

CLEAR CHANNEL COMMUNICATIONS INC
Form S-4
June 24, 2011
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As filed with the Securities and Exchange Commission on June 24, 2011.

Registration No. 333-

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)

Texas
(State or other jurisdiction of
incorporation or organization)

4832
(Primary Standard Industrial

Classification Number)
200 East Basse Road

74-1787539
(I.R.S. Employer
Identification No.)

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San Antonio, Texas 78209

Telephone: (210) 822-2828

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

Robert H. Walls, Jr.

Office of the Chief Executive Officer and Executive Vice President, General Counsel and Secretary

Clear Channel Communications, Inc.

200 East Basse Road

San Antonio, Texas 78209

Telephone: (210) 822-2828

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

Copies to:

James S. Rowe

Elisabeth M. Martin

Kirkland & Ellis LLP

300 North LaSalle

Chicago, Illinois 60654

Telephone: (312) 862-2000

* The co-registrants listed on the next page are also included in this Form S-4 Registration Statement as additional registrants.

Approximate date of commencement of proposed sale of the securities to the public: The exchange will occur as soon as practicable after the effective date of this Registration Statement.

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. "

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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. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee
9.0% Priority Guarantee Notes due 2021	\$1,750,000,000	100%	\$1,750,000,000	\$203,175(1)
Guarantees of 9.0% Priority Guarantee Notes due 2021(2)	N/A	N/A	N/A	N/A(3)

- (1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933, as amended.
- (2) See the following page for a table setting forth the guarantors, all of which are additional registrants.
- (3) No separate consideration will be received for the guarantees, and no separate fee is payable, pursuant to Rule 457(n) under the Securities Act.

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 this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Exact Name of	Primary Standard Industrial Classification Number	Jurisdiction of Formation	I.R.S. Employer Identification No.
Additional Registrants*			
Clear Channel Capital I, LLC	4899	Delaware	None
AMFM Broadcasting, Inc.	4832	Delaware	95-4068583
AMFM Operating Inc.	4899	Delaware	13-3649750
Citicasters Licenses, Inc.	4832	Texas	74-3005625
Capstar Radio Operating Company	4832	Delaware	13-3922738
CC Broadcast Holdings, Inc.	4899	Nevada	20-2302507
Christal Radio Sales, Inc.	7311	Delaware	13-2618663
Cine Guarantors II, Inc.	4899	California	95-2960196
Citicasters Co.	4832	Ohio	31-1081002
Clear Channel Broadcasting Licenses, Inc.	4832	Nevada	88-0309517
Clear Channel Broadcasting, Inc.	4832	Nevada	74-2722883
Clear Channel Identity, Inc.	4899	Texas	15-1643710
Clear Channel Holdings, Inc.	4899	Nevada	88-0318078
Clear Channel Investments, Inc.	6799	Nevada	91-1883551
Clear Channel Management Services, Inc.	8741	Texas	02-0619566
Clear Channel Mexico Holdings, Inc.	4899	Nevada	20-2303205
Clear Channel Satellite Services, Inc.	4899	Delaware	31-1125479
Critical Mass Media, Inc.	4899	Ohio	31-1228174
Katz Communications, Inc.	7311	Delaware	13-0904500
Katz Media Group, Inc.	7311	Delaware	13-3779266
Katz Millennium Sales & Marketing Inc.	7311	Delaware	06-0963166
Katz Net Radio Sales, Inc.	7311	Delaware	74-3221051
M Street Corporation	2741	Washington	54-1526578
Premiere Radio Networks, Inc.	4832	Delaware	95-4083971
Terrestrial RF Licensing, Inc.	4832	Nevada	55-0858211
CC Licenses, LLC	4832	Delaware	20-3498527
Clear Channel Real Estate, LLC	4899	Delaware	74-2745435
AMFM Broadcasting Licenses, LLC	4832	Delaware	01-0824545
AMFM Radio Licenses, LLC	4832	Delaware	75-2779594
AMFM Texas, LLC	4832	Delaware	74-2939082
AMFM Texas Broadcasting, LP	4832	Delaware	75-2486577
AMFM Texas Licenses, LLC	4832	Texas	75-2486580
Capstar TX, LLC	4832	Texas	13-3933048
CC Finco Holdings, LLC	4899	Delaware	26-3757034

* The address and agent for service of process for each of the additional registrants are the same as for Clear Channel Communications, Inc.

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The information in this prospectus is not complete and may be changed. These notes may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell nor is it an offer to buy these notes in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 24, 2011

PROSPECTUS

CLEAR CHANNEL COMMUNICATIONS, INC.

Exchange Offer for

\$1,750,000,000 9.0% Priority Guarantee Notes due 2021

We are offering to exchange up to \$1,750,000,000 aggregate principal amount of our new 9.0% Priority Guarantee Notes due 2021, which will be registered under the Securities Act of 1933, as amended (the Securities Act), for up to \$1,750,000,000 aggregate principal amount of our outstanding 9.0% Priority Guarantee Notes due 2021 (the exchange offer). We issued \$1,000,000,000 aggregate principal amount of our outstanding 9.0% Priority Guarantee Notes due 2021 on February 23, 2011 and \$750,000,000 aggregate principal amount of outstanding 9.0% Priority Guarantee Notes due 2021 on June 14, 2011. We refer to the outstanding 9.0% Priority Guarantee Notes due 2021 as the outstanding notes and we refer to the new 9.0% Priority Guarantee Notes due 2021 as the exchange notes. We sometimes refer to the outstanding notes and the exchange notes collectively as the notes.

Material Terms of the Exchange Offer

The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2011, unless extended.

We will exchange all outstanding notes that are validly tendered and not withdrawn prior to the expiration or termination of the exchange offer. You may withdraw your tender of outstanding notes at any time before the expiration of the exchange offer.

The terms of the exchange notes to be issued in the exchange offer are substantially identical to the outstanding notes, except that the transfer restrictions and registration rights relating to the outstanding notes will not apply to the exchange notes.

The exchange of outstanding notes for exchange notes should not be a taxable event for U.S. federal income tax purposes, but you should see the discussion under the caption Certain United States Federal Income Tax Considerations for more information.

We will not receive any proceeds from the exchange offer.

We issued the outstanding notes in transactions not requiring registration under the Securities Act and, as a result, their transfer is restricted. We are making the exchange offer to satisfy your registration rights as a holder of the outstanding notes.

We are not asking you for a proxy and you are not requested to send us a proxy.

For a discussion of certain factors that you should consider before participating in this exchange offer, see Risk Factors beginning on page 19 of this prospectus.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offer, nor have any of these organizations determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have filed a registration statement on Form S-4 to register with the SEC the exchange notes to be issued in exchange for the outstanding notes. This prospectus is part of that registration statement.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. 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 exchange notes received 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. We have agreed that, starting on the expiration date (as defined herein) and ending on the close of business 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

THE DATE OF THIS PROSPECTUS IS _____, 2011.

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You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. You should assume that the information contained in this prospectus is accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since then. We are not making an offer to sell the exchange notes offered by this prospectus in any jurisdiction where the offer or sale is not permitted.

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BASIS OF PRESENTATION

The financial statements and related footnotes included in this prospectus are those of Clear Channel Capital I, LLC (Clear Channel Capital), the direct parent of Clear Channel Communications, Inc. (Clear Channel), which is a guarantor of the notes. The financial statements included in this prospectus contain certain footnote disclosures regarding the financial information of Clear Channel and Clear Channel's domestic wholly-owned subsidiaries that guarantee certain of Clear Channel's outstanding indebtedness. Clear Channel Capital does not have any operations of its own, and, as a result, the financial statements of Clear Channel Capital reflect the financial condition and results of Clear Channel. All other data and information in this prospectus are that of Clear Channel and its subsidiaries, unless otherwise indicated.

