	3,351,251	2,925,000(3)		260,695(4)	13,319,962
	2007	581,750(3)		2,178,583	1,340,407	4,306,250(3)		298,770(4)	8,705,760
Chief Executive Officer (2) (PEO)	2006	581,750(3)		1,589,869	2,551,243	4,306,250(3)		282,884(4)	9,311,996
Randall T. Mays	2008	568,750(5)		6,201,266	3,351,251	2,925,000(5)		340,811(4)	13,387,078
	2007	568,750(5)		2,178,583	1,340,407	4,306,250(5)		412,920(4)	8,806,910
President and Chief Financial Officer (2) (PFO)	2006	564,417(5)		1,589,869	2,551,243	4,306,250(5)		270,603(4)	9,282,382
L. Lowry Mays	2008	695,000		1,238,957	166,672	452,500		187,550(4)	2,740,679
	2007	695,000		933,147				241,028(4)	1,869,175
Chairman Emeritus	2006	695,000		752,812		3,312,500		149,728(4)	4,910,040
John E. Hogan	2008	772,917		1,261,415	342,328	232,000		65,502(6)	2,674,162
	2007	750,000		751,042	434,641	157,500		73,125(6)	2,166,308
President and Chief Executive Officer of the Radio Division	2006	622,917		584,425	781,596	987,552		62,795(6)	3,039,285
Andrew W. Levin	2008	395,833	223,000(7)	412,139	82,124	50,000		11,737(8)	1,174,833
	2007	347,917		224,044	80,303	157,500		25,449(8)	835,212
Executive Vice President, Chief Legal Officer and Secretary	2006	322,917		162,951	104,724	259,500		21,199(8)	871,291
Scott M. Sperling	2008								
	2007								
President (9)	2006								
Steven Barnes	2008								
	2007								
Co-President (9)	2006								

(1) Amounts reflect 2008, 2007 and 2006 compensation expense associated with the restricted stock awards and stock options calculated in accordance with Statement (123)R. However, in accordance with SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions, which would otherwise be taken into account under Statement (123)R. Amounts for 2008 also reflect the compensation expense associated with the accelerated vesting and settlement of unvested restricted stock awards and unvested

stock options that occurred in conjunction with the closing of the merger on July 30, 2008. There were no forfeitures of stock or option awards held by the named executive officers during 2008, 2007, or 2006, other than the cancellation and termination upon the closing of the merger of unvested stock options with an exercise price above the merger price per share of $36.00. See the footnotes to the audited financial statements included in this prospectus for a discussion of the assumptions made in calculating these amounts. The amounts reflect the accounting expense for such awards and may not correspond to the actual value recognized by the named executive officers. Dividends are paid on shares of restricted stock at the same rate as paid on common stock.

(2) Mr. Mark P. Mays relinquished his duties as President to Mr. Randall T. Mays in February 2006.

(3) Mr. Mark P. Mays Salary earned during each of the years ended December 31, 2008, 2007 and 2006 was $895,000, of which $313,250 was reimbursed by CCOH pursuant to the Corporate Services Agreement. Mr. Mark P. Mays Non-Equity Incentive Plan Compensation earned during each of the years ended December 31, 2008, 2007 and 2006 was $4,500,000, $6,625,000

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and $6,625,000, respectively, of which $1,575,000, $2,318,750 and $2,318,750 was reimbursed by CCOH pursuant to the Corporate Services Agreement. For a further discussion of the Corporate Services Agreement, please refer to Corporate Services Agreement .

(4) As a result of Clear Channel s high public profile and due in part to threats against Clear Channel, its operations and management, Clear Channel engaged an outside security consultant to assess security risks to Clear Channel s physical plant and operations, as well as its employees, including executive management. Based upon the findings and recommendation of this security consultant, Clear Channel implemented, and management and Holdings Board of Directors intends to continue the implementation of, numerous security measures for Clear Channel s operations and employees, including a general security program covering selected senior executives.

For security purposes and at the direction of the Board of Directors of Holdings, Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays utilize a company-owned airplane for all business and personal air travel. Included in All Other Compensation of 2008 is $152,240, $238,604 and $105,204 of personal use of such airplane by Mr. Mark P. Mays, Mr. Randall T. Mays and Mr. L. Lowry Mays, respectively. Included in All Other Compensation of 2007 is $55,012, $172,934 and $92,980 of personal use of such airplane by Mr. Mark P. Mays, Mr. Randall T. Mays and Mr. L. Lowry Mays, respectively. Included in All Other Compensation of 2006 is $79,615, $71,035 and $34,410 of personal use of such airplane by Mr. Mark P. Mays, Mr. Randall T. Mays and Mr. L. Lowry Mays, respectively.

Also included in Mr. Mark P. Mays All Other Compensation for the years ended December 31, 2008, 2007 and 2006 is $63,750, $215,250 and $175,500, respectively, in dividends paid on his unvested restricted stock awards and $5,750, $5,625 and $5,500, respectively, in company matching contribution to an employer-sponsored 401(k) plan. The remainder of Mr. Mark P. Mays All Other Compensation consists of personal club memberships provided by Clear Channel during the pre-merger period of January 1, 2006 through July 30, 2008 and by Holdings during the post-merger period of July 31, 2008 through December 31, 2008, and wages paid by Clear Channel during the pre-merger period of January 1, 2006 through July 30, 2008 and by Holdings during the post-merger period of July 31, 2008 through December 31, 2008 for personnel who provide personal accounting and tax services to Mr. Mark P. Mays.

Also included in Mr. Randall T. Mays All Other Compensation for the years ended December 31, 2008, 2007 and 2006 is $63,750, $215,250 and $175,500, respectively, in dividends paid on his unvested restricted stock awards and $5,750, $5,625 and $5,500, respectively, in company matching contribution to an employer-sponsored 401(k) plan. The remainder of Mr. Randall T. Mays All Other Compensation consists of personal club memberships provided by Clear Channel during the pre-merger period of January 1, 2006 through July 30, 2008 and by Holdings during the post-merger period of July 31, 2008 through December 31, 2008, and wages paid by Clear Channel during the pre-merger period of January 1, 2006 through July 30, 2008 and by Holdings during the post-merger period of July 31, 2008 through December 31, 2008 for personnel who provide personal accounting and tax services to Mr. Randall T. Mays.

Also included in Mr. L. Lowry Mays All Other Compensation for the years ended December 2008, 2007 and 2006 is $25,687, $82,875 and $63,000, respectively, in dividends paid on his unvested restricted stock awards, and $5,750, $5,625 and $5,500, respectively, in company matching contribution to an employer-sponsored 401(k) plan. The remainder of Mr. L. Lowry Mays All Other Compensation consists of personal club memberships provided by Clear Channel during the pre-merger period of January 1, 2006 through July 30, 2008 and by Holdings during the post-merger period of July 31, 2008 through December 31, 2008, wages paid by Clear Channel during the pre-merger period of January 1, 2006 through July 30, 2008 and by Holdings during the post-merger period of July 31, 2008 through December 31, 2008 for personnel who provide personal accounting and tax services, and wages paid by Clear Channel during the pre-merger period of January 1, 2006 through July 30, 2008 and by Holdings during the post-merger period of July 31, 2008 through December 31, 2008 for security personnel who provide personal security services to Mr. L. Lowry Mays.

The value of personal airplane usage reported above is based on Holdings direct operating costs. This methodology calculates the aggregate incremental cost based on the average weighted variable cost per hour of flight for fuel and oil expenses, mileage, trip-related maintenance, crew travel expenses, landing fees and other miscellaneous variable costs. Since the airplane is used primarily for business travel, this methodology excludes fixed costs that do not change based on usage, such as pilot salaries, the cost of the plane, depreciation and administrative expenses. On certain occasions, an executive s spouse or other family members may accompany the executive on a flight when such persons are invited to attend an event for appropriate business purposes. No additional direct operating cost is incurred in such situations under the foregoing methodology. The value of all other perquisites included in All Other Compensation is based upon Holdings actual costs.

(5) Mr. Randall T. Mays Salary earned during the years ended December 31, 2008, 2007 and 2006 was $875,000, $875,000 and $868,333, respectively, of which $306,250, $306,250 and $303,917 were reimbursed by CCOH pursuant to the Corporate Services Agreement.
Mr. Randall T. Mays Non-Equity Incentive Plan Compensation earned during each of the years ended December 31, 2008, 2007 and 2006 was $4,500,000, $6,625,000 and $6,625,000, respectively, of which $1,575,000, $2,318,750 and $2,318,750 was reimbursed by CCOH

pursuant to the Corporate Services Agreement. For a further discussion of the Corporate Services Agreement, please refer to Corporate Services Agreement .

(6) Amount reflects $19,688, $67,500 and $56,250 in dividends paid on unvested restricted stock awards during the years ended December 31, 2008, 2007 and 2006, respectively, and $5,750, $5,625 and $5,500 in company matching

contributions to an employer-sponsored 401(k) plan paid during the years ended December 31, 2008, 2007 and 2006, respectively. The remainder of Mr. John E. Hogan s All Other Compensation for the year ended December 31, 2008 consists of personal use of the company-owned airplane by Mr. John E. Hogan. The remainder of Mr. John E. Hogan s All Other Compensation for the year ended December 31, 2006 consists of reimbursement for holiday gifts to employees.

(7) Mr. Andrew W. Levin was awarded a bonus of $223,000 upon the closing of the merger on July 30, 2008.

(8) Amount reflects $5,987, $19,824 and $15,699 in dividends paid on unvested restricted stock awards during the years ended December 31, 2008, 2007 and 2006, respectively, and $5,750, $5,625 and $5,500 in company matching contributions to an employer-sponsored 401(k) plan paid during the years ended December 31, 2008, 2007 and 2006, respectively.

(9) Mr. Sperling was the President of Holdings from its incorporation on May 11, 2007 until July 30, 2008. Mr. Barnes was the Co-President of Holdings from March 26, 2008 until July 30, 2008. Mr. Sperling and Mr. Barnes received no compensation for their services.

Employment Agreements with the Named Executive Officers

The descriptions of the employment agreements set forth herein do not purport to be complete and are qualified in their entirety by the employment agreements. Each of the employment agreements discussed below provides for severance and change-in-control payments as more fully described under the heading Potential Post-Employment Payments in this prospectus, which descriptions are incorporated herein by reference.

Certain elements of the compensation of the named executive officers are determined based on their respective employment agreements. In connection with the Transactions and effective as of the consummation of the merger, Holdings and Merger Sub entered into employment agreements with each of Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays (collectively, the Mays executives), each such employment agreement amending and restating in its entirety each of the Mays executives respective existing employment agreement with Clear Channel. Furthermore, Mark P. Mays and Randall T. Mays entered into amendments to their respective employment agreements on January 20, 2009 (such amended and restated employment agreements, as further amended, the amended Mays employment agreements, and together with the amended and restated employment agreement of L. Lowry Mays, the Mays employment agreements).

Under the Mays employment agreements, each of the Mays executives receives compensation consisting of a base salary, incentive awards and other benefits and perquisites. Each of the Mays executives is required to assign certain intellectual property rights to Clear Channel and to refrain from competing against Clear Channel and from soliciting its customers, employees and independent contractors during employment and for a period of two years following termination of employment. Each of the Mays executives is further required to protect the secrecy of Clear Channel s confidential information for the duration of his employment and after his employment terminates, regardless of the reason for such termination.

Clear Channel will indemnify each of Messrs. L. Lowry Mays, Mark P. Mays and Randall T. Mays from any losses incurred by them because they were made a party to a proceeding as a result of their being an officer of Clear Channel. Furthermore, any expenses incurred by them in connection with any such action shall be paid by Clear Channel in advance upon request that Clear Channel pay such expenses, but only in the event that they have delivered in writing to Clear Channel (i) an undertaking to reimburse Clear Channel for such expenses with respect to which they are not entitled to indemnification, and (ii) an affirmation of their good faith belief that the standard of conduct necessary for indemnification by Clear Channel has been met.