Clear Channel Capital and Clear Channel are indirect wholly-owned subsidiaries of CC Media Holdings, Inc. (CCMH), which was formed in May 2007 by private equity funds managed by Bain Capital Partners, LLC (Bain Capital) and Thomas H. Lee Partners, L.P. (THL, and together with Bain Capital, the Sponsors) for the purpose of acquiring the business of Clear Channel. On November 16, 2006, Clear Channel entered into a merger agreement with BT Triple Crown Merger Co. Inc., an entity formed by private equity funds sponsored by the Sponsors (Merger Sub), to effect the acquisition of Clear Channel by CCMH (the Merger Agreement). Clear Channel held a special meeting of its shareholders on July 24, 2008, at which time the proposed merger of Merger Sub into Clear Channel (the Merger) was approved, and the Merger was completed on July 30, 2008.

CCMH accounted for its acquisition of Clear Channel as a purchase business combination in conformity with Statement of Financial Accounting Standards No. 141, *Business Combinations*, and Emerging Issues Task Force Issue 88-16, *Basis in Leveraged Buyout Transactions*.

Clear Channel Capital's consolidated statements of operations and statements of cash flows included in this prospectus are presented for two periods: post-Merger and pre-Merger. The Merger resulted in a new basis of accounting beginning on July 31, 2008 and the financial reporting periods are presented as follows.

Each of the periods beginning on and after July 31, 2008 reflects our post-Merger period. Subsequent to the acquisition, Clear Channel became an indirect, wholly-owned subsidiary of CCMH, and Clear Channel Capital's business became that of Clear Channel and its subsidiaries.

The period from January 1 through July 30, 2008 and the years ended December 31, 2006 and 2007 reflect our pre-Merger period. 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 purchase accounting, the consolidated financial statements of the post-Merger periods are not comparable to periods preceding the Merger. We have also presented in this prospectus our results from 2008 on a basis that combines the pre-Merger and post-Merger periods for 2008. We believe that the presentation of 2008 on a combined basis is more meaningful as it allows the results of operations to be compared to the full year periods in 2009 and 2010. This combined financial information is for informational purposes only, is not being presented on a pro forma basis and should not be considered indicative of actual results that would have been achieved had the Merger not been completed during 2008 or been completed at the beginning of 2008. In particular, it does not reflect the full year effect of depreciation and amortization expense associated with valuations of property, plant and equipment and definite-lived intangible assets that were adjusted in the Merger, interest expense related to debt issued in conjunction with the Merger, issuance costs with respect to this indebtedness, the fair value adjustment to Clear Channel's existing indebtedness or the related tax effects of these items. The combined financial information should be read in conjunction with the information contained in Selected Historical Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements of Clear Channel Capital and the accompanying notes appearing elsewhere in this prospectus.

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FORWARD-LOOKING STATEMENTS

This prospectus contains certain statements that are, or may be deemed to be, forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as expects, anticipates, believes, estimates and other similar expressions or future or conditional verbs such as will, should, would and could are intended to identify such forward-looking statements. Readers should not rely solely on the forward-looking statements and should consider all uncertainties and risks throughout this prospectus, including those set forth under Risk Factors. The statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement.

All forward-looking statements, by their nature, are subject to risks and uncertainties. Our actual future results may differ materially from those set forth in our forward-looking statements. We face risks that are inherent in the businesses and the market places in which we operate. While management believes these forward-looking statements are accurate and reasonable, uncertainties, risks and factors, including those described below and under Risk Factors, could cause actual results to differ materially from those reflected in the forward-looking statements.

Factors that may cause the actual outcome and results to differ materially from those expressed in, or implied by, these forward-looking statements include, but are not necessarily limited to:

the impact of our substantial indebtedness, including the effect of our leverage on our financial position and earnings;

the need to allocate significant amounts of our cash flow to make payments on our indebtedness, which in turn could reduce our financial flexibility and ability to fund other activities;

risks associated with a global economic downturn and its impact on capital markets;

other general economic and political conditions in the United States and in other countries in which we currently do business, including those resulting from recessions, political events and acts or threats of terrorism or military conflicts;

the impact of the geopolitical environment;

industry conditions, including competition;

legislative or regulatory requirements;

fluctuations in operating costs;

technological changes and innovations;

changes in labor conditions;

capital expenditure requirements;

fluctuations in exchange rates and currency values;

the outcome of pending and future litigation;

changes in interest rates;

taxes and tax disputes;

shifts in population and other demographics;

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access to capital markets and borrowed indebtedness;

the risk that we may not be able to integrate the operations of acquired companies successfully;

the risk that our cost savings initiatives may not be entirely successful or that any cost savings achieved from those initiatives may not persist; and

the other factors described in this prospectus under the heading Risk Factors.

Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations and also could cause actual results to differ materially from those included, contemplated or implied by the forward-looking statements made in this prospectus, and the reader should not consider the above list of factors to be a complete set of all potential risks or uncertainties.

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INDUSTRY AND MARKET 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, Arbitron Inc. (Arbitron) and Nielsen Media Research, Inc. (Nielsen) rankings, comScore, Inc., the Veronis Suhler Stevenson Industry Forecast, SNL Kagan, the Radio Advertising Bureau, Media Dynamics, Ando Media, Omniture, BIA Financial Network Inc., eMarketer, the Outdoor Advertising Association of America and Universal McCann. While we believe our internal surveys, third-party information, estimates of management and data from trade associations are reliable, we have not verified this data with any independent sources. Accordingly, we do not make any representations as to the accuracy or completeness of that data.

As of March 31, 2011, entities affiliated with THL beneficially owned approximately 15.5% of the outstanding shares of capital stock of The Nielsen Company B.V., an affiliate of Nielsen, and officers of THL 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. As of March 31, 2011, entities affiliated with David C. Abrams, a member of the board of directors of CCMH, beneficially owned approximately 11.2% of the outstanding shares of capital stock of Arbitron. Information provided by Arbitron or Nielsen is contained in reports that are available to all of the clients of Arbitron or Nielsen, as applicable, and were not commissioned by or prepared for THL, Bain Capital or Mr. Abrams.

TRADEMARKS AND TRADE NAMES

This prospectus includes trademarks, such as Clear Channel, which are protected under applicable intellectual property laws and are the property of Clear Channel or its subsidiaries. This prospectus also contains trademarks, service marks, trade names and copyrights, of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

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SUMMARY

This summary highlights key information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information that you should consider before deciding whether or not to participate in the exchange offer. You should read this entire prospectus, including the information set forth under Risk Factors and the financial statements and related notes, before participating in the exchange offer.

Unless otherwise indicated or required by the context, as used in this prospectus, the terms the Company, we, our and us refer to Clear Channel Communications, Inc. and all of its subsidiaries that are consolidated under GAAP, and the term Clear Channel refers to Clear Channel Communications, Inc. and not to any of its subsidiaries. Clear Channel Communications, Inc., the issuer of the notes, is a direct, wholly-owned subsidiary of Clear Channel Capital I, LLC, one of the guarantors of the notes. All references in this prospectus to Clear Channel Capital refer to Clear Channel Capital I, LLC and not to any of its subsidiaries.

As an indirect, wholly-owned subsidiary of CCMH, the compensation of our officers and directors is governed by the policies and practices of CCMH. Accordingly, the information contained in the sections titled Compensation Discussion and Analysis, Executive Compensation, Relationship of Compensation Policies and Programs to Risk Management, Director Compensation and Security Ownership of Certain Beneficial Owners and Management relates to the executive compensation, security ownership, director compensation and other arrangements between CCMH and our officers and directors and all references therein to the Company, we, our and us refer to CCMH.

Overview

We are the largest radio company and one of the largest outdoor media companies in the world (based on revenues) with leading market positions in each of our operating segments: Radio Broadcasting, Americas Outdoor Advertising and International Outdoor Advertising.

Radio Broadcasting. We are the largest radio broadcaster in the United States (based on revenues). As of December 31, 2010, we owned 892 domestic radio stations, servicing approximately 150 U.S. markets, including 47 of the top 50 markets and 89 of the top 100 markets. 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 almost 120 million individuals based on Arbitron National Regional Database figures for the Spring 2010 ratings period. In addition to our radio broadcasting business, we operate Premiere Radio Networks, a national radio network that produces, distributes or represents approximately 90 syndicated radio programs, serves nearly 5,800 radio station affiliates and has over 213 million weekly listeners. Some of our more popular syndicated programs include Rush Limbaugh, Jim Rome, Steve Harvey, Ryan Seacrest and Delilah. For the year ended December 31, 2010, our Radio Broadcasting segment represented approximately 49% of our revenue.

Americas Outdoor Advertising. We are the largest outdoor advertising company in the Americas (based on revenue), which includes the United States, Canada and Latin America. Approximately 89% of our 2010 revenue in our Americas Outdoor Advertising segment was derived from the United States. We own or operate approximately 188,000 displays in our Americas segment and have operations in 49 of the 50 largest markets in the United States, including all of the 20 largest markets. Our Americas 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 Americas outdoor advertising business is focused on urban markets with dense populations. For the year ended December 31, 2010, our Americas Outdoor Advertising segment represented approximately 22% of our revenue.

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International Outdoor Advertising. Our International Outdoor Advertising business segment includes our operations in Asia, Australia and Europe, with approximately 37% of our 2010 revenue in this segment derived from France and the United Kingdom. As of December 31, 2010, we owned or operated approximately 634,000 displays in 29 countries. Our International outdoor assets consist of street furniture and transit displays, billboards, mall displays, Smartbike schemes, wallscape and other spectaculars, which we own or operate under lease agreements. Our International business is focused on urban markets with dense populations. For the year ended December 31, 2010, our International Outdoor Advertising segment represented approximately 25% of our revenue.

Other. Our other (Other) category includes our media representation business, Katz Media Group, Inc. (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, 2010, Katz Media represented approximately 3,900 radio stations, approximately one-fifth of which were owned by us, as well as approximately 900 digital properties. Katz Media also represents approximately 600 television and digital multicast stations. Katz Media generates revenue primarily through contractual commissions realized from the sale of national spot and online advertising. 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. For the year ended December 31, 2010, our Other category represented approximately 4% of our revenue.

For the year ended December 31, 2010, we generated consolidated net revenues of \$5,866 million, operating income of \$865 million and consolidated net loss of \$463 million.

Our Strengths

Leading Positions in the U.S. Radio Broadcasting and Global Outdoor Market. We are a market leader in both the radio and outdoor media industries.

We own the number one or number two ranked radio station clusters in eight of the top 10 and in 20 of the top 25 markets in the United States. With a total weekly listening base of almost 120 million individuals based on Arbitron National Regional Database figures for the Spring 2010 ratings period, our portfolio of 892 stations generated twice the revenue as our next largest radio broadcasting competitor in 2010.

In the United States outdoor market, we believe we hold the number one market share in seven of the top 10 markets and are either number one or number two in 16 of the top 20 markets. Internationally, we believe we hold leading positions in France, the United Kingdom, Spain, Italy, Sweden, Belgium and Norway. In addition, we hold positions in several countries where we have experienced strong growth, including Australia, China and Turkey.

Global Scale in Radio Broadcasting and Outdoor Advertising. Based on revenues, we are the largest radio and one of the largest outdoor media companies in the world. As of December 31, 2010, we owned 892 domestic radio stations servicing approximately 150 U.S. markets, including 47 of the top 50 markets and 89 of the top 100 markets. We also operate more than 822,000 outdoor advertising displays worldwide, in what we believe are premier real estate locations. We believe that our scale provides us with the flexibility and resources to introduce new products and solutions in a cost effective manner.

Our scale has enabled cost-effective investment in new technologies, such as digital billboards, HD radio and streaming technology, which we believe will continue to support future growth. Digital billboards, for example, enable us to transition from selling space on a display to a single advertiser

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to selling time on that display to multiple advertisers, creating new revenue opportunities from both new and existing clients. We have enjoyed significantly higher revenue per digital billboard than the revenue per vinyl billboard with modest capital costs.

Our large distribution platform in our Radio Broadcasting segment allows us to attract top talent and more effectively utilize programming, sharing the best and most compelling talent and programming across many stations throughout the United States.

With more than 3,500 sales people in local markets across the globe, we believe we have one of the media industry's largest local-based sales forces. Our scale has facilitated cost-effective investment in systems that allow us to maximize yield management and systems that improve the ability of our local salespeople to increase revenue. Additionally, our scale has allowed us to implement initiatives that we believe differentiate us from the rest of the radio and outdoor industries and position us to outperform our competitors across our markets.

Diversification Across Business Lines, Geographies, Markets and Format. Approximately half of our revenue is generated by our Radio Broadcasting segment, with the remaining half generated by our Americas Outdoor Advertising and International Outdoor Advertising segments, as well as other support services and initiatives. We offer advertisers a diverse platform of media assets across geographies, outdoor products and radio programming formats. Due to our multiple business units, we are not dependent upon any single source of revenue.

Strong Collection of Unique Assets. Through acquisitions and organic growth, we have aggregated a unique portfolio of assets. We believe the combination of our assets cannot be replicated.

Ownership and operation of radio broadcast stations is governed by the Federal Communications Commission's (FCC) licensing process, which limits the number of radio licenses available in any market. Any party seeking to acquire or transfer radio licenses must go through a detailed review process with the FCC. Over several decades, we have aggregated multiple licenses in local market clusters across the United States. A cluster of multiple radio stations in a market allows us to provide listeners with more diverse programming and advertisers with a more efficient means to reach those listeners. In addition, we are able to increase our efficiency by operating in clusters, which allows us to eliminate duplicative operating expenses and realize economies of scale.

The domestic outdoor industry is regulated by the federal government as well as state and municipal governments. Statutes and regulations govern the construction, repair, maintenance, lighting, height, size, spacing and placement and permitting of outdoor advertising structures. Due to these regulations, it has become increasingly difficult to develop new outdoor advertising locations. Further, for many of our existing billboards, a competitor or landlord could not obtain a permit for replacement under existing laws and regulations due to their non-conforming status.

Attractive Businesses with High Margins and Low Capital Expenditure Requirements. Our global scale has enabled us to make productive and cost effective investments across our portfolio. As a result of our strong margins and low capital expenditure requirements, we have been able to convert a significant portion of our operating income into cash flow that can be utilized for debt service.

We have strong operating margins, driven by our significant scale and leading market share in both radio broadcasting and outdoor advertising. For the year ended December 31, 2010, our consolidated operating margin (before corporate expenses) was 33%, with strong operating margins in our Radio Broadcasting (38%) and Americas Outdoor Advertising (37%) segments.