Mark P. Mays

Upon the consummation of the Transactions, Mark P. Mays was employed by Holdings and Clear Channel as the Chief Executive Officer of each entity. Mr. Mark P. Mays employment agreement provides for a term of five years and will be automatically extended for consecutive one-year periods unless 12 months prior notice of non-renewal is provided by the terminating party. Upon the consummation of the Transactions, the parties agreed that Mr. Mark P. Mays would receive an annual base salary of not less than $895,000. Pursuant to the amendment to his employment agreement, Mr. Mark P. Mays will receive a base salary of $500,000 in 2009, and

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an annual base salary thereafter of not less than $1,000,000. Mr. Mark P. Mays will also receive benefits and perquisites consistent with his previous arrangement with Clear Channel (including gross-up payments for excise taxes that may be payable by Mr. Mark P. Mays in connection with any payments made in connection with the merger). Pursuant to his original employment agreement with Holdings, Mr. Mark P. Mays was eligible to receive an annual bonus in an amount to be determined by the Board of Directors of Holdings, in its sole discretion, provided, however, that if in any year Clear Channel achieved at least 80% of the budgeted OIBDAN for the given year, Mr. Mark P. Mays annual bonus for that year would be no less than $6,625,000. Pursuant to the amendment to his employment agreement, beginning in 2009, Mr. Mark P. Mays is entitled to receive an annual bonus of between $0 and $4,000,000 based on the percentage of target EBITDA that is achieved for the applicable year; under this calculation, achievement of 100% of target EBITDA would entitle Mr. Mark P. Mays to a bonus of $2,000,000. Target EBITDA is determined by the Subcommittee, in consultation with the management team, and EBITDA, for this limited purpose, is calculated in the manner discussed below. Mr. Mark P. Mays is bound by customary restrictive covenants not to compete and not to solicit employees during the term of his employment agreement and for two years following termination. Additionally, pursuant to his original employment agreement with Holdings, upon the consummation of the Transactions, Mr. Mark P. Mays received an equity incentive award of options to purchase shares of Holdings stock equal to 2.5% of the fully diluted equity of Holdings (subject to vesting requirements) and was issued restricted shares of Holdings Class A common stock with a value equal to $20 million (subject to vesting requirements).

Randall T. Mays

Upon the consummation of the Transactions, Randall T. Mays was employed by Holdings and Clear Channel as the President of each entity. Mr. Randall T. Mays employment agreement provides for a term of five years and will be automatically extended for consecutive one-year periods unless 12 months prior notice of non-renewal is provided by the terminating party. Upon the consummation of the Transactions, the parties agreed that Mr. Randall T. Mays would receive an annual base salary of not less than $875,000. Pursuant to the amendment to his employment agreement, Mr. Randall T. Mays will receive a base salary of $500,000 in 2009, and an annual base salary thereafter of not less than $1,000,000. Mr. Randall T. Mays will also receive benefits and perquisites consistent with his previous arrangement with Clear Channel (including gross-up payments for excise taxes that may be payable by Mr. Randall T. Mays). Pursuant to his original employment agreement with Holdings, Mr. Randall T. Mays was eligible to receive an annual bonus in an amount to be determined by the Board of Directors of Holdings, in its sole discretion, provided, however, that if in any year Clear Channel achieved at least 80% of the budgeted OIBDAN for the given year, Mr. Randall T. Mays annual bonus for that year would be no less than $6,625,000. Pursuant to the amendment to his employment agreement, beginning in 2009, Mr. Randall T. Mays is entitled to receive an annual bonus of between $0 and $4,000,000 based on the percentage of target EBITDA that is achieved for the applicable year; under this calculation, achievement of 100% of target EBITDA would entitle Mr. Randall T. Mays to a bonus of $2,000,000. Target EBITDA is determined by the Subcommittee, in consultation with the management team, and EBITDA, for this limited purpose, is calculated in the manner discussed below. Mr. Randall T. Mays is bound by customary restrictive covenants not to compete and not to solicit employees during the term of his employment agreement and for two years following termination. Additionally, pursuant to his original employment agreement with Holdings, upon the consummation of the Transactions, Mr. Randall T. Mays received an equity incentive award of options to purchase shares of Holdings stock equal to 2.5% of the fully diluted equity of Holdings (subject to vesting requirements) and was issued restricted shares of Holdings Class A common stock with a value equal to $20 million (subject to vesting requirements).

L. Lowry Mays

Upon the consummation of the Transactions, L. Lowry Mays was employed by Holdings and Clear Channel as the Chairman Emeritus of each entity. Mr. L. Lowry Mays employment agreement provides for a term of five years and will be automatically extended for consecutive one-year periods unless terminated by either party. Mr. L. Lowry Mays will receive an annual salary of $250,000 and benefits and perquisites consistent with his

previous arrangement with Clear Channel. Also, Mr. L. Lowry Mays is entitled to use of company-owned aircraft for personal travel, in accordance with Clear Channel s policy as in effect on November 16, 2006, for 10 years from the date of the closing of the merger, regardless of whether he remains employed by Holdings. Mr. L. Lowry Mays also will be eligible to receive an annual bonus in an amount to be determined by the Board of Directors of Holdings, in its sole discretion, provided, however, that if in any year Clear Channel achieves at least 80% of the budgeted OIBDAN for the given year, Mr. L. Lowry Mays annual bonus for that year will be no less than $1,000,000. Mr. L. Lowry Mays is bound by customary covenants not to compete and not to solicit employees during the term of his employment agreement.

The following is a calculation of OIBDAN based upon Holdings results of operations for the year ended December 31, 2008.

	Operating Income (Loss)	Non-Cash Compensation Expense	Depreciation and Amortization	Other Operating Income Net	OIBDAN
Radio Division	$ 979,121	$ 37,785	$ 152,822	$	$ 1,169,728
Outdoor Advertising	328,431	10,632	472,350		811,413
Other	(31,419)	1,276	53,688		23,545
Other Operating Income Net	28,032			(28,032)	
Impairment Charge	(5,268,858)			5,268,858	
Corporate and Merger Costs	(401,684)	28,941	17,970	155,769	(199,004)
Consolidated	$ (4,366,377)	$ 78,634	$ 696,830	$ 5,396,595	$ 1,805,682

Clear Channel defines EBITDA, for the limited purposes of the amended Mays employment agreements, to mean the calculation of Consolidated EBITDA, as calculated in the manner provided in the senior secured credit facilities documentation; provided that, unless otherwise approved by the Committee and the Board of Directors of Holdings, achieved EBITDA for the applicable year will (i) exclude EBITDA generated from joint venture entities formed after the date of the amended Mays employment agreements, to the extent not included in the calculation of target EBITDA and (ii) include EBITDA that is excluded from Consolidated EBITDA by reason of being generated from discontinued operations. Achieved EBITDA will also take into account any acquisitions or divestitures made during the applicable year, as reasonably determined by the Committee and the Board of Directors of Holdings.

John E. Hogan

Effective June 29, 2008, subject to the consummation of the merger, John E. Hogan entered into an employment agreement with Clear Channel Broadcasting, Inc. (CCB), a wholly-owned subsidiary of Clear Channel, such employment agreement amending and restating in its entirety Mr. John E. Hogan s existing employment agreement with CCB. Pursuant to his employment agreement, Mr. John E. Hogan will serve as President and Chief Executive Officer of Clear Channel s radio division for an initial five year term, which is automatically extended from year to year thereafter unless either party gives prior notice.

Under his employment agreement, Mr. John E. Hogan will receive compensation consisting of a base salary, incentive awards and other benefits and perquisites. Mr. John E. Hogan s current annual base salary is $775,000 and he will be eligible for additional annual raises commensurate with company policy. No later than March 15 of each calendar year, Mr. John E. Hogan is eligible to receive a performance bonus. Mr. John E. Hogan is also 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 may participate.

Under the employment agreement, Mr. John E. Hogan is required to protect the secrecy of CCB s confidential information and to assign certain intellectual property rights to CCB. Mr. John E. Hogan is prohibited by the agreement from activities that compete with CCB or its affiliates for one year after he leaves CCB, and he is prohibited from soliciting CCB s employees for employment for 12 months after termination

regardless of the reason for termination of employment. However, after Mr. John E. Hogan s employment with CCB has terminated, upon receiving written permission from the Board of Directors of CCB, Mr. John E. Hogan is permitted to engage in competing activities that would otherwise be prohibited by his employment agreement if such activities are determined in the sole discretion of the Board of Directors of CCB in good faith to be immaterial to the operations of CCB, or any subsidiary or affiliate thereof, in the location in question. Mr. John E. Hogan is also prohibited from using CCB s confidential information at any time following the termination of his employment in competing, directly or indirectly, with CCB.

Mr. John E. Hogan is entitled to reimbursement of reasonable attorneys fees and expenses and full indemnification from any losses related to any proceeding to which he may be made a party by reason of his being or having been an officer of CCB or any of its subsidiaries (other than any dispute, claim, or controversy arising under or relating to his employment agreement).

Andrew W. Levin

As discussed in Introduction , Mr. Andrew W. Levin does not have an employment agreement. Mr. Andrew W. Levin is entitled to participate in the severance plan applicable to employees generally. Under that plan, upon Mr. Andrew W. Levin s termination without cause or resignation for good reason within one year of the merger, he would be entitled to receive severance of 18 months of base pay plus 18 months of his 2006 annual bonus, payable monthly.

Grants of Plan-Based Awards

2008 Incentive Plan

Holdings grants equity incentive awards to named executive officers and other eligible participants under the 2008 Incentive Plan adopted in connection with, and prior to, the consummation of the Transactions. The 2008 Incentive Plan is intended to advance the interests of Holdings and its affiliates by providing for the grant of stock-based and other incentive awards to the key employees and directors of, and consultants and advisors to, Holdings or its affiliates who are in a position to make a significant contribution to the success of Holdings and its affiliates.

The 2008 Incentive Plan allows for the issuance of restricted stock, restricted stock units, incentive and nonstatutory stock options, cash awards and stock appreciation rights to eligible participants, who include the key employees of Holdings and its subsidiaries in the case of incentive stock options, and the key employees and directors of, and consultants and advisors to, Holdings or any of its affiliates in the case of other awards. An aggregate of 10,187,406 shares of Class A common stock are available for grant under the 2008 Incentive Plan. Shares withheld to pay the exercise price of an award or to satisfy tax withholding requirements with respect to an award, restricted stock that is forfeited and shares subject to an award that is exercised or satisfied, or that terminates or expires, without the delivery of the shares do not reduce the number of shares available for issuance under the 2008 Incentive Plan. To the extent necessary to prevent the enlargement or dilution of the benefits intended to be made available under the 2008 Incentive Plan, equitable and proportionate adjustments will be made to the number of shares available for issuance under the 2008 Incentive Plan in the event of a stock dividend or similar distribution, recapitalization, stock split, and similar transactions and events. The maximum number of shares of Class A common stock for which stock options and stock appreciation rights may be granted to any person in any calendar year is 2,700,000. The maximum number of shares of Class A common stock subject to other awards granted to any person in any calendar year is 700,000. The maximum amount payable to any one person under a cash award in any calendar year is $20,000,000.

At the closing of the Transactions, a significant majority of the options and other equity securities permitted to be issued under the 2008 Incentive Plan were granted. As part of this grant, Messrs. Mark P. Mays and Randall T. Mays each received grants of options equal to 2.5% of the fully diluted equity of Holdings and received grants

of restricted stock equal to $20 million (based on the per share price paid by the Sponsors for shares of Holdings in connection with the merger), and other officers and employees of Clear Channel received grants of options equal to 3.9% of the fully diluted equity of Holdings. After this initial grant, 1.7% of the fully diluted equity subject to the 2008 Incentive Plan remains available for future grants to employees. Of the options granted to Messrs. Mark P. Mays and Randall T. Mays under the 2008 Incentive Plan at the closing of the Transactions, 50% will vest solely based upon continued employment (with 25% vesting on May 13, 2011, 25% vesting on May 13, 2012 and 50% vesting on May 13, 2013) and the remaining 50% will vest based both upon continued employment and upon the achievement of the predetermined performance targets further discussed in Compensation Discussion and Analysis . The shares of restricted stock granted to Messrs. Mark P. Mays and Randall T. Mays vest 20% a year over five years. Of the option grants to other employees of Clear Channel, including officers of Clear Channel, 33.34% will vest solely upon continued employment (with 20% vesting annually over five years) and the remaining 66.66% will vest both upon continued employment and the achievement of predetermined performance targets. All options granted at closing have an exercise price equal to the fair market value at the date of grant, which was the same price per share paid by the Sponsors for shares of Holdings in connection with the Transactions.

The 2008 Incentive Plan is administered by the Subcommittee. The Subcommittee determines which eligible persons receive an award and the types of awards to be granted as well as the amounts, terms and conditions of each award, including, if relevant, the exercise price, the form of payment of the exercise price, the number of shares, cash or other consideration subject to the award and the vesting schedule. These terms and conditions will be set forth in the award agreement furnished to each participant at the time an award is granted to him or her under the 2008 Incentive Plan. The Subcommittee will also make all other determinations and interpretations necessary to carry out the purposes of the 2008 Incentive Plan.

In general, awards under the 2008 Incentive Plan will, unless expressly provided otherwise by the Subcommittee or in the terms of a participant s award agreement, automatically and immediately terminate upon a participant s termination of employment. However, if a participant holds vested and exercisable awards (including options) at the time of his or her termination, those awards will remain exercisable for up to 90 days after the participant s date of termination. In addition, if the participant s termination is due to his or her death or disability, vested and exercisable awards (including options) will remain exercisable for up to a one-year period ending with the first anniversary of the participant s death or disability.