In addition, both radio broadcasting and outdoor media are low capital intensity businesses. For the year ended December 31, 2010, our total capital expenditures were 4% of total revenue.

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Highly Effective Advertising Medium. We believe both radio broadcasting and outdoor advertising offer compelling value propositions to advertisers and valuable access to consumers when they are out of the home and therefore closer to purchase decisions. We also believe both the radio broadcasting and outdoor advertising industries are well positioned to benefit from the fragmentation of audiences of other media as they are able to reach mass audiences on a local market basis.

Radio broadcasting and outdoor media offer compelling value propositions to advertisers by providing the number two and number one most cost effective media advertising outlets, respectively, as measured by cost per thousand persons reached.

Both radio broadcasting and outdoor media reach potential consumers outside of the home, a valuable position as it is closer to the purchase decision. Today, consumers spend a significant portion of their day out-of-home, while out-of-home media (radio and outdoor) currently garner a disproportionately smaller share of media spending than in-home media. We believe this discrepancy represents an opportunity for growth.

Additionally, radio programming reaches 93% of all consumers in the United States in a given week, with the average consumer listening for almost two hours per day. On a weekly basis, this represents nearly 240 million unique listeners.

According to Nielsen, consumers in the United States listen to a significant amount of radio per day. In 2008, broadcast radio captured 109 minutes of user consumption per day, which compares favorably to the Internet at 77 minutes, newspapers at 41 minutes and magazines at 22 minutes.

According to Arbitron, in 2009, 98% of U.S. residents traveled in a car each month, with an average of 224 miles traveled per week. The captive in-car audience is protected from media fragmentation and is subject to increasing out-of-home advertiser exposure as time and distance of commutes increase.

Significant Operating Leverage with Flexibility to Manage Cost Base As Necessary. We benefit from significant operating leverage, which leads to operating margin increases in a growth environment. Conversely, we have demonstrated our flexibility to effectively manage our cost base in a low growth or recessionary environment.

In 2010, both gross domestic product and advertising revenue returned to growth in many of our markets, including in the United States, allowing us to realize the benefits of our significant operating leverage.

By many accounts, the Great Recession was the worst economic downturn since the Great Depression. During this time, we demonstrated our flexibility to manage our cost base, announcing a cost savings initiative in January 2009. This initiative included significant cost savings derived from the renegotiation of lease agreements, display takedowns, workforce reductions and the elimination of overlapping functions.

Our Strategy

Radio

Our radio broadcasting strategy centers on providing effective programming, offering a wide range of services, and contributing to the local communities in which we operate. 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 focuses on consistently improving the ongoing operations of our stations through effective programming, promotion, marketing, distribution, sales, and cost management.

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Drive Local and National Advertising. We intend to drive growth in our radio business through effective programming, new and better solutions for large national advertisers and agencies, key relationships with advertisers and improvement of our national sales team. We seek to maximize revenue by closely managing on-air inventory of advertising time and adjusting prices to local market conditions. We operate price and yield 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 what we believe are optimal prices given market conditions.

Continue to Enhance the Radio Listener Experience. We will continue to focus on enhancing the radio listener experience by offering a wide variety of compelling content. Our investments in radio programming over time have created a collection of leading on-air talent. For example, our Premiere Radio Network offers more than 90 syndicated radio programs and services for nearly 5,800 radio station affiliates across the United States. Our distribution platform allows us to attract top talent and more effectively utilize programming, sharing the best and most compelling content across many stations.

Deliver Content via New Distribution Technologies. We are continually expanding content choices for our listeners, including utilization of new distribution technologies such as HD radio, streaming audio, mobile and other distribution channels. Some examples of these initiatives are as follows:

HD Radio. HD radio enables crystal clear reception, 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 capabilities of HD radio will potentially permit us to participate in commercial download services.

Streaming Audio. We provide streaming audio via the Internet, mobile and other digital platforms and, accordingly, have increased listener reach and developed new listener applications as well as new advertising capabilities. We estimate that more than twelve million people visit Clear Channel Radio Online each month, with more than 750 stations streaming online. We rank among the top streaming networks in the U.S. with regards to Average Active Sessions (AAS), Session Starts (SS) and Average Time Spent Listening (ATSL) according to Ando Media. AAS and SS measure the level of activity while ATSL measures the ability to keep the audience engaged.

Mobile. We have pioneered mobile applications such as the iheartradio smart phone application, which allows listeners to use their smart phones to interact directly with stations, find titles/artists, request songs and download station wallpapers. iheartradio is often in the top ten for free music application downloads on both Blackberry and iPhone.

Americas Outdoor Advertising

We seek to capitalize on our Americas outdoor network and diversified product mix to maximize revenue. In addition, by sharing best practices among our business segments, we believe we can quickly and effectively replicate our successes in other markets in which we operate. Our outdoor strategy also focuses on leveraging our diversified product mix and long-standing presence in many of our existing markets, which provides us with the platform to launch new products and test new initiatives in a reliable and cost-effective manner.

Drive Overall Outdoor Media Spending. Given the attractive industry fundamentals of outdoor media and our depth and breadth of relationships with both local and national advertisers, we believe we can drive outdoor advertising's share of total media spending, which represented only 4% of total dollars spent on advertising in the United States in 2010, by utilizing our dedicated national sales team to highlight the value of

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outdoor advertising relative to other media. We have made and continue to make significant 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. Also, we are working closely with clients, advertising agencies and other diversified media companies to develop more sophisticated systems that will provide improved audience metrics for outdoor advertising. For example, we have implemented the EYES ON audience measurement system which: (1) separately reports audiences for each of the nearly 400,000 units of inventory across the industry in the United States, (2) reports those audiences using the same demographics available and used by other media permitting reach and frequency measures, (3) provides the same audience measures across more than 200 markets, and (4) reports which advertisement is most likely to be seen. We believe that measurement systems such as EYES ON will further enhance the attractiveness of outdoor advertising for both existing clients and new advertisers and further foster outdoor media spending growth.

Continue to Deploy Digital Billboards. Digital outdoor advertising provides significant advantages over traditional outdoor media. Our electronic displays are linked through centralized computer systems to instantaneously and simultaneously change advertising copy on a large number of displays, allowing us to sell more slots to advertisers. The ability to change copy by time of day and quickly change messaging based on advertisers' needs creates additional flexibility for our customers. The advantages of digital allow us to penetrate new accounts and categories of advertisers as well as serve a broader set of needs for existing advertisers. We expect this trend to continue as we increase our quantity of digital inventory. As of March 31, 2011, we had deployed approximately 650 digital displays in 36 markets in the United States.

International Outdoor Advertising

Similar to our Americas outdoor advertising, we believe International outdoor advertising has attractive industry fundamentals including a broad audience reach and a highly cost effective media for advertisers as measured by cost per thousand persons reached compared to other traditional media. Our International strategy focuses on our competitive strengths to position the Company through the following strategies:

Promote Overall Outdoor Media Spending. Our strategy is to drive growth in outdoor advertising's share of total media spending and leverage such growth with our international scale and local reach. We are focusing on developing and implementing better and improved outdoor audience delivery measurement systems to provide advertisers with tools to determine how effectively their message is reaching the desired audience.

Capitalize on Product and Geographic Opportunities. We are also focused on growing our business internationally by working closely with our advertising customers and agencies in meeting their needs, and through new product offerings, optimization of our current display portfolio and selective investments targeting promising growth markets. We have continued to innovate and introduce new products in international markets based on local demands. Our core business is our street furniture business and that is where we plan to focus much of our investment. We plan to continue to evaluate municipal contracts that may come up for bid and will make prudent investments where we believe we can receive attractive returns. We will also continue to invest in markets such as China, Turkey and Poland, where we believe there is high growth potential.

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Corporate Structure

The following chart summarizes our corporate structure and principal indebtedness as of March 31, 2011, after giving effect to the issuance of \$750 million aggregate principal amount of the outstanding notes in June 2011 and the voluntary paydown of our receivables based credit facility we made on June 8, 2011, but without giving effect to the application of any proceeds of the issuance of outstanding notes in June 2011, including the anticipated repayment at maturity of our legacy notes due in March 2012.

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- (1) Our senior secured credit facilities and receivables based credit facility are guaranteed on a senior secured basis by Clear Channel Capital and by our material wholly-owned domestic restricted subsidiaries. As of March 31, 2011, our senior secured credit facilities consisted of a \$1,928 million revolving credit facility, including a letter of credit sub-facility and a swingline loan sub-facility, of which \$1,780.5 million was outstanding, a \$1,087.1 million term loan A, an \$8,735.9 million term loan B, a \$670.9 million term loan C asset sale facility and \$976.8 million of delayed draw term loans. Our receivables based credit facility provides for a revolving credit commitment of \$625.0 million, subject to a borrowing base. As of March 31, 2011, after giving effect to the voluntary paydown of this facility using cash on hand on June 8, 2011, we had no outstanding borrowings under our receivables based credit facility and \$625.0 million available for borrowing thereunder. The amount available under the term loan A facility and the receivables based credit facility are subject to adjustment as described under Description of Other Indebtedness.
- (2) The \$1,000 million aggregate principal amount of outstanding notes issued in February 2011 and the \$750 million aggregate principal amount of outstanding notes issued in June 2011 have identical terms and are treated as a single class of notes under the indenture governing the notes. The outstanding notes are, and the exchange notes offered hereby will be, guaranteed on a senior basis by Clear Channel Capital and by our wholly-owned domestic restricted subsidiaries. Our foreign subsidiaries and CCOH and its subsidiaries have not guaranteed any of our obligations under the outstanding notes and will not guarantee any of our obligations under the exchange notes offered hereby. As of March 31, 2011, our non-guarantor subsidiaries held approximately 47.4% of our assets and had \$2,561 million in outstanding indebtedness, excluding intercompany obligations. During the three months ended March 31, 2011, our non-guarantor subsidiaries generated 49.7% of our revenue and 9.9% of our operating income.
- (3) As of March 31, 2011, we had \$66.9 million of other indebtedness, consisting of \$38.6 million of indebtedness at our International Outdoor Advertising segment, \$22.2 million of indebtedness at our Americas Outdoor Advertising segment and \$6.1 million of indebtedness at certain of our other subsidiaries.
- (4) The senior cash pay notes due 2016 and senior toggle notes due 2016 are guaranteed on a senior basis by Clear Channel Capital and by our wholly-owned domestic restricted subsidiaries that guarantee our senior secured credit facilities, except that those guarantees by our subsidiaries are subordinated to each such guarantor's guarantee of such facilities and to the notes. For a description of the senior cash pay notes due 2016 and the senior toggle notes due 2016, see Description of Other Indebtedness.
- (5) As part of the day-to-day cash management services we provide to Clear Channel Outdoor Holdings, Inc. (CCOH), we maintain accounts that represent amounts payable to or due from CCOH, and the net amount is recorded as Due from/to Clear Channel Communications on CCOH's consolidated balance sheet.
- (6) As of March 31, 2011, we had \$2,218.6 million aggregate principal amount of legacy notes outstanding, all of which had been issued prior to the Merger. Our legacy notes bore interest at fixed rates ranging from 4.4% to 7.25%, have maturities through 2027 and contain provisions, including limitations on certain liens and sale and leaseback transactions, customary for investment grade debt securities. The legacy notes are not guaranteed by Clear Channel Capital or any of our subsidiaries. For a description of the material terms of the legacy notes, see Description of Other Indebtedness. On May 15, 2011, we repaid at maturity \$250 million in aggregate principal amount of our legacy notes, of which \$109.8 million was held by one of our subsidiaries.
- (7) CCOH became a publicly traded company on November 11, 2005 through an initial public offering in which CCOH sold 35 million shares, or 10%, of its common stock. Prior to CCOH's public offering, it was an indirect wholly-owned subsidiary of Clear Channel. The senior notes (the CCWH Notes) were issued by Clear Channel Worldwide Holdings, Inc. (CCWH), an indirect wholly-owned subsidiary of CCOH, and are guaranteed by CCOH and certain of its subsidiaries but not by Clear Channel Capital or any of its wholly-owned subsidiaries. For a description of the material terms of the CCWH Notes, including limits on CCOH's ability to pay dividends, see Risk Factors Risks Related to the Notes. Because we derive a substantial portion of operating income from our subsidiaries, our ability to repay our debt, including the notes, depends upon the performance of our subsidiaries and their ability to dividend or distribute funds to us and Description of Other Indebtedness.

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Equity Sponsors

Bain Capital, LLC

Bain Capital, LLC is a global private investment firm whose affiliates, including Bain Capital, manage several pools of capital, including private equity, venture capital, public equity, high-yield assets and mezzanine capital, with approximately \$65 billion in assets under management. Bain Capital has a team of approximately 375 professionals dedicated to investing and to supporting its portfolio companies. Since its inception in 1984, funds sponsored by Bain Capital have made private equity investments and add-on acquisitions in more than 300 companies in a variety of industries around the world. Headquartered in Boston, Bain Capital has offices in New York, Chicago, London, Munich, Hong Kong, Shanghai, Tokyo and Mumbai.

Thomas H. Lee Partners, L.P.

Thomas H. Lee Partners, L.P. is one of the world's oldest and most experienced private equity firms. THL invests in growth-oriented companies across three broad sectors: Business & Financial Services, Consumer & Healthcare and Media & Information Services. THL's investment and operating professionals partner with portfolio company management teams to identify and implement business model improvements that accelerate sustainable revenue and profit growth. The firm focuses on global businesses headquartered primarily in North America. Since the firm's founding in 1974, THL has acquired more than 100 portfolio companies and has completed over 200 add-on acquisitions, representing a combined value of more than \$125 billion. The firm's two most recent private equity funds comprise more than \$14 billion of aggregate committed capital.

Corporate Information

Clear Channel is a Texas corporation. Clear Channel was incorporated in 1974 and its principal executive offices are 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 offer.

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Exchange Offer

On February 23, 2011, we completed a private offering of \$1,000,000,000 aggregate principal amount of 9.0% Priority Guarantee Notes due 2021 and on June 14, 2011 we completed a private offering of \$750,000,000 aggregate principal amount of 9.0% Priority Guarantee Notes due 2021. With respect to each private offering, we entered into an exchange and registration rights agreement with the initial purchasers 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 offer. For more information, please see Exchange Offer. Unless the context otherwise requires, we use the term notes in this prospectus to collectively refer to the outstanding notes and the exchange notes.

The Initial Offerings of Outstanding Notes

We sold \$1,000,000,000 aggregate principal amount of outstanding notes on February 23, 2011 to Goldman, Sachs & Co., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, RBS Securities Inc. and Wells Fargo Securities, LLC. We refer to these parties in this prospectus collectively as the initial purchasers.