Certain key participants who receive equity awards under the 2008 Incentive Plan are subject to additional restrictions on their ability to transfer the shares they receive pursuant to awards granted under the 2008 Incentive Plan. In addition, all participants in the 2008 Incentive Plan are required to enter into a lock up or similar agreement with respect to the shares they receive pursuant to awards granted under the 2008 Incentive Plan in connection with a public offering of Holdings shares on terms and conditions requested by Holdings or its underwriters.

Annual Incentive Plan

As discussed above, the named executive officers also are eligible to receive awards under the Annual Incentive Plan. See Elements of Compensation Annual Incentive Bonus for a more detailed description of the Annual Incentive Plan and the grant of awards to the named executive officers thereunder.

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The following table sets forth certain information concerning plan-based awards granted to the named executive officers during the year ended December 31, 2008.

2008 GRANTS OF PLAN-BASED AWARDS

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	**Grant Date**	**Thres-hold ($)**	**Target ($)**	**Maximum ($)**	**Thres-hold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Under-lying Options (#)**	**Exercise or Base Price of Option Awards ($/Sh)**	**Grant Date Fair Value of Stock and Option Awards ($) (8)**
Mark P. Mays (PEO)											
Annual Incentive Bonus	2/11/08(1)		6,625,000								
Stock Option Award	7/30/08(2)					1,041,666			1,041,667	36.00	22,458,341
Restricted Stock Award	7/30/08(3)							555,556			20,000,016
Randall T. Mays (PFO)											
Annual Incentive Bonus	2/11/08(1)		6,625,000								
Stock Option Award	7/30/08(2)					1,041,666			1,041,667	36.00	22,458,341
Restricted Stock Award	7/30/08(3)							555,556			20,000,016
L. Lowry Mays											
Annual Incentive Bonus	2/11/08(4)		1,000,000								
John E. Hogan											
Annual Incentive Bonus	2/11/08(5)	100,000	1,000,000	2,500,000							
Stock Option Award	7/30/08(6)					108,286			54,159	36.00	1,122,716
Andrew W. Levin											
Annual Incentive Bonus	2/11/08(7)	20,000	200,000	500,000							
Stock Option Award	7/30/08(8)					41,319			20,666	36.00	428,406

(1) On February 11, 2008, Messrs. Mark P. Mays and Randall T. Mays were each granted a cash incentive award based upon achieving a targeted amount of Core Assets OIBDAN on a company-wide basis, pursuant to which they could each earn an award of $6,625,000. For further discussion of their 2008 cash incentive award, see Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus . These awards were granted under the Clear Channel 2005 Annual Incentive Plan, which was replaced with the Annual Incentive Plan following consummation of the Transactions.

(2) On July 30, 2008, Messrs. Mark P. Mays and Randall T. Mays were each granted an aggregate of stock options representing 2,083,333 shares of common stock under the 2008 Incentive Plan. Of the stock options representing 2,083,333 shares of common stock, (i) stock options representing 1,041,667 shares of common stock are time-vesting and vest one-fourth on May 13, 2011, one-fourth on May 13, 2012, and one-half on May 13, 2013, and (ii) stock options representing 1,041,666 shares of common stock are time-vesting and performance-based vesting in that (a) stock options representing 520,833 shares of common stock fully vest upon the Sponsors receiving a 200% return on their investment in Holdings in the form of cash returns, and (b) additional stock options representing 520,833 shares of common stock fully vest upon the Sponsors receiving a 250% return on their investment in Holdings in the form of cash returns. All of these stock options have an exercise price of $36.00, which is the same price paid by the Sponsors for shares of Holdings in connection with the consummation of the Transactions, and expire on July 30, 2018. For further discussion of Messrs. Mark P. Mays and Randall T. Mays stock option awards, see Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation .

(3) On July 30, 2008, Messrs. Mark P. Mays and Randall T. Mays were each granted an aggregate of 555,556 shares of restricted stock under the 2008 Incentive Plan. These restricted stock awards vest 20% percent annually beginning on July 30, 2009.

(4) On February 11, 2008, Mr. L. Lowry Mays was granted a cash incentive bonus based upon achieving a targeted amount of Core Assets OIBDAN, on a company-wide basis, pursuant to which he could earn an award of $1,000,000. For further discussion of Mr. L. Lowry Mays 2008 cash incentive award, see Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus. This award was granted under the Clear Channel 2005 Annual Incentive Plan, which was replaced with the 2008 Incentive Plan following consummation of the Transactions.

(5) On February 11, 2008, Mr. John E. Hogan was granted a cash incentive award based upon achieving (i) various levels of year-over-year growth in OIBDAN of Clear Channel s radio division, (ii) implementing sales strategic initiatives, (iii) implementing a strategic audience development plan to increase and maintain overall radio audiences of Clear Channel s radio stations, (iv) implementing a plan to increase radio revenue, (v) developing and implementing a plan to fill key employment positions and (vi) developing and implementing programming strategic initiatives. For further discussion of Mr. John E. Hogan s 2008 cash incentive award, including the cash payout levels for each of the six, separate performance measures, see Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus . This award was granted under the Clear Channel 2005 Annual Incentive Plan, which was replaced with the Annual Incentive Plan following consummation of the Transactions.

(6) On July 30, 2008, Mr. John E. Hogan was granted stock options representing 162,445 shares of common stock under the 2008 Incentive Plan. Of the stock options representing 162,445 shares of common stock, (i) stock options representing 54,159 shares of common stock are time-vesting and vest in five equal installments annually beginning on May 13, 2009, and (ii) stock options representing 108,286 shares of common stock are time vesting and performance-based vesting in that (a) stock options representing 54,143 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 200% return on their investment in Holdings in the form of cash returns by such time and (b) additional stock options representing 54,143 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 250% return on their investment in Holdings in the form of cash returns by such time. All of these stock options have an exercise price of $36.00, which is the same price paid by the Sponsors for shares of Holdings in connection with the consummation of the Transactions, and expire on July 30, 2018. For further discussion of Mr. John E. Hogan s stock option awards, see Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation .

(7) On February 11, 2008, Mr. Andrew W. Levin was granted a cash incentive award based upon achieving (i) various levels of year-over-year growth in OIBDAN, on a company-wide basis, (ii) overseeing the successful close of the Transactions, (iii) developing and implementing Clear Channel s regulatory and legal strategies and (iv) developing and implementing strategies addressing legislative matters. For further discussion of Mr. Andrew W. Levin s 2008 cash incentive award, see Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus . This award was granted under the Clear Channel 2005 Annual Incentive Plan, which was replaced with the Annual Incentive Plan following consummation of the Transactions.

(8) On July 30, 2008, Mr. Andrew W. Levin was granted stock options representing 61,985 shares of common stock under the 2008 Incentive Plan. Of the stock options representing 61,985 shares of common stock, (i) stock options representing 20,666 shares of common stock are time-vesting and vest in five equal installments annually beginning on May 13, 2009 and (ii) stock options representing 41,319 shares of common stock are time vesting and performance-based vesting in that (a) stock options representing 20,660 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 200% return on their investment in Holdings in the form of cash returns by such time, and (b) additional stock options representing 20,659 shares of common stock become available to vest in five equal installments annually beginning on May 13, 2009 and will vest only if the Sponsors receive at least a 250% return on their investment in Holdings in the form of cash returns by such time. All of these stock options have an exercise price of $36.00, which is the same price paid by the Sponsors for shares of Holdings in connection with the consummation of the Transactions, and expire on July 30, 2018. For further discussion of Mr. Andrew W. Levin s stock option awards, see Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation .

(9) The amounts reflect the aggregate grant date fair value of stock option awards and restricted stock awards, as applicable, for 2008, computed in accordance with Statement (123)R, except no assumptions for forfeitures were included. A discussion of the assumptions used in calculating the grant date fair value is set forth in the footnotes to the financial statements included in this prospectus.

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Outstanding Equity Awards at Fiscal Year End

The following table sets forth certain information concerning outstanding equity awards of the named executive officers at December 31, 2008.

2008 OUTSTANDING EQUITY AWARDS

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Mark M. Mays (PEO)	2,851(1)			35.06	2/19/13				
	8,324(1)			9.80	2/19/13				
	3,298(2)			30.31	1/12/15				
	46,554(2)			9.80	1/12/15				
	5,601(2)			9.80	2/16/15				
		1,041,667(3)	1,041,666(4)	36.00	7/30/18				
						635,056(5)	1,435,227		
Randall T. Mays (PFO)	2,851(1)			35.06	2/19/13				
	8,324(1)			9.80	2/19/13				
	3,298(2)			30.31	1/12/15				
	46,554(2)			9.80	1/12/15				
	5,601(2)			9.80	2/16/15				
		1,041,667(3)	1,041,666(4)	36.00	7/30/18				
						635,056(5)	1,435,227		
L. Lowry Mays	8,426(6)			9.80	2/19/13				
	47,270(7)			9.80	1/12/15				
	5,601(8)			9.80	2/16/15				
	40,840(9)			9.80	12/22/15				
						39,750(10)	89,835		
John E. Hogan		54,148(11)	108,297(12)	36.00	7/30/18				
						22,500(10)	50,850		
Andrew W. Levin		20,661(11)	41,324(12)	36.00	7/30/18				
						8,250(10)	18,645		

(1) Option became exercisable on February 19, 2008.

(2) Option became exercisable on July 30, 2008.

(3) Options representing 260,416 shares of common stock will vest and become exercisable on May 13, 2011, options representing 260,417 shares of common stock will vest and become exercisable on May 13, 2012 and options representing 520,834 shares of common stock will vest and become exercisable on

May 13, 2013.

(4) Options will vest only if certain predetermined performance and market targets are met. See Elements of Compensation Annual Incentive Bonus for a detailed description of the performance and market targets.

(5) Restricted stock awards representing 79,500 shares of common stock will vest in three equal annual installments of 26,500 shares beginning on May 22, 2009 and restricted stock awards representing 555,556 shares of common stock will vest in four equal annual installments of 111,111 shares beginning on July 30, 2009, with the final installment of 111,112 vesting on July 30, 2013.

(6) Option became exercisable on February 19, 2003.

(7) Option became exercisable on January 12, 2005.

(8) Option became exercisable on February 16, 2005.

(9) Option became exercisable on December 22, 2005.

(8) One third of these options will vest and become exercisable 20% annually beginning on May 13, 2009 and the remaining options become available to vest 20% annually beginning on May 13, 2009 and will vest only if certain predetermined performance and market targets are met.

(10) Restricted stock awards will vest in three equal annual installments beginning on May 22, 2009.

(11) Options will vest and become exercisable 20% annually beginning on May 13, 2009.

(12) Options become available to vest 20% annually beginning on May 13, 2009 and will vest only if certain predetermined performance and market targets are met. See Elements of Compensation Annual Incentive Bonus for a detailed description of the performance and market targets.

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Option Exercises and Stock Vested

The following table sets forth certain information concerning option exercises by and stock vesting for the named executive officers during the year ended December 31, 2008.

2008 OPTION EXERCISES AND STOCK VESTED

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Mark P. Mays (PEO)			260,500	9,222,155
Randall T. Mays (PFO)			260,500	9,222,155
L. Lowry Mays			97,250	3,361,453
John E. Hogan	244,268	1,184,015	82,500	2,960,775
Andrew W. Levin	40,717	107,627	36,182	1,086,841

Pension Benefits

Neither Holdings nor Clear Channel have any pension plans.

Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans

Holdings offers a non-qualified deferred compensation plan for its highly compensated executives, under which the named executive officers are able to make an annual election to defer up to 50% of their annual salary and up to 80% of their bonus before taxes. Matching credits on amounts deferred may be made in Holdings sole discretion and Holdings retains ownership of all assets until distributed. Participants in the plan have the opportunity to allocate their deferrals and any Holdings matching credits among different investment options, the performance of which is used to determine the amounts to be paid to participants under the plan.

The following table sets forth certain information concerning the nonqualified deferred compensation plans for the named executive officers for the year ended December 31, 2008.

2008 NONQUALIFIED DEFERRED COMPENSATION

Name	**Executive Contributions in Last FY ($)**	**Registrant Contributions in Last FY ($)**	**Aggregate Earnings (Loss) in Last FY ($)**	**Aggregate Withdrawals/ Distributions ($)**	**Aggregate Balance at Last FYE ($)**
Mark P. Mays (PEO)					
Randall T. Mays (PFO)					
L. Lowry Mays					
John E. Hogan	32,292		(3,170)		29,122
Andrew W. Levin					

Potential Post-Employment Payments

Mark P. Mays and Randall T. Mays

The amended Mays employment agreements provide for the following severance and change-in-control payments in the event that Holdings terminates their employment without Cause or if the executive terminates for Good Reason .