We sold \$750,000,000 aggregate principal amount of outstanding notes on June 14, 2011 to the initial purchasers.

The issuances of outstanding notes have identical terms and are treated as a single class of notes.

The initial purchasers subsequently resold the outstanding notes (i) to qualified institutional buyers pursuant to Rule 144A under the Securities Act and (ii) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

Exchange and Registration Rights Agreements

Simultaneously with the initial sales of the outstanding notes, we entered into two registration rights agreements, one with respect to each issuance of outstanding notes, pursuant to which we have agreed, among other things, to use commercially reasonable efforts to file with the SEC and cause to become effective a registration statement relating to an offer to exchange the outstanding notes for an issue of SEC-registered notes with terms identical to the outstanding notes. The exchange offer is intended to satisfy your rights under the applicable registration rights agreement. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your outstanding notes.

The Exchange Offer

We are offering to exchange the exchange notes, which have been registered under the Securities Act, for your outstanding notes, which were issued in the applicable private offering. In order to be exchanged, an outstanding note must be properly tendered and accepted. All outstanding notes that are validly tendered and not validly withdrawn will be exchanged. We will issue exchange notes

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promptly after the expiration of the exchange offer.

Resales

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

the exchange notes are being acquired in the ordinary course of your business;

you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the exchange notes issued to you in the exchange offer; and

you are not an affiliate of ours.

If any of these conditions are not satisfied and you transfer any exchange notes issued to you in the exchange offer without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes from these requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

Each broker-dealer that is issued exchange notes in the exchange offer for its own account in exchange for outstanding notes that were acquired by that broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in the exchange offer.

Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, _____, 2011, unless we decide to extend the expiration date.

Conditions to the Exchange Offer

The exchange offer is not subject to any condition, other than that the exchange offer does not violate applicable law or any applicable interpretation of the staff of the SEC.

Procedures for Tendering Outstanding Notes

If you wish to tender your outstanding notes for exchange in the exchange offer, you must transmit to the exchange agent on or before the expiration date either:

an original or a facsimile of a properly completed and duly executed copy of the letter of transmittal, which accompanies this prospectus, together with your outstanding notes and any other documentation required by the letter of transmittal, at the address provided on the cover page of the letter of transmittal; or

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if the outstanding notes you own are held of record by The Depository Trust Company, or DTC, in book-entry form and you are making delivery by book-entry transfer, a computer-generated message transmitted by means of the Automated Tender Offer Program System of DTC, or ATOP, in which you acknowledge and agree to be bound by the terms of the letter of transmittal and which, when received by the exchange agent, forms a part of a confirmation of book-entry transfer. As part of the book-entry transfer, DTC will facilitate the exchange of your notes and update your account to reflect the issuance of the exchange notes to you. ATOP allows you to electronically transmit your acceptance of the exchange offer to DTC instead of physically completing and delivering a letter of transmittal to the notes exchange agent.

In addition, you must deliver to the exchange agent on or before the expiration date:

a timely confirmation of book-entry transfer of your outstanding notes into the account of the notes exchange agent at DTC if you are effecting delivery of book-entry transfer, or

if necessary, the documents required for compliance with the guaranteed delivery procedures.

Special Procedures for Beneficial Owners

If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of the book-entry interests or 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 the book-entry interest or outstanding notes in the exchange offer, you should contact the person in whose name your book-entry interests or outstanding notes are registered promptly and instruct that person to tender on your behalf.

Withdrawal Rights

You may withdraw the tender of your outstanding notes from the exchange offer at any time prior to 5:00 p.m., New York City time, on _____, 2011.

U.S. Federal Income Tax Consequences

We believe that the exchange of outstanding notes should not be a taxable event for United States federal income tax purposes.

Use of Proceeds; Fees and Expenses

We will not receive any proceeds from the issuance of exchange notes pursuant to the exchange offer. We will pay all of our expenses incident to the exchange offer.

Exchange Agent

Deutsche Bank Trust Company Americas, the collateral agent under the indenture governing the notes, is serving as the exchange agent in connection with the exchange offer.

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Exchange Notes

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 will be registered under the Securities Act. As a result, the exchange notes will not bear legends restricting their transfer and will not contain the registration rights and liquidated damage provisions contained in the outstanding notes.

Issuer	Clear Channel Communications, Inc., a Texas corporation.
Notes Offered	\$1,750,000,000 aggregate principal amount of 9.0% priority guarantee notes due March 1, 2021.
Maturity	March 1, 2021.
Interest	<p>The exchange notes will bear interest at a rate of 9.0% per annum.</p> <p>Interest on the exchange notes will be payable by Clear Channel Communications, Inc. semi-annually in arrears on March 1 and September 1 of each year, commencing on September 1, 2011. See Description of the Exchange Notes Principal, Maturity and Interest.</p>
Ranking	<p>The exchange notes:</p> <ul style="list-style-type: none"> will be our senior obligations; will rank equally in right of payment with all of our existing and future indebtedness that is not by its terms expressly subordinated in right of payment to the exchange notes; will rank senior in right of payment to all of our existing and future indebtedness that is by its terms expressly subordinated in right of payment to the exchange notes; will be effectively subordinated in right of payment to all of our existing and future indebtedness that is secured by assets that are not part of the collateral securing the exchange notes, to the extent of such assets; and will be structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any subsidiary of ours that is not a guarantor of the exchange notes.

As of March 31, 2011, after giving effect to the issuance in June 2011 of \$750 million aggregate principal amount of the outstanding notes and the voluntary paydown we made on June 8, 2011 using cash on hand of all amounts outstanding under our receivables based credit facility, of which \$320.7 million was outstanding as of March 31, 2011, we would have had approximately \$20,787 million of total indebtedness outstanding. As of March 31, 2011, our non-guarantor subsidiaries held approximately 47.4% of our consolidated assets and had \$2,561 million in outstanding indebtedness, excluding

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intercompany obligations. During the three months ended March 31, 2011, our non-guarantor subsidiaries generated 49.7% of our revenue and 9.9% of our operating income.

Guarantors

The exchange notes will be fully and unconditionally guaranteed on a senior basis by Clear Channel Capital and each of our existing and future wholly-owned domestic restricted subsidiaries. CCOH, which is not a wholly-owned subsidiary of ours, and its subsidiaries will not guarantee the notes. The guarantee of the notes by Clear Channel Capital will rank equally in right of payment to all existing and future indebtedness of Clear Channel Capital that is not expressly subordinated in right of payment to such guarantee, including Clear Channel Capital's guarantee of the senior cash pay notes due 2016 and the senior toggle notes due 2016. Each subsidiary guarantee:

will rank senior in right of payment to all existing and future indebtedness of the applicable subsidiary guarantor that is by its terms expressly subordinated in right of payment to such subsidiary guarantee, including such subsidiary guarantor's guarantee of the senior cash pay notes due 2016 and the senior toggle notes due 2016;

will rank equally in right of payment with all existing and future indebtedness of the applicable subsidiary guarantor that is not by its terms expressly subordinated in right of payment to such subsidiary guarantee; and

will be effectively subordinated in right of payment to all existing and future indebtedness of the applicable subsidiary guarantor that is secured by assets that are not part of the collateral securing such subsidiary guarantee, to the extent of such assets.

Each guarantee will be structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of any subsidiary of the applicable guarantor that is not also a guarantor of the exchange notes.

Security

Initially, our obligations under the exchange notes and the guarantors' obligations under the guarantees will be secured, subject to prior liens permitted by the indenture governing the legacy notes, by (1) a lien on (a) our capital stock and (b) certain property and related assets that do not constitute principal property (as defined in the indenture governing the legacy notes), in each case equal in priority to the liens securing the obligations under our senior secured credit facilities (collectively, certain collateral securing our senior secured credit facilities) and (2) a lien on the accounts receivable and related assets securing our receivables based credit facility junior in priority to the lien securing our obligations under such receivables based credit facility (the receivables-based collateral and, together with certain collateral securing our senior secured credit facilities, the collateral). The collateral will also include (x) 100% of the capital

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stock of our wholly-owned domestic restricted subsidiaries and intercompany loans between the issuer and its restricted subsidiaries or between any restricted subsidiaries and (y) our assets that constitute principal property under the indenture governing the legacy notes if (A) the aggregate amount of legacy notes outstanding is \$500 million or less, (B) the indenture governing the legacy notes has been amended or otherwise modified to remove or limit the applicability of the negative pledge covenant set forth in the indenture governing the legacy notes, (C) any legacy notes are secured or become required to be secured by a lien on any collateral with respect to the springing lien or (D) our senior secured credit facilities are secured by a lien on the assets described in this sentence (other than certain liens securing our senior secured credit facilities permitted under the indenture governing the legacy notes in effect on the issue date). See

Description of the Exchange Notes Security. The value of the collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the collateral. See Risk Factors Risks Related to the Notes.

Intercreditor Agreements

The notes are subject to (i) an intercreditor agreement that establishes the relative priority of the liens securing our senior secured credit facilities and the notes and (ii) an intercreditor agreement that establishes the relative rights of the lenders under our senior secured credit facilities, our receivables based credit facility and the notes in the collateral securing our receivables based credit facility. See Description of the Exchange Notes Intercreditor Agreements.

Optional Redemption

The notes are redeemable, in whole or in part, at any time on or after March 1, 2016, at the redemption prices specified under Description of the Exchange Notes Optional Redemption. At any time prior to March 1, 2014, we may redeem up to 40% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a price equal to 109.000% of the principal amount thereof, together with accrued and unpaid interest, if any, to the redemption date. In addition, at any time prior to March 1, 2016, we may redeem the exchange notes, in whole or in part, at a price equal to 100% of the principal amount of the notes plus a make-whole premium, together with accrued and unpaid interest, if any, to the redemption date.

Mandatory Repurchase Offers

If we or our restricted subsidiaries engage in asset sales or sales of collateral under certain circumstances and do not use the proceeds for certain specified purposes, we must use all or a portion of such proceeds to offer to repurchase the notes at 100% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

Additionally, upon the occurrence of a change of control, we must offer to purchase the notes at 101% of their principal amount, plus

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accrued and unpaid interest, if any, thereon. For more details, you should read Description of the Exchange Notes Repurchase of the Option of Holders Change of Control.

Certain Covenants

The indenture governing the exchange notes contains covenants that limit, among other things, our ability and the ability of the restricted subsidiaries to:

incur additional indebtedness or issue certain preferred stock;

pay dividends on, or make distributions in respect of, their capital stock or repurchase their capital stock;

make certain investments or other restricted payments;

sell certain assets;

create liens or use assets as security in other transactions;

merge, consolidate or transfer or dispose of substantially all of their assets;

engage in transactions with affiliates; and

designate subsidiaries as unrestricted subsidiaries.

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

Risk Factors

In evaluating whether to participate in the exchange offer, you should carefully consider, along with the other information set forth in this prospectus, the specific factors set forth under Risk Factors.

Table of Contents**Summary Historical Consolidated Financial Data**

The following table sets forth summary historical consolidated financial data as of the dates and for the periods indicated. The summary historical consolidated financial data for the years ended December 31, 2010, 2009 and 2008, and as of December 31, 2010 and 2009, is derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary historical consolidated financial data for the three months ended March 31, 2011 and 2010 and as of March 31, 2011 is derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the interim financial data reflects all adjustments (consisting only of normal and recurring adjustments) necessary for a fair presentation of the results for the interim periods. Historical results are not necessarily indicative of the results to be expected for future periods and the interim results are not necessarily indicative of the results that may be expected for the full year.

The summary historical consolidated financial data should be read in conjunction with Risk Factors, Selected Historical Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes thereto appearing elsewhere in this prospectus. The amounts in the tables may not add due to rounding.

	Year Ended December 31,			Three Months Ended	
	2010	2009	2008	2011	2010
	Post-Merger	Post-Merger	Combined	Post-Merger	Post-Merger
			(1)		
<i>(Dollars in millions)</i>					
Results of Operations Data:					
Revenue	\$ 5,866	\$ 5,552	\$ 6,689	\$ 1,321	\$ 1,264
Operating Expenses:					
Direct operating expenses(2)	2,442	2,583	2,904	596	598
Selling, general and administrative expenses(2)	1,510	1,467	1,829	361	349
Corporate expenses(2)	284	254	228	52	65
Depreciation and amortization	733	765	697	184	181
Merger expenses			156		
Impairment charges(3)	15	4,119	5,269		
Other operating income (expense) net	(17)	(51)	28	17	4
Operating income (loss)	865	(3,687)	(4,366)	145	75
Interest expense	1,533	1,501	929	370	386
Loss on marketable securities	(6)	(13)	(82)		
Equity in earnings (loss) of nonconsolidated affiliates	5	(21)	100	3	2
Other income (expense) net	46	680	126	(2)	58
Loss before income taxes	(623)	(4,542)	(5,151)	(224)	(251)
Income tax benefit	160	493	524	93	71
Loss before discontinued operations	(463)	(4,049)	(4,627)	(131)	(180)
Income from discontinued operations, net			638		
Consolidated net loss	(463)	(4,049)	(3,989)	(131)	(180)
Amount attributable to noncontrolling interest	16	(15)	17	1	(5)
Net loss attributable to the Company	\$ (479)	\$ (4,034)	\$ (4,006)	\$ (132)	\$ (175)

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	Year Ended December 31,			Three Months Ended March 31,	
	2010 Post-Merger	2009 Post-Merger	2008 Combined (1)	2011 Post-Merger	2010 Post-Merger
<i>(Dollars in millions)</i>					
Cash Flow Data:					
Capital expenditures(4)	\$ 241	\$ 224	\$ 430	\$ 64	\$ 55
Net cash flows provided by (used for) operating activities	582	181	1,281	(125)	30
Net cash flows used for investing activities	(240)	(142)	(18,128)	(33)	(72)
Net cash flows provided by (used for) financing activities	(305)	1,605	15,908	(252)	(360)
Net cash flows provided by discontinued operations			1,033		
Other Financial Data (total debt at end of period):					
Total debt	20,607	20,702	19,504	20,404	20,377
Balance Sheet Data (at end of period):					
Current assets	\$ 3,603	\$ 3,659	\$ 2,067	\$ 3,143	\$ 3,168
Property, plant and equipment net	3,146	3,332	3,548	3,118	3,260
Total assets	17,460	18,047	21,125	16,939	17,400
Current liabilities	2,099	1,544	1,846	1,498	1,889
Long-term debt, net of current maturities	19,740	20,303	18,941	20,000	19,577
Member s/shareholders deficit	(7,205)	(6,845)	(2,916)	(7,280)	(7,055)

- (1) We have presented our 2008 financial results on a combined basis because we believe that this allows for a more meaningful comparison to the other full year periods. We have presented a reconciliation showing our combination of the post-Merger and pre-Merger periods in footnote 1 under Selected Historical Consolidated Financial Data. See also Basis of Presentation.
- (2) Includes non-cash compensation expense.
- (3) As a result of the global economic downturn that adversely affected advertising revenue across our businesses during 2008 and 2009, we performed an interim impairment test as of December 31, 2008 and again as of June 30, 2009 on our indefinite-lived permits and goodwill. In addition, we performed our annual impairment test in the fourth quarter of 2009. The impairment tests resulted in our recognizing non-cash impairment charges of \$5.3 billion in 2008 and \$4.1 billion in 2009. We also recorded impairment charges of \$15.4 million in the fourth quarter of 2010.
- (4) Capital expenditures include additions to our property, plant and equipment and do not include any proceeds from disposal of assets, nor any expenditures for acquisitions of operating (revenue-producing) assets.