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Under each executive agreement, Cause is defined as the executive s (i) willful and continued failure to perform his duties, following 10 days notice of the misconduct, (ii) willful misconduct that causes material and demonstrable injury, monetarily or otherwise, to Holdings, the Sponsors or any of their respective affiliates, (iii) conviction of, or plea of *nolo contendere* to, a felony or any misdemeanor involving moral turpitude that causes material and demonstrable injury, monetarily or otherwise, to Holdings, the Sponsors or any of their respective affiliates, (iv) committing any act of fraud, embezzlement, or other act of dishonesty against Holdings or its affiliates, that causes material and demonstrable injury, monetarily or otherwise, to Holdings, the Sponsors or any of their respective affiliates and (v) breach of any of the restrictive covenants in the employment agreement.

The term Good Reason includes, subject to certain exceptions, (i) a reduction in the executive s base pay or annual incentive compensation opportunity, (ii) substantial diminution of the executive s title, duties and responsibilities, (iii) failure to provide the executive with the use of a company provided aircraft for personal travel and (iv) transfer of the executive s primary workplace outside the city limits of San Antonio, Texas. Neither an isolated, insubstantial and inadvertent action taken in good faith and which is remedied by Holdings within 10 days after receipt of notice thereof given by executive will constitute, nor the consummation of the Transactions alone constituted, Good Reason .

If the executive is terminated by Holdings without Cause or the executive resigns for Good Reason, then the executive will receive (i) a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination, a prorated bonus (determined by reference to the bonus the executive would have earned had he remained employed for the full year in which the termination occurs) and accrued vacation pay through the date of termination, and (ii) provided the executive executes a release of claims, a lump-sum cash payment equal to three times the sum of the executive s base salary and bonus (using the bonus paid to executive for the year prior to the year in which termination occurs). For purposes of the amended Mays employment agreements, if the executive is terminated by Holdings without Cause or the executive resigns for Good Reason, base salary will be equal to no less than $1,000,000.

In addition, in the event that the executive s employment is terminated by Holdings without Cause or by the executive for Good Reason, and provided the executive executes a release of claims, Holdings must maintain in full force and effect, for the continued benefit of the executive, his spouse and his dependents for a period of three years following the date of termination, the medical, hospitalization, dental, and life insurance programs in which the executive, his spouse and his dependents were participating immediately prior to the date of termination, at the level in effect and upon substantially the same terms and conditions (including, without limitation, contributions required by executive for such benefits) as existed immediately prior to the date of termination. However, if the executive, his spouse, or his dependents cannot continue to participate in Holdings programs providing such benefits, Holdings must arrange to provide the executive, his spouse and his dependents with the economic equivalent of such benefits which they otherwise would have been entitled to receive under such plans and programs. The aggregate value of these continued benefits are capped at $50,000, even if the cap is reached prior to the end of the three-year period. Holdings is also obligated to pay the executive a tax gross-up payment to cover any taxes, interest, or penalties imposed by Section 4999 of the Code in connection with the merger.

Furthermore, pursuant to an agreement entered into by Holdings, CC IV, Clear Channel Capital V, L.P. (CC V) and Messrs. Mark P. Mays and Randall T. Mays, in the event that the executive s employment is terminated by Holdings without Cause or by the executive for Good Reason, the executive is entitled to require Holdings to purchase all or a portion of the restricted stock granted to the executive in connection with the closing of the merger at a price equal to $36.00 per share. For a description of the restricted stock received by the executives in connection with the closing of the merger, see Grants of Plan-Based Awards 2008 Incentive Plan .

If the executive s employment is terminated by Holdings for Cause or by the executive other than for Good Reason, (i) Holdings will pay the executive his base salary, bonus and his accrued vacation pay through the date

of termination, as soon as practicable following the date of termination, (ii) Holdings will reimburse the executive for reasonable expenses incurred, but not paid prior to such termination of employment, and (iii) the executive will be entitled to any other rights, compensation and/or benefits as may be due to the executive in accordance with the terms and provisions of any of Holdings agreements, plans, or programs.

During any period in which the executive fails to perform his duties under his employment agreement as a result of incapacity due to physical or mental illness, the executive will continue to receive his full base salary until his employment is terminated. If, as a result of the executive s incapacity due to physical or mental illness, the executive has been substantially unable to perform his duties under his employment agreement for an entire period of six consecutive months, and within 30 days after written notice of termination is given after such six-month period, the executive has not returned to the substantial performance of his duties on a full-time basis, Holdings will have the right to terminate his employment for disability. In the event the executive s employment is terminated for disability, Holdings will pay to the executive his base salary, bonus and accrued vacation pay through the date of termination. If the executive s employment is terminated by his death, Holdings will pay in a lump sum to the executive s beneficiary, legal representatives, or estate, as the case may be, the executive s base salary, bonus and accrued vacation pay through the date of his death.

L. Lowry Mays

The new employment agreement for L. Lowry Mays, which was effective upon consummation of the Transactions, provides for the following severance and change-in-control payments in the event that Holdings terminates his employment without Extraordinary Cause.

Under Mr. L. Lowry Mays agreement, Holdings may terminate Mr. L. Lowry Mays employment only for Extraordinary Cause during the initial five-year term of his agreement. Subsequent to the initial five year term, Holdings may terminate his employment with or without Extraordinary Cause. Extraordinary Cause is defined as the executive s (i) willful misconduct that causes material and demonstrable injury to Holdings and (ii) conviction of a felony or other crime involving moral turpitude.

If Mr. L. Lowry Mays is terminated by Holdings without Extraordinary Cause then he will receive (i) a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination, a prorated bonus (determined by reference to the bonus the executive would have earned had he remained employed for the full year in which the termination occurs) and accrued vacation pay through the date of termination, and (ii) provided he executes a release of claims, a lump-sum cash payment equal to the base salary and bonus to which the executive would otherwise have been entitled to had he remained employed for the remainder of the then current term.

In addition, if Mr. L. Lowry Mays is terminated by Holdings without Extraordinary Cause, and provided he executes a release of claims, Holdings must maintain in full force and effect, for the continued benefit of the executive, his spouse and his dependents for a period of five years following the date of termination, the medical and hospitalization insurance programs in which Mr. L. Lowry Mays, his spouse and his dependents were participating immediately prior to the date of termination, at the level in effect and upon substantially the same terms and conditions (including, without limitation, contributions required by him for such benefits) as existed immediately prior to the date of termination. However, if Mr. L. Lowry Mays, his spouse, or his dependents cannot continue to participate in Holdings programs providing such benefits, Holdings must arrange to provide him, his spouse and his dependents with the economic equivalent of such benefits which they otherwise would have been entitled to receive under such plans and programs. Holdings also must make an additional cash payment to Mr. L. Lowry Mays in an amount equal to the federal, state and local taxes due in connection with these continued benefits (a gross-up payment). The aggregate value of these continued benefits and gross-up payments are capped at $3,000,000, even if the cap is reached prior to the end of the five-year period.

If Mr. L. Lowry Mays employment is terminated by Holdings for Extraordinary Cause, by him for any reason, or due to death or disability (i) Holdings will pay him his base salary, bonus and his accrued vacation pay

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through the date of termination, as soon as practicable following the date of termination and (ii) Holdings will reimburse him for reasonable expenses incurred, but not paid prior to such termination of employment.

At any time following the initial five-year term of his agreement, during any period in which Mr. L. Lowry Mays fails to perform his duties under his employment agreement as a result of incapacity due to physical or mental illness, he will continue to receive his full base salary until his employment is terminated. If, as a result of his incapacity due to physical or mental illness, Mr. L. Lowry Mays has been substantially unable to perform his duties under the employment agreement for an entire period of six consecutive months, and within 30 days after written notice of termination is given after such six-month period, he has not returned to the substantial performance of his duties on a full-time basis, Holdings will have the right to terminate his employment for disability. In the event Mr. L. Lowry Mays employment is terminated for disability, Holdings will pay to him his base salary, bonus and accrued vacation pay through the date of termination. If Mr. L. Lowry Mays employment is terminated by his death, Holdings will pay in a lump sum to his beneficiary, legal representatives, or estate, as the case may be, his base salary, bonus and accrued vacation pay through the date of his death.

John E. Hogan

If Mr. John E. Hogan s employment is terminated by CCB for Cause, CCB will, within 45 days, pay in a lump sum to Mr. John E. Hogan 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). A termination for Cause must be for one or more of the following reasons: (i) conduct by Mr. John E. Hogan constituting a material act of willful misconduct in connection with the performance of his duties, including violation of CCB s policy on sexual harassment, misappropriation of funds or property of CCB, or other willful misconduct as determined in the sole reasonable discretion of CCB, (ii) continued, willful and deliberate non-performance by Mr. John E. Hogan of his duties under his employment agreement (other than by reason of Mr. John E. Hogan 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) Mr. John E. Hogan 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 Mr. John E. Hogan, a plea of nolo contendere by Mr. John E. Hogan, or other conduct by Mr. John E. Hogan that, as determined in the sole reasonable discretion of the Board of Directors of CCB, has resulted in, or would result in if he were retained in his position with CCB, material injury to the reputation of CCB, including conviction of fraud, theft, embezzlement, or a crime involving moral turpitude, (v) a material breach by Mr. John E. Hogan of any of the provisions of his employment agreement, or (vi) a material violation by Mr. John E. Hogan of CCB s employment policies.

If Mr. John E. Hogan s employment with CCB is terminated by CCB without Cause or by Mr. John E. Hogan for Good Cause , or if CCB gives notice of non-renewal, CCB will, within 45 days, pay Mr. John E. Hogan his accrued and unpaid base salary, any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies) and a pro-rata bonus equal to the actual bonus Mr. John E. Hogan would have received if he had remained employed for the full year in which the termination occurs. In addition, if Mr. John E. Hogan signs a severance agreement and general release of claims, CCB will pay Mr. John E. Hogan, in periodic payments twice per month over a period of three years, in accordance with ordinary payroll practices, an amount equal to three times the average of his annualized base salary for the current and prior full year of employment. The term Good Cause includes: (i) a repeated willful failure of CCB to comply with a material term of the employment agreement, (ii) a substantial and unusual change in Mr. John E. Hogan s position, material duties, responsibilities, or authority without an offer of additional reasonable compensation, or (iii) a substantial and unusual reduction in Mr. John E. Hogan s material duties, responsibility or authority. Mr. John E. Hogan s termination of employment will be treated as being terminated by him for Good Cause if he terminates employment in the event that he no longer reports directly to Mr. L. Lowry Mays, Mr. Mark P. Mays, or Mr. Randall T. Mays.

If Mr. John E. Hogan gives notice of non-renewal of his employment term on or before April 1, 2013 or on each April 1 thereafter, Mr. John E. Hogan s employment with CCB will end on a date to be determined by CCB

and CCB will (i) pay, within 45 days, Mr. John E. Hogan 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) and (ii) if Mr. John E. Hogan signs a severance agreement and general release of claims, pay Mr. John E. Hogan his then current base salary for one year, payable in periodic payments twice per month over a period of one year during Mr. John E. Hogan s one year noncompete obligations, in accordance with ordinary payroll practices.

If Mr. John E. Hogan s employment with CCB terminates by reason of his death, CCB will, within 45 days, pay in a lump sum to such person as Mr. John E. Hogan designates in a notice filed with CCB or, if no such person is designated, to Mr. John E. Hogan s estate, Mr. John E. Hogan s accrued and unpaid base salary and prorated bonus, if any, and any payments to which Mr. John E. Hogan s spouse, beneficiaries, or estate may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies). If Mr. John E. Hogan s employment with CCB terminates by reason of his disability (defined as Mr. John E. Hogan s incapacity due to physical or mental illness such that Mr. John E. Hogan 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 CCB), CCB will, within 45 days, pay in a lump sum to Mr. John E. Hogan his accrued and unpaid base salary and prorated bonus, if any, and any payments to which he may be entitled under any applicable employee benefit plan (according to the terms of such plans and policies).

Andrew W. Levin

As discussed in Introduction , Mr. Andrew W. Levin does not have an employment agreement. Mr. Andrew W. Levin is entitled to participate in the severance plan applicable to employees generally. Under that plan, upon Mr. Andrew W. Levin s termination without cause or resignation for good reason within one year of the merger, he would be entitled to receive severance of 18 months of base pay plus 18 months of his 2006 annual bonus, payable monthly. Cause for this purpose means (i) an intentional failure to perform reasonably assigned duties, (ii) dishonesty or willful misconduct in the performance of duties, (iii) involvement in a transaction in that is adverse to the interests of Holdings or any of its subsidiaries and which is engaged in for personal profit, or (iv) willful violation of any law, rule, or regulation in connection with the performance of Mr. Andrew W. Levin s duties. Good reason means (i) a material reduction in base salary or target bonus opportunity, (ii) a material adverse alteration of Mr. Andrew W. Levin s duties, authority, or responsibilities, or (iii) the relocation of Mr. Andrew W. Levin s primary office to a location that is more than 30 miles from both of his primary office at the time of the merger and his residence at the time of the relocation.

Other than his participation the severance benefit plan applicable to employees generally, Mr. Andrew W. Levin does not have any other arrangement with Holdings or Clear Channel for any potential post-employment payments.

The following is a summary of potential payments due to each of the named executed officers if their employment was terminated by Holdings without Cause or, in the case of Mr. L. Lowry Mays, without Extraordinary Cause or, to the extent applicable, by them for Good Reason on December 31, 2008 (assuming the merger had been consummated on January 1, 2008).

Name	Base Salary ($)	Bonus ($)	Value of Benefits (1) ($)	Other ($)	Total ($)
Mark P. Mays (PEO)	2,685,000(2)	19,875,000(3)	30,693	9,121,686(4)	31,712,379
Randall T. (PFO)	2,625,000(2)	19,875,000(3)	37,396	9,070,175(4)	31,607,571
L. Lowry Mays (5)	1,000,000(6)	4,000,000(7)	25,615	14,915(8)	5,040,530
John E. Hogan	2,284,375(9)	(10)			2,284,375
Andrew W. Levin	600,000(11)	389,250(12)			989,250

(1) The values associated with the continued provision of health benefits are based on the total 2009 premiums for medical and life insurance multiplied by the number of years the executive is entitled to those benefits pursuant to his employment agreement.

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(2) Represents three times the annual base salary for the year ended December 31, 2008 for each of Mr. Mark P. Mays and Mr. Randall T. Mays, respectively.

(3) Represents three times the annual incentive bonus for the year ended December 31, 2007 for each of Mr. Mark P. Mays and Mr. Randall T. Mays, respectively.

(4) Represents the excise tax gross up payment due to Mr. Mark P. Mays and Mr. Randall T. Mays under the terms of their employment agreements. The excise tax gross up payment was calculated using the provisions of Sections 280G and 4999 of the Code and the regulations thereunder. The calculation includes the value associated with the accelerated vesting and lapse of restrictions on certain restricted stock grants that may occur as a result of the termination of employment without Cause or for Good Reason. The calculation assumes a $2.26 stock price at termination date and applicable federal rates as of December 2008 to determine the value associated with the accelerated vesting and lapse of restrictions on the restricted stock.

(5) Under the terms of his employment agreement, Mr. L. Lowry Mays employment may be terminated by Holdings only for Extraordinary Cause during the initial five-year term of his agreement. Under his employment agreement, Mr. L. Lowry Mays is entitled to use of company-owned aircraft for personal travel, in accordance with Clear Channel s policy as in effect on November 16, 2006, for 10 years from the date of the closing of the merger, regardless of whether he remains employed by Holdings. In 2008, 2007 and 2006, the cost for Mr. L. Lowry Mays personal travel on company-owned aircraft was $105,204, $92,980 and $34,410, respectively. The cost for Mr. L. Lowry Mays personal use of company-owned aircraft for this period will fluctuate over time.

(6) Represents the remaining annual base salary due to Mr. L. Lowry Mays under the terms of his employment agreement (namely, four years of Mr. L. Lowry Mays annual base salary).

(7) Represents the remaining minimum annual bonus due to Mr. L. Lowry Mays under the terms of his employment agreement (namely, four years of Mr. L. Lowry Mays annual bonus).

(8) Represents the income tax gross up payment due to Mr. L. Lowry Mays under the terms of his employment agreement.

(9) Represents three times the average of the annual base salary for the years ended December 31, 2007 and December 31, 2008 for Mr. John E. Hogan.

(10) Cannot be estimated as Mr. John E. Hogan s annual incentive bonus is determined and awarded based upon his performance at the end of each year.

(11) Represents 18 months of Mr. Andrew W. Levin s annual base pay.

(12) Represents 18 months value of Mr. Andrew W. Levin s 2006 annual bonus.

Director Compensation

The directors of Holdings currently do not receive compensation for their services.

Compensation Committee Interlocks and Insider Participation

Prior to the Transactions, Clear Channel s compensation committee consisted of B. J. McCombs, J. C. Watts and John B. Zachry, who also served as the chairperson. None of the members of the previous compensation committee during their tenure in fiscal 2008 had been an officer or employee of Clear Channel.

Following the Transactions, Holdings compensation committee consists of David C. Abrams, Richard J. Bressler, John Connaughton, Jonathon S. Jacobson, Ian K. Loring and Kent R. Weldon. None of the members of the current compensation committee during their tenure in fiscal 2008 or as of the date of this prospectus is or has been an officer or employee of Clear Channel.

None of Clear Channel s executive officers currently serves as a member of the Board of Directors or compensation committee of any entity that has an executive officer who serves on Clear Channel s Board of Directors or compensation committee, provided that certain of Clear Channel s executive officers serve as members of the Boards of Directors of certain Clear Channel subsidiaries, where executive officers of such subsidiaries serve on the Board of Directors of Clear Channel.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Clear Channel Capital directly owns all of Clear Channel s issued and outstanding stock. All of Clear Channel Capital s issued and outstanding equity interests are directly owned by Clear Channel Capital II, LLC, and all of the issued and outstanding equity interests of Clear Channel Capital II, LLC are owned by Holdings. All equity interests in Holdings are owned, directly or indirectly, by the Sponsors and their co-investors, the public and certain employees of Holdings and its subsidiaries, including certain named executive officers and directors.

The following table sets forth information regarding the beneficial ownership of Holdings common stock, as of December 31, 2008, by each of Holdings and Clear Channel s named executive officers and directors, all of such named executive officers and directors as a group, and each person known by Holdings to be the beneficial owner of more than 5% of Holdings outstanding shares of common stock.

The amounts and percentages of shares beneficially owned are reported on the basis of SEC regulations governing the determination of beneficial ownership of securities. Under SEC rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person s ownership percentage, but not for purposes of computing any other person s percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest.

Except as otherwise indicated in the footnotes below, each of the beneficial owners has, to our knowledge, sole voting and investment power with respect to the indicated shares. As indicated in the footnotes below, certain information included in the following table and the footnotes thereto is based solely upon the beneficial ownership of these persons as reported to Holdings as of the date of the most recent Schedule 13G filed with the SEC on behalf of such persons.

Name and Address of Beneficial Owner (1)	Number of Shares of Common Stock	Percentage of Outstanding Common Stock on a Fully-Diluted Basis
Bain Capital Investors, LLC and Related Investment Funds (2)(3) c/o Bain Capital Partners, LLC 111 Huntington Avenue, Boston Massachusetts 02199	59,523,058	72%
Thomas H. Lee Partners, L.P. and Related Investment Entities (4)(5) c/o Thomas H. Lee Partners, L.P. 100 Federal Street, Boston Massachusetts 02110	59,523,058	72%
Highfields Capital Management LP and Managed Investment Funds (6) John Hancock Tower 200 Clarendon Street, 59th Floor Boston, Massachusetts 02116	9,950,510	12%
FMR LLC and Related Investment Funds (7)	4,287,500	5%
Mark P. Mays (8)	855,352	1%
Randall T. Mays (9)	855,352	1%
L. Lowry Mays (10)	722,249	*
John E. Hogan	22,500	
Andrew W. Levin	10,250	*
David C. Abrams (11)		
Steven Barnes (12)		
Richard J. Bressler (13)		
Charles A. Brizius (13)		
John Connaughton (12)		
Blair E. Hendrix (12)		
Jonathon S. Jacobson (6)		
Ian K. Loring (12)		
Scott M. Sperling (13)		
Kent R. Weldon (13)		

All directors and named executive officers as a group (15 individuals) (14)	2,471,085	3%

* Means less than 1%.

(1) Unless otherwise indicated, the address for all beneficial owners is c/o CC Media Holdings, Inc., 200 East Basse Road, San Antonio, Texas 78209.

(2) Includes the 555,556 shares of Class B common stock, par value of $0.001 per share, of Holdings (the Class B common stock) owned by CC IV. Subject to certain limitations set forth in the Third Amended and Restated Certificate of Incorporation of Holdings (the Holdings Certificate of Incorporation), each

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share of Class B common stock is convertible, at the election of the holder thereof, into one share of Class A common stock at any time. Each holder of shares of Class B common stock will be entitled to a number of votes per share equal to the number obtained by dividing (a) the sum of total number of shares of Class B common stock outstanding as of the record date for such vote and the number of Class C common stock (as defined below) outstanding as of the record date for such vote by (b) the number of shares of Class B common stock outstanding as of the record date for such vote. Bain Capital Investors, LLC (BCI) is the general partner of Bain Capital Partners (CC) IX, L.P. (BCP IX), which is the general partner of Bain Capital (CC) IX, L.P. (Bain Fund IX), which holds 50% of the limited liability company interests in CC IV. Each of BCI, BCP IX and Bain Fund IX expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than itself for purposes of Section 13(d)(3) and Rule 13d-3 of the Exchange Act and expressly disclaims beneficial ownership of any such securities except to the extent of its pecuniary interest therein. The business address of CC IV is c/o Bain Capital Partners, LLC, 111 Huntington Avenue, Boston, Massachusetts 02199 and c/o Thomas H. Lee Partners, L.P., 100 Federal Street, Boston, Massachusetts 02110.

(3) Includes the 58,967,502 shares of Class C common stock, par value $0.001 per share, of Holdings (the Class C common stock) owned by CC V. Subject to certain limitations set forth in the Holdings Certificate of Incorporation, each share of Class C common stock is convertible, at the election of the holder thereof, into one share of Class A common stock at any time. Except as otherwise required by law, the holders of outstanding shares of Class C common stock will not be entitled to any votes upon any questions presented to shareholders of Holdings. BCI is the sole member of Bain Capital CC Partners, LLC (Bain CC Partners), which is the general partner of Bain Capital CC Investors, L.P. (Bain CC Investors) and which also holds 50% of the limited liability company interests in CC Capital V Manager, LLC (CC V Manager). CC V Manager is the general partner of CC V. BCI is the general partner of BCP IX, which is the general partner of each of Bain Fund IX, Bain Capital (CC) IX Coinvestment, L.P. (Bain Coinvest IX), Bain Capital (CC) IX Offshore, L.P. (Bain Offshore Fund IX), and Bain Capital (CC) IX Coinvestment Offshore, L.P. (Bain Offshore Coinvest IX and, together with Bain Fund IX, Bain Coinvest IX and Bain Offshore Fund IX, collectively, the Bain Fund IX Entities). BCI is also the general partner of Bain Capital Partners (CC) X, L.P. (BCP X), which is the general partner of each of Bain Capital (CC) X, L.P. (Bain Fund X), Bain Capital (CC) X Coinvestment, L.P. (Bain Coinvest X), Bain Capital (CC) X Coinvestment Offshore, L.P. (Bain Offshore Coinvest X) and Bain Capital (CC) X Offshore, L.P. (Bain Offshore Fund X and, together with Bain Fund X, Bain Coinvest X and Bain Offshore Coinvest X, the Bain Fund X Entities). BCI is also the managing partner of each of BCIP Associates G (BCIP Associates G), BCIP Associates III (BCIP Associates III), BCIP Associates III B (BCIP Associates III B), BCIP Trust Associates III (BCIP Trust Associates III) and BCIP Trust Associates III-B (BCIP Trust Associates III B) and BCIP Associates III is the manager and sole member of BCIP Associates III, LLC, BCIP Associates III-B is the manager and sole member of BCIP Associates III-B, LLC, BCIP Trust Associates III is the manager and sole member of BCIP T Associates III, LLC, and BCIP Trust Associates III-B is the manager and sole member of BCIP T Associates III-B, LLC. BCIP Associates III, LLC, BCIP Associates III-B, LLC, BCIP T Associates III, LLC, BCIP T Associates III-B, LLC and BCIP Associates G are collectively referred to as the BCIP Entities . Each of the Bain Fund IX Entities, the Bain Fund X Entities and the BCIP Entities hold limited partnership interests of Bain CC Investors, which holds 50% of the limited partnership interests in CC V. Each of BCI, Bain CC Partners, Bain CC Investors, CC V Manager, BCP IX, BCP X, each of the Bain Fund IX Entities, each of the Bain Fund X Entities, BCIP Associates III, BCIP Associates III-B, BCIP Trust Associates III, BCIP Trust Associates III-B and each of the BCIP Entities expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than itself for purposes of Section 13(d)(3) and Rule 13d-3 of the Exchange Act and expressly disclaims beneficial ownership of any such securities except to the extent of its pecuniary interest therein. The business address of CC V is c/o Bain Capital Partners, LLC, 111 Huntington Avenue, Boston, Massachusetts 02199 and c/o Thomas H. Lee Partners, L.P., 100 Federal Street, Boston, Massachusetts 02110.

(4) Includes the 555,556 shares of Class B common stock owned by CC IV. Subject to certain limitations set forth in the Holdings Certificate of Incorporation, each share of Class B common stock is convertible, at the election of the holder thereof, into one share of Class A common stock at any time. Each holder of shares of Class B common stock will be entitled to a number of votes per share equal to the number obtained by dividing (a) the sum of total number of shares of Class B common stock outstanding as of the record date for such vote and the number of Class C common stock outstanding as of the record date for such vote by (b) the number of shares of Class B common stock outstanding as of the record date for such vote. Thomas H. Lee Advisors, LLC (THLA) is the general partner of Thomas H. Lee Partners, L.P. (THLP), which is the sole member of THL Equity Advisors VI, LLC (THL Advisors), which is the general partner of Thomas H. Lee Equity Fund VI, L.P. (the THL Fund), which holds 50% of the limited liability company interests in CC IV. Each of THLA, THLP, THL Advisors and the THL Fund expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than itself for purposes of Section 13(d)(3) and Rule 13d-3 of the Exchange Act and expressly disclaims beneficial ownership of any such securities except to the extent of its pecuniary interest therein. The business address of CC IV is c/o Thomas H. Lee Partners, L.P., 100 Federal Street, Boston, Massachusetts 02110 and c/o Bain Capital Partners, LLC, 111 Huntington Avenue, Boston, Massachusetts 02199.

(5) Includes the 58,967,502 shares of Class C common stock owned by CC V. Subject to certain limitations set forth in the Holdings Certificate of Incorporation, each share of Class C common stock is convertible, at the election of the holder thereof, into one share of Class A common stock at any time. Except as otherwise required by law, the holders of outstanding shares of Class C common stock will not be entitled to any votes upon any questions presented to shareholders of Holdings. THLA is the general partner of THLP, which is the sole member of THL Advisors, which is the general partner of each of the THL Fund and THL Equity Fund VI Investors (Clear Channel), L.P. (the THL Investors Fund). THLP is the general partner of each of THL Coinvestment Partners, L.P. (THL Coinvestment) and THL Operating Partners, L.P. (THL Operating) and THL Advisors is the general partner of each of Thomas H. Lee Parallel Fund VI, L.P. (THL Parallel) and Thomas H. Lee Parallel (DT) Fund VI, L.P. (THL Parallel DT), each of which entities is a limited partner in the THL Investors Fund. THL Advisors also holds 50% of the limited liability company interests in CC V Manager, which is the general partner of CC V. The THL Fund and the THL Investors Fund collectively hold 50% of the limited partnership interests in CC V. Each of THLA, THLP, THL Advisors, CC V Manager, the THL Fund, the THL Investors Fund, THL Coinvestment, THL Operating, THL Parallel and THL Parallel DT expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than itself for purposes of Section 13(d)(3) and Rule 13d-3 of the Exchange Act and expressly disclaims beneficial ownership of any such securities except to the extent of its pecuniary interest therein. The business address of CC V is c/o Thomas H. Lee Partners, L.P., 100 Federal Street, Boston, Massachusetts 02110 and c/o Bain Capital Partners, LLC, 111 Huntington Avenue, Boston, Massachusetts 02199.

(6) Highfields Capital Management LP (Highfields Capital Management) is the investment manager to Highfields Capital I LP, a Delaware limited partnership (Highfields I), Highfields Capital II LP, a Delaware limited partnership (Highfields II), and Highfields Capital III L.P., an exempted limited partnership organized under the laws of the Cayman Islands, B.W.I. (Highfields III). Highfields GP LLC, a Delaware limited liability company (Highfields GP), is the general partner of Highfields Capital Management. Highfields Associates LLC, a Delaware limited liability company (Highfields Associates), is the general partner of each of Highfields I, Highfields II, and Highfields III. Each of Highfields Capital Management, Highfields GP, Highfields Associates, Highfields I, Highfields II and Highfields III disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than itself.
Mr. Jacobson is a Managing Member of Highfields GP and a Senior Managing Member of Highfields Associates. Mr. Jacobson may be deemed to have voting and dispositive power with respect to all of the shares of Class A common stock held by the Highfields Funds. Mr. Jacobson disclaims beneficial ownership of any securities owned beneficially or of record by any other person or persons. The business address of Mr. Jacobson, Highfields Capital Management, Highfields GP, Highfields Associates,

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Highfields I and Highfields II is John Hancock Tower, 200 Clarendon Street, 59th Floor, Boston, Massachusetts 02116. The business address of Highfields III is c/o Goldman Sachs (Cayman) Trust, Limited, Suite 3307, Gardenia Court, 45 Market Street, Camana Bay, P.O. Box 896, Grand Cayman KY1-1103, Cayman Islands.

(7) As reported on Schedule 13G/A filed on February 17, 2009. FMR LLC, a Delaware limited liability company, is a parent holding company in accordance with Section 240.13d-1(b)(ii)(G) of the Exchange Act. Fidelity Management & Research Company, a Delaware corporation, is a wholly-owned subsidiary of FMR LLC, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, and provides investment advisory services to various investment companies registered under Section 8 of the Investment Company Act of 1940. Fidelity Management & Research Company was the beneficial owner of and had sole dispositive power over 4,287,500 shares of Class A common stock as of December 31, 2008. Fidelity Dividend Growth Fund was the beneficial owner of 1,200,000 shares of Class A common stock as of December 31, 2008. Fidelity Equity-Income Fund was the beneficial owner of 2,159,142 shares of Class A common stock as of December 31, 2008. Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d has the sole power to vote or direct the voting of the shares owned directly by the funds, which power resides with the funds Boards of Trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the funds Boards of Trustees. Each of Edward C. Johnson 3d and FMR LLC, through its control of Fidelity Management & Research Company, and the funds each have sole power to dispose of the 4,287,500 shares of Class A common stock owned by the funds. The business address of FMR LLC, Fidelity Management & Research Company, Fidelity Dividend Growth Fund, Fidelity Equity-Income Fund and Mr. Edward C. Johnson 3d is 82 Devonshire Street, Boston, Massachusetts 02109.

(8) Includes stock options representing 66,628 shares of Class A common stock held by Mr. Mark P. Mays and 102,168 shares of Class A common stock held by MPM Partners, Ltd. Mr. Mark P. Mays controls the sole general partner of MPM Partners, Ltd.

(9) Includes stock options representing 66,628 shares of Class A common stock held by Mr. Randall T. Mays and 102,168 shares of Class A common stock held by RTM Partners, Ltd. Mr. Randall T. Mays controls the sole general partner of RTM Partners, Ltd.

(10) Includes stock options representing 102,137 shares of Class A common stock held by Mr. L. Lowry Mays and 542,112 shares of Class A common stock held by LLM Partners, Ltd. Mr. L. Lowry Mays shares control of the sole general partner of LLM Partners, Ltd.

(11) David C. Abrams is the managing member of Abrams Capital Management, LLC (Abrams Capital) and Pamet Capital Management, LLC (Pamet LLC). Pamet LLC is the general partner of Pamet Capital Management, L.P. (Pamet LP). Pamet LP is the investment manager of Abrams Capital International, Ltd., Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P. and Whitecrest Partners, LP, and Abrams Capital is the investment manager of Riva Capital Partners, L.P. (collectively, with Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P. and Whitecrest Partners, LP, the Abrams Funds), which collectively owned 2,495,506 shares of Class A common stock as of December 31, 2008. By virtue of this relationship, Mr. Abrams may be deemed to share voting and dispositive power with respect to all of the shares of Class A common stock held by the Abrams Funds. Mr. Abrams expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than himself for purposes of Section 13(d)(3) and Rule 13d-3 of the Exchange Act. The business address of Mr. Abrams is c/o Abrams Capital, LLC, 222 Berkeley Street, Boston, Massachusetts 02116.

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(12) Steven Barnes, John Connaughton, Blair E. Hendrix and Ian K. Loring are managing directors and members of BCI and, by virtue of this and the relationships described in footnotes (2) and (3) above, may be deemed to share voting and dispositive power with respect to all of the shares of Class B common stock held by CC IV and all of the shares of Class C common stock held by CC V. Each of Messrs. Barnes, Connaughton, Hendrix and Loring expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than himself, including, without limitation, CC IV or CC V, for purposes of Section 13(d)(3) and Rule 13d-3 of the Exchange Act, except to the extent of his pecuniary interest therein. The business address of each of Messrs. Barnes, Connaughton, Hendrix and Loring is c/o Bain Capital Partners, LLC, 111 Huntington Avenue, Boston, Massachusetts 02199.

(13) Richard J. Bressler, Charles A. Brizius, Scott M. Sperling and Kent R. Weldon are managing directors of THLA and limited partners of THLP and, by virtue of this and the relationships described in footnotes (4) and (5) above, may be deemed to share voting and dispositive power with respect to all of the shares of Class B common stock held by CC IV and all of the shares of Class C common stock held by CC V. Each of Messrs. Bressler, Brizius, Sperling and Weldon expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than himself, including, without limitation, CC IV or CC V, for purposes of Section 13(d)(3) and Rule 13d-3 of the Exchange Act, except to the extent of his pecuniary interest therein. The business address of each of Messrs. Bressler, Brizius, Sperling and Weldon is c/o Thomas H. Lee Partners, L.P., 100 Federal Street, Boston, Massachusetts 02110.

(14) Includes stock options representing 235,393 shares of Class A common stock held by such persons, 102,168 shares of Class A common stock held by MPM Partners, Ltd., 102,168 shares of Class A common stock held by RTM Partners, Ltd. and 542,112 shares of Class A common stock held by LLM Partners, Ltd.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Transactions and the Management Agreement

In connection with the Transactions, we paid the Sponsors $103.4 million in fees and expenses for financial and structural advice and analysis, assistance with due diligence investigations and debt financing negotiations and for reimbursement of certain out-of-pocket costs.

We also became party to a management agreement with the Sponsors, Holdings and certain other parties thereto, pursuant to which the Sponsors will provide management and financial advisory services until 2018. Pursuant to the management agreement, we paid the Sponsors a transaction fee of $87.5 million at closing. Thereafter we may pay additional management fees to the Sponsors or their affiliates for such services at a rate not greater than $15.0 million per year, and any such additional fees will be subject to approval by independent directors as and to the extent required under arrangements entered into with the Highfields Funds and Highfields Capital Management, described below. For the post-merger period ended December 31, 2008, we accrued management fees of $6.3 million.

Stockholders Agreements

Prior to the consummation of the Transactions, Merger Sub entered into a stockholders agreement with Holdings, CC IV, CC V, Mark P. Mays, Randall T. Mays and L. Lowry Mays. The stockholders agreement, among other things, (i) specifies how the parties vote in elections to the Board of Directors of Holdings, (ii) restricts the transfer of shares subject to the agreement, (iii) includes the ability of CC IV to compel the parties to sell their shares in a change-of-control transaction or participate in a recapitalization of Holdings, (iv) gives the parties the right to subscribe for their pro rata share of proposed future issuances of equity securities by Holdings or its subsidiaries to the Sponsors or their affiliates, (v) requires the parties to agree to customary lock-up agreements in connection with underwritten public offerings and (vi) provides the parties with customary demand and piggy-back registration rights. Holdings, CC IV and CC V also entered into a separate agreement with Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays that set forth terms and conditions under which certain of their shares of Holdings common stock would be repurchased by Holdings following the termination of their employment (through the exercise of a call option by Holdings or a put option by Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays, as applicable). Any shares of Holdings common stock that Mark P. Mays, Randall T. Mays, L. Lowry Mays or their estate-planning entities acquired pursuant to stock elections are not subject to the stockholders agreement.

Affiliate Transaction Agreement

As contemplated by the Voting Agreement entered into with the Highfields Funds and Highfields Capital Management, the Sponsors, Merger Sub (which obligation has been assumed by Clear Channel) and Holdings entered into an agreement under which Holdings agreed that neither it nor any of its subsidiaries will enter into or effect any affiliate transaction between Holdings or one of its subsidiaries, on the one hand, and any Sponsor or any other private investment fund under common control with either Sponsor (collectively, the principal investors), on the other hand, without the prior approval of either a majority of the independent directors of Holdings or a majority of the then-outstanding shares of Class A common stock of Holdings (excluding for purposes of such calculation from both (i) the votes cast and (ii) the outstanding shares of Class A common stock, all shares held at that time by any principal investor, any affiliate of a principal investor, or members of management and directors of Holdings whose beneficial ownership information is required to be disclosed in filings with the SEC pursuant to Item 403 of Regulation S-K (the public shares)). Such agreement became effective as of the effective time of the merger and expires upon the earlier of (i) an underwritten public offering and sale of Holdings common stock which results in aggregate proceeds in excess of $250 million to Holdings and after which Holdings common stock is listed on NASDAQ s National Market System or another national securities exchange (a qualified public offering) and (ii) the consummation of a certain transaction resulting in a change of control (as defined in the agreement and summarized below) of Holdings. The following are not deemed to be affiliate transactions for purposes of the affiliate transaction agreement: (i) any commercial transaction between Holdings or any of its subsidiaries, on the one hand, and any portfolio company in which any

principal investor or any affiliate of a principal investor has a direct or indirect equity interest, on the other, so long as such transaction was entered into on an arms -length basis; (ii) any purchase of bank debt or securities by a principal investor or an affiliate of a principal investor or any transaction between a principal investor or affiliate of a principal investor on the one hand, and Holdings or one of its subsidiaries, on the other hand, related to the ownership of bank debt or securities, provided such purchase or transaction is on terms (except with respect to relief from all or part of any underwriting or placement fee applicable thereto) comparable to those consummated within an offering made to unaffiliated third parties; (iii) the payment by Holdings or one of its subsidiaries of up to $87.5 million in transaction fees to the principal investors or their affiliates in connection with the transactions contemplated by the merger agreement; (iv) any payment of management, transaction, monitoring, or any other fees to the principal investors or their affiliates pursuant to an arrangement or structure whereby the holders of public shares of Holdings are made whole for the portion of such fees paid by Holdings that would otherwise be proportionate to their share holdings; and (v) any transaction to which a principal investor or an affiliate thereof is a party in its capacity as a stockholder of Holdings that is offered generally to other stockholders of Holdings (including the holders of shares of Class A common stock of Holdings) on comparable or more favorable terms.

A change of control of Holdings will be deemed to have occurred upon the occurrence of any of the following: (i) any consolidation or merger of Holdings with or into any other corporation or other entity, or any other corporate reorganization or transaction (including the acquisition of stock of Holdings), in which the direct and indirect stockholders of Holdings immediately prior to such consolidation, merger, reorganization, or transaction, own stock either representing less than 50% of the economic interests in and less than 50% of the voting power of Holdings or other surviving entity immediately after such consolidation, merger, reorganization, or transaction or that does not have, through the ownership of voting securities, by agreement or otherwise, the power to elect a majority of the entire Board of Directors of Holdings or other surviving entity immediately after such consolidation, merger, reorganization, or transaction, excluding any bona fide primary or secondary public offering; (ii) any stock sale or other transaction or series of related transactions, after giving effect to which in excess of 50% of Holdings voting power is owned by any person or entity and its affiliates or associates (as such terms are defined in the rules adopted by the SEC under the Exchange Act), other than the principal investors and their respective affiliates, excluding any bona fide primary or secondary public offering; or (iii) a sale, lease, or other disposition of all or substantially all of the assets of Holdings.

The agreement described above terminates upon the earlier of a qualified public offering and the consummation of a change of control (as defined therein). Other than as described in the prior sentence, such agreement may not be terminated, amended, supplemented, or otherwise modified without the prior written approval of either (i) a majority of the independent directors of Holdings elected by the holders of Class A common stock of Holdings, or (ii) a majority of the then-outstanding public shares.

Employment Agreement

Effective June 29, 2008, John E. Hogan, a named executive officer of Clear Channel, entered into an employment agreement with CCB, a subsidiary of Clear Channel and registrant hereunder. Please see Executive Compensation Employment Agreements with the Named Executive Officers John E. Hogan for a description of this agreement.

Review of Related Party Transactions

Holdings has not adopted any formal policies or procedures for the review, approval, or ratification of certain related party transactions with Clear Channel that may be required to be reported under the SEC disclosure rules. Such transactions, if and when they are proposed or have occurred, will be reviewed by Holdings Board of Directors (other than the directors involved, if any) on a case-by-case basis. The Board of Directors may consider any relevant factors when reviewing the appropriateness of a related party transaction, including (i) the importance of the transaction to Clear Channel, (ii) the amount involved in the proposed transaction, (iii) the specific interest of the director or executive officer (or immediate family members of same) in the proposed transaction, and (iv) the overall fairness of the terms of the transaction to Clear Channel.

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DESCRIPTION OF OTHER INDEBTEDNESS

Senior Secured Credit Facilities

Overview

On May 13, 2008, Merger Sub entered into senior secured credit facilities with a syndicate of institutional lenders and financial institutions. Following the consummation of the merger of Merger Sub with and into Clear Channel, with Clear Channel continuing as the surviving entity, Clear Channel succeeded to and assumed the obligations of Merger Sub under the senior secured credit facilities. The following is a summary of the terms of Clear Channel s senior secured credit facilities.

Our senior secured credit facilities consist of:

- a $1,332 million term loan A facility with a maturity in July 2014;
- a $10,700 million term loan B facility with a maturity in January 2016;
- a $696 million term loan C asset sale facility with a maturity in January 2016;
- $1,250 million delayed draw term loan facilities with maturities in January 2016, up to $750 million of which may be drawn to purchase or repay our outstanding senior notes due 2010 (of which $532.5 million has previously been drawn), and the remainder of which is available to purchase or repay our outstanding 4.25% senior notes due 2009; and
- a $2,000 million revolving credit facility with a maturity in July 2014, including a letter of credit sub-facility and a swingline loan sub-facility.

The aggregate amount of the term loan A facility was the sum of $1,115 million plus the excess of $750 million over the borrowing base availability under our receivables based credit facility on the closing of the Transactions. The aggregate amount of our receivables based credit facility was correspondingly reduced by the excess of $750 million over the borrowing base availability on the closing of the Transactions.

To the extent specified assets were sold after March 27, 2008 and prior to the closing of the Transactions, actual borrowings under the term loan C asset sale facility were reduced by the net cash proceeds received therefrom. Proceeds from the sale of specified assets after the closing of the Transactions are required to be applied to prepay our term loan C asset sale facility (and thereafter to prepay any remaining term loan facilities) without right of reinvestment under our senior secured credit facilities. In addition, if the net proceeds of any other asset sales are not reinvested, but instead applied to prepay the senior secured credit facilities, such proceeds would first be applied to our term loan C asset sale facility and thereafter pro rata to the remaining term loan facilities.

We may raise incremental term loans or incremental commitments under the revolving credit facility of up to (a) $1.5 billion, plus (b) the excess, if any, of (x) 0.65 times pro forma consolidated adjusted EBITDA (as calculated in the manner provided in the senior secured credit facilities documentation), over (y) $1.5 billion, plus (c) the aggregate amount of mandatory prepayments of the term loans under the senior secured credit facilities (other than mandatory prepayments with net cash proceeds of certain asset sales). Availability of such incremental term loans or revolving credit commitments is subject, among other things, to the absence of any default, pro forma compliance with the financial covenant and the receipt of commitments by existing or additional financial institutions.

All borrowings under our senior secured credit facilities are subject to the satisfaction of customary conditions, including the absence of any default and the accuracy of representations and warranties.

Proceeds of our term loans and borrowings under our revolving credit facility on the closing date of the Transactions were, together with other sources of funds described under Summary The Transactions, used to

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finance the Transactions. Proceeds of the revolving credit facility, swingline loans and letters of credit are also available to provide financing for working capital and general corporate purposes. On February 6, 2009, we borrowed the remaining availability under our revolving credit facility.

We are the primary borrower under the senior secured credit facilities, except that certain of our domestic restricted subsidiaries are co-borrowers under a portion of the term loan facilities.

Interest Rate and Fees

Borrowings under our senior secured credit facilities bear interest at a rate equal to an applicable margin plus, at our option, either (i) a base rate determined by reference to the higher of (A) the prime lending rate publicly announced by the administrative agent and (B) the federal funds effective rate from time to time plus 0.50%, or (ii) a Eurocurrency rate determined by reference to the costs of funds for deposits for the interest period relevant to such borrowing adjusted for certain additional costs.

The margin percentages applicable to our term loan facilities and the revolving credit facility are the following percentages per annum:

- with respect to loans under the term loan A facility and the revolving credit facility, (i) 2.40% in the case of base rate loans and (ii) 3.40% in the case of Eurocurrency rate loans, subject to downward adjustments if our leverage ratio of total debt to EBITDA decreases below 7 to 1; and

- with respect to loans under the term loan B facility, term loan C asset sale facility and delayed draw term loan facilities, (i) 2.65% in the case of base rate loans and (ii) 3.65% in the case of Eurocurrency rate loans, subject to downward adjustments if our leverage ratio of total debt to EBITDA decreases below 7 to 1.

Since the date of delivery of financial statements for the first full fiscal quarter completed after the closing of the Transactions, the applicable margin percentages have been subject to adjustments based upon our leverage ratio.

We are required to pay each revolving credit lender a commitment fee in respect of any unused commitments under the revolving credit facility, which is 0.50% per annum, subject to downward adjustment if our leverage ratio of total debt to EBITDA decreases below 4 to 1. We are also required to pay each delayed draw term facility lender a commitment fee in respect of any undrawn commitments under the delayed draw term facilities, which initially is 1.825% per annum until the delayed draw term facilities are fully drawn or commitments thereunder terminated.

Prepayments

Our senior secured credit facilities require us to prepay outstanding term loans, subject to certain exceptions, with:

- 50% (which percentage will be reduced to 25% and to 0% based upon our leverage ratio) of our annual excess cash flow (as calculated in accordance with the senior secured credit facilities), less any voluntary prepayments of term loans and revolving credit loans (to the extent accompanied by a permanent reduction of the commitment) and subject to customary credits;

- 100% (which percentage will be reduced to 75% and 50% based upon our leverage ratio) of the net cash proceeds of sales or other dispositions by us or our wholly-owned restricted subsidiaries (including casualty and condemnation events) of assets other than specified assets, subject to reinvestment rights and certain other exceptions; and

- 100% of the net cash proceeds of any incurrence of certain debt, other than debt permitted under our senior secured credit facilities.

The foregoing prepayments with the net cash proceeds of certain incurrences of debt and annual excess cash flow will be applied (i) first to the term loans other than the term loan C asset sale facility loans (on a pro rata basis) and (ii) second to the term loan C asset sale facility loans, in each case to the remaining installments thereof in direct order of maturity. The foregoing prepayments with the net cash proceeds of the sale of assets (including casualty and condemnation events) will be applied (i) first to the term loan C asset sale facility loans and (ii) second to the other term loans (on a pro rata basis), in each case to the remaining installments thereof in direct order of maturity.

We may voluntarily repay outstanding loans under our senior secured credit facilities at any time without premium or penalty, other than customary breakage costs with respect to Eurocurrency rate loans.

Amortization of Term Loans

We are required to repay the loans under our term loan facilities as follows:

- the term loan A facility will amortize in quarterly installments commencing on the first interest payment date after the second anniversary of the closing date of the Transactions in annual amounts equal to 5% of the original funded principal amount of such facility in years three and four, 10% thereafter, with the balance being payable on the final maturity date of such term loans; and

- the term loan B facility, term loan C asset sale facility and delayed draw term loan facilities will amortize in quarterly installments on the first interest payment date after the third anniversary of the closing date of the Transactions, in annual amounts equal to 2.5% of the original funded principal amount of such facilities in years four and five and 1% thereafter, with the balance being payable on the final maturity date of such term loans.

Collateral and Guarantees

Our senior secured credit facilities are guaranteed by our immediate parent company and each of our existing and future material wholly-owned domestic restricted subsidiaries, subject to certain exceptions.

All obligations under our senior secured credit facilities, and the guarantees of those obligations, are secured, subject to permitted liens and other exceptions, by:

- a first-priority lien on the capital stock of Clear Channel;

- 100% of the capital stock of any future material wholly-owned domestic license subsidiary that is not a Restricted Subsidiary under the indenture governing our retained senior notes;

- certain assets of Clear Channel and the guarantors that do not constitute principal property (as defined in the indenture governing our retained senior notes);

- certain assets of Clear Channel and the guarantors that constitute principal property (as defined in the indenture governing our retained senior notes) securing obligations under the senior secured credit facilities up to the maximum amount permitted to be secured by such assets without requiring equal and ratable security under the indenture governing our retained senior notes; and

- a second-priority lien on the accounts receivable and related assets securing our receivables based credit facility.

The obligations of any foreign subsidiaries of Clear Channel that are borrowers under the revolving credit facility are also guaranteed by certain of their material wholly-owned restricted subsidiaries, and secured by substantially all assets of all such borrowers and guarantors, subject to

permitted liens and other exceptions.

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Certain Covenants and Events of Default

Our senior secured credit facilities require us to comply on a quarterly basis with a maximum consolidated senior secured net debt to adjusted EBITDA (as calculated in accordance with the senior secured credit facilities) ratio. This financial covenant becomes effective on March 31, 2009 (maximum of 9.5:1), and will become more restrictive over time, beginning in the second quarter of 2013. Our senior secured debt consists of the senior secured credit facilities, the receivables based credit facility and certain other secured subsidiary debt. Secured leverage, defined as secured debt, net of cash, divided by the trailing twelve-month consolidated EBITDA was 6.4:1 at December 31, 2008. Our consolidated EBITDA is calculated as the trailing twelve-month operating income before depreciation, amortization, impairment charges, non-cash compensation, other operating income net and merger expenses of $1.8 billion adjusted for certain items, including: (i) an increase for expected cost savings (limited to $100.0 million in any twelve month period) of $100.0 million; (ii) an increase of $43.1 million for cash received from nonconsolidated affiliates; (iii) an increase of $17.0 million for non-cash items; (iv) an increase of $95.9 million related to expenses incurred associated with our restructuring program; and (v) an increase of $82.4 million of various other items.

In addition, our senior secured credit facilities include negative covenants that, subject to significant exceptions, limit our ability and the ability of our restricted subsidiaries to, among other things:

- incur additional indebtedness;
- create liens on assets;
- engage in mergers, consolidations, liquidations and dissolutions;
- sell assets;
- pay dividends and distributions or repurchase our capital stock;
- make investments, loans, or advances;
- prepay certain junior indebtedness;
- engage in certain transactions with affiliates;
- amend material agreements governing certain junior indebtedness; and
- change our lines of business.

Our senior secured credit facilities include certain customary representations and warranties, affirmative covenants and events of default, including payment defaults, breach of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy, certain events under ERISA, material judgments, the invalidity of material provisions of the senior secured credit facilities documentation, the failure of collateral under the security documents for our senior secured credit facilities, the failure of our senior secured credit facilities to be senior debt under the subordination provisions of certain of our subordinated debt and a change of control. If an event of default occurs, the lenders under our senior secured credit facilities will be entitled to take various actions, including the acceleration of all amounts due under our senior secured credit facilities and all actions permitted to be taken by a secured creditor.

Receivables Based Credit Facility

Overview

On May 13, 2008, Merger Sub entered into a receivables based credit facility with a syndicate of institutional lenders and financial institutions. Following the consummation of the merger of Merger Sub with and into Clear Channel, with Clear Channel continuing as the surviving entity, Clear Channel succeeded to and assumed the obligations of Merger Sub under the secured credit facilities. The following is a summary of terms of Clear Channel s receivables based credit facility.

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Our receivables based credit facility provides revolving credit commitments in an amount equal to $783.5 million, subject to a borrowing base, of which $445.6 million was drawn as of December 31, 2008, which was the maximum amount available under the borrowing base. The borrowing base at any time equals 85% of our and certain of our subsidiaries eligible accounts receivable. Our receivables based credit facility includes a letter of credit sub-facility and a swingline loan sub-facility. Our receivables based credit facility matures in July 2014.

In addition, we may request increases to our receivables based credit facility in an aggregate amount not exceeding $750 million. Availability of such increases to our receivables based credit facility is subject to, among other things, the absence of any default and the receipt of commitments by existing or additional financial institutions.

All borrowings under our receivables based credit facility are subject to the absence of any default, the accuracy of representations and warranties and compliance with the borrowing base. In addition, borrowings (excluding borrowings upon the consummation of the Transactions) under our receivables based credit facility are subject to compliance with a minimum fixed charge coverage ratio of 1.0:1.0 if excess availability under the receivables based credit facility is less than $50 million, or if aggregate excess availability under the receivables based credit facility and revolving credit facility is less than 10% of the borrowing base.

Proceeds of the borrowings under our receivables based credit facility on the closing date of the Transactions were, together with other sources of funds described under Summary The Transactions, used to finance the Transactions. Proceeds of our receivables based credit facility, swingline loans and letters of credit are also available following the closing of the Transactions to provide financing for working capital and general corporate purposes.

We and certain subsidiary borrowers are the borrowers under the receivables based credit facility. We have the ability to designate one or more of our restricted subsidiaries as borrowers under our receivables based credit facility. The receivables based credit facility loans and letters of credit are available in United States dollars.

Interest Rate and Fees

Borrowings under our receivables based credit facility bear interest at a rate equal to an applicable margin plus, at our option, either (i) a base rate determined by reference to the higher of (A) the prime lending rate publicly announced by the administrative agent and (B) the federal funds effective rate from time to time plus 0.50%, or (ii) a Eurocurrency rate determined by reference to the costs of funds for deposits for the interest period relevant to such borrowing adjusted for certain additional costs.

The margin percentage applicable to our receivables based credit facility is (i) 1.40% in the case of base rate loans and (ii) 2.40% in the case of Eurocurrency rate loans, subject to downward adjustments if our leverage ratio of total debt to EBITDA decreases below 7 to 1. Since the date of delivery of financial statements for the first full fiscal quarter completed after the closing of the Transactions, the applicable margin percentage has been subject to adjustments based upon our leverage ratio.

We are required to pay each lender a commitment fee in respect of any unused commitments under our receivables based credit facility, which is 0.375% per annum, subject to downward adjustments if our leverage ratio of total debt to EBITDA decreases below 6 to 1.

Prepayments

If at any time the sum of the outstanding amounts under our receivables based credit facility (including the letter of credit outstanding amounts and swingline loans thereunder) exceeds the lesser of (i) the borrowing base and (ii) the aggregate commitments under our receivables based credit facility, we will be required to repay outstanding loans and cash collateralize letters of credit in an aggregate amount equal to such excess.

We may voluntarily repay outstanding loans under our receivables based credit facility at any time without premium or penalty, other than customary breakage costs with respect to Eurodollar loans.

Collateral and Guarantees

Our receivables based credit facility is guaranteed by, subject to certain exceptions, the guarantors of our senior secured credit facilities. All obligations under our receivables based credit facility, and the guarantees of those obligations, are secured by a perfected first-priority security interest in all of our and all of the guarantors accounts receivable and related assets and proceeds thereof, subject to permitted liens and certain exceptions.

Our receivables based credit facility includes negative covenants, representations, warranties and events of default substantially similar to those governing our senior secured credit facilities.

Retained Indebtedness

As of December 31, 2008, $4,306 million aggregate principal amount of our retained senior notes remained outstanding. Our retained senior notes bear interest at fixed rates ranging from 4.25% to 7.65%, have maturities through 2027 and contain provisions, including limitations on certain liens and sale and leaseback transactions, customary for investment grade debt securities. As of December 31, 2008, $75.9 million aggregate principal amount of our subsidiary indebtedness remained outstanding. Approximately $6.6 million principal amount of such subsidiary indebtedness is an obligation of the guarantors of our senior secured credit facilities and receivables based credit facility.

Tender Offer and Consent Solicitation

On August 7, 2008, Clear Channel launched a cash tender offer and consent solicitation for its outstanding $750 million principal amount of its 7.65% senior notes due 2010 on the terms and conditions set forth in the Offer to Purchase and Consent Solicitation Statement. Clear Channel s tender offer and consent solicitation expired on September 9, 2008. Clear Channel received validly tendered notes with respect to $364 million aggregate principal amount of its 7.65% senior notes due 2010, constituting approximately 49% of the total outstanding amount of such senior notes. Clear Channel borrowed amounts available under its delayed draw 1 term loan facility in order to purchase such senior notes. The total debt outstanding following the expiration of the cash tender offer and consent solicitation remained unchanged. On November 24, 2008, Clear Channel announced that it commenced a cash tender offer for a portion of its outstanding $386 million principal amount of 7.65% senior notes due 2010, on the terms and conditions set forth in the Offer to Purchase dated November 24, 2008. Clear Channel s cash tender offer expired on December 23, 2008. Clear Channel received validly tendered notes with respect to $252 million principal amount of its 7.65% senior notes due 2010, constituting approximately 65% of the total outstanding amount of such senior notes. Clear Channel purchased such senior notes with the second of three borrowings permitted to be drawn under its delayed draw 1 term loan facility. After settlement of the cash tender offer, $134 million principal amount of Clear Channel s 7.65% senior notes due 2010 remains outstanding.

On December 17, 2007, AMFM Operating Inc. commenced a cash tender offer and consent solicitation for the outstanding $644.9 million principal amount of its 8% senior notes due 2008 on the terms and conditions set forth in the Offer to Purchase and Consent Solicitation Statement dated December 17, 2007. On July 30, 2008, AMFM Operating Inc. completed its tender offer. AMFM Operating Inc. received validly tendered notes with respect to $639 million aggregate principal amount of its 8% senior notes due 2008, constituting approximately 99% of the total outstanding principal amount of such senior notes, and a loss of $8.0 million was recorded in other expense in the pre-merger consolidated income statement. The remaining AMFM Operating Inc. 8% senior notes were redeemed at maturity on November 1, 2008.

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On November 24, 2008, CC Finco, an indirect wholly-owned subsidiary of Clear Channel, commenced a cash tender offer for Clear Channel s outstanding 6.25% senior notes due 2011 and outstanding 4.40% senior notes due 2011, on the terms and conditions set forth in the governing Offer to Purchase. On the same date, CC Finco commenced a cash tender offer for Clear Channel s outstanding 5.00% senior notes due 2012 and outstanding 5.75% senior notes due 2013, on the terms and conditions set forth in the governing Offer to Purchase. CC Finco s cash tender offers expired on December 23, 2008. CC Finco received validly tendered notes with respect to $27 million principal amount of each of Clear Channel s 6.25% senior notes due 2011 and 4.40% senior notes due 2011, constituting approximately 4% and 11% of the total outstanding amounts of such senior notes, respectively. Furthermore, CC Finco received validly tendered notes with respect to $24 million principal amount of each of Clear Channel s 5.00% senior notes due 2012 and 5.75% senior notes due 2013, constituting approximately 8% and 5% of the total outstanding amounts of such senior notes, respectively. CC Finco purchased and currently holds such tendered notes.

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DESCRIPTION OF THE EXCHANGE NOTES

General

Certain terms used in this description are defined under the subheading Certain Definitions. In this description, (i) the term Issuer refers to BT Triple Crown Merger Co., Inc. (the merger sub) and, following the merger (the merger) of the merger sub with and into Clear Channel Communications, Inc. (Clear Channel), to only Clear Channel as the surviving corporation in the merger and not to any of its Subsidiaries, (ii) the terms we, our and us each refer to the Issuer, its successors and their respective consolidated Subsidiaries, following the merger, and (iii) consistent with the use of the term Holdings in the Indenture (as defined below), the term Holdings refers to Clear Channel Capital I, LLC.

The terms of the exchange notes are identical in all material respects to the outstanding notes except that, upon completion of the exchange offers, the exchange notes will be registered under the Securities Act and free of any covenants regarding exchange registration rights.

The Issuer issued $2,310,000,000 of notes, consisting of $980,000,000 aggregate principal amount of 10.75% senior cash pay notes due 2016 (the *Senior Cash Pay Notes*) and $1,330,000,000 aggregate principal amount of 11.00%/11.75% senior toggle notes due 2016 (together with any PIK Notes (as defined under Principal, Maturity and Interest) issued in respect thereof, the *Senior Toggle Notes* and, together with the Senior Cash Pay Notes, the *Notes*). The Issuer issued the Notes under an indenture dated as of the Issue Date (the *Indenture*) among the Issuer, Law Debenture Trust Company of New York, as trustee (the *Trustee*), and Deutsche Bank Trust Company Americas, as paying agent (the *Paying Agent*), registrar and transfer agent. The Notes were issued in private transactions that were not subject to the registration requirements of the Securities Act. The terms of the Indenture include those stated therein and include those made part thereof by reference to the Trust Indenture Act. The Senior Cash Pay Notes and the Senior Toggle Notes were each issued as a separate class, but, except as otherwise provided below, are treated as a single class for all purposes of the Indenture.

The following description is only a summary of the material provisions of the Indenture and does not purport to be complete and is qualified in its entirety by reference to the provisions of that agreement, including the definitions therein of certain terms used below. We urge you to read the Indenture because that agreement, not this description, defines your rights as Holders of the Notes.

Brief Description of Notes

The Notes:

- are unsecured senior obligations of the Issuer;
- are *pari passu* in right of payment with all existing and future unsubordinated Indebtedness (including the Senior Credit Facilities and the Existing Senior Notes);
- are effectively subordinated to all existing and future Secured Indebtedness of the Issuer to the extent of the value of the assets securing such Indebtedness (including the Senior Credit Facilities);