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RISK FACTORS

An investment in the notes is subject to a number of risks. You should carefully consider the following risk factors as well as the other information and data included in this prospectus before participating in the exchange offer. Any of the following risks related to our business could materially and adversely affect our business, cash flows, financial condition or results of operations. In such a case, you may lose all or part of your original investment in your notes.

Risk Factors Related to the Exchange Offer

Because there is no public market for the exchange notes, you may not be able to resell your exchange notes.

The exchange notes will be registered under the Securities Act, but will constitute a new issue of securities with no established trading market, and there can be no assurance as to:

the liquidity of any trading market that may develop;

the ability of holders to sell their exchange notes; or

the price at which the holders would be able to sell their exchange notes.

If a trading market were to develop, the exchange notes might trade at higher or lower prices than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar securities and our financial performance.

Your outstanding notes will not be accepted for exchange if you fail to follow the exchange offer procedures and, as a result, your outstanding notes will continue to be subject to existing transfer restrictions and you may not be able to sell your outstanding notes.

We will not accept your outstanding notes for exchange if you do not follow the exchange offer procedures. We will issue exchange notes as part of the exchange offer only after a timely receipt of your outstanding notes and all other required documents. Therefore, if you want to tender your outstanding notes, please allow sufficient time to ensure timely delivery. If we do not receive your outstanding notes and other required documents by the expiration date of the exchange offer, we will not accept your outstanding notes for exchange. We are under no duty to give notification of defects or irregularities with respect to the tenders of outstanding notes for exchange. If there are defects or irregularities with respect to your tender of outstanding notes, we may not accept your outstanding notes for exchange. For more information, see Exchange Offer.

In addition, any holder of outstanding notes who tenders in the exchange offer for the purpose of participating in a distribution of the exchange notes 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. For a description of these requirements, see Exchange Offer.

If you do not exchange your outstanding notes, your outstanding notes will continue to be subject to the existing transfer restrictions and you may not be able to sell your outstanding notes.

We did not register the outstanding notes, nor do we intend to do so following the exchange offer. Outstanding notes that are not tendered will therefore continue to be subject to the existing transfer restrictions and may be transferred only in limited circumstances under the securities laws. If you do not exchange your outstanding notes, you will lose your right to have your outstanding notes registered under the federal securities laws. As a result, if you hold outstanding notes after the exchange offer, you may not be able to sell your outstanding notes.

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Risks Related to Our Business

Our results have been in the past, and could be in the future, adversely affected by deteriorations in economic conditions.

The risks associated with our businesses become more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in advertising. Expenditures by advertisers tend to be cyclical, reflecting economic conditions and budgeting and buying patterns. The recent global economic downturn resulted in a decline in advertising and marketing by our customers, which resulted in a decline in advertising revenues across our businesses. This reduction in advertising revenues had an adverse effect on our revenue, profit margins, cash flow and liquidity. Although we believe that global economic conditions are improving, if they do not continue to improve or if they deteriorate again, global economic conditions may once again adversely impact our revenue, profit margins, cash flow and liquidity. Furthermore, because a significant portion of our revenue is derived from local advertisers, our ability to generate revenues in specific markets is directly affected by local and regional conditions, and regional economic declines also may adversely impact our results. In addition, even in the absence of a downturn in general economic conditions, an individual business sector or market may experience a downturn, causing it to reduce its advertising expenditures, which may also adversely impact our results.

Our consolidated revenue increased \$313.8 million during 2010 compared to 2009. However, primarily as a result of the recent global economic downturn, our consolidated revenue decreased \$1.14 billion during 2009 compared to 2008. This decrease in 2009 was experienced by each of our Radio, Americas Outdoor Advertising and International Outdoor Advertising segments.

We performed impairment tests on our goodwill and other intangible assets during the fourth quarter of 2010 and recorded non-cash impairment charges of \$15.4 million primarily related to a specific outdoor market for which the unfavorable impact of litigation has resulted in the impairment of certain advertising structures and declines in revenue. Additionally, we performed impairment tests in 2008 and 2009 on our indefinite-lived assets and goodwill and, as a result of the global economic downturn and the corresponding reduction in our revenues, we recorded non-cash impairment charges of \$5.3 billion and \$4.1 billion, respectively. Although we believe we have made reasonable estimates and used appropriate assumptions to calculate the fair value of our licenses, billboard permits and reporting units, it is possible a material change could occur. If actual market conditions and operational performance for the respective reporting units underlying the intangible assets were to deteriorate, or if facts and circumstances change that would more likely than not reduce the estimated fair value of the indefinite-lived assets or goodwill for these reporting units below their adjusted carrying amounts, we may also be required to recognize additional impairment charges in future periods, which could have a material impact on our financial condition and results of operations.

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.

Our primary source of liquidity is cash flow from operations, which improved during 2010 but was adversely impacted by the decline in our advertising revenues during 2008 and 2009 as a result of the global economic downturn. Based on our current and anticipated levels of operations and conditions in our markets, we believe that cash on hand as well as cash flow from operations will enable us to meet our working capital, capital expenditure, debt service and other funding requirements for at least the next twelve 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. In addition, the purchase price of possible acquisitions, capital expenditures for deployment of digital billboards and/or other strategic initiatives

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could require additional indebtedness or equity financing on our part. Adverse securities and credit market conditions, such as those experienced during 2008 and 2009, 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 or pursue strategic initiatives. Additional indebtedness could increase our leverage and make us more vulnerable to economic downturns and may limit our ability to withstand competitive pressures.

Downgrades in our credit ratings may adversely affect our borrowing costs, limit our financing options, reduce our flexibility under future financings and adversely affect our liquidity, and also may adversely impact our business operations.

Our corporate credit ratings by Standard & Poor's Ratings Services and Moody's Investors Service are speculative-grade and have been downgraded and upgraded at various times during the past several years. Any reductions in our credit ratings could increase our borrowing costs, reduce the availability of financing to us or increase the cost of doing business or otherwise negatively impact our business operations.

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 revenues, 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;

an increased level of competition for advertising dollars, which may lead to lower advertising rates as we attempt to retain customers or which may cause us to lose customers to our competitors who offer lower rates that we are unable or unwilling to match;

unfavorable fluctuations in operating costs, which we may be unwilling or unable to pass through to our customers;

technological changes and innovations that we are unable to adopt or are late in adopting that offer more attractive advertising or listening alternatives than what we 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 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;

unfavorable changes in labor conditions, which may impair our ability to operate or require us to spend more to retain and attract key employees; and

changes in governmental regulations and policies and actions of regulatory bodies, which could restrict the advertising media that 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.

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We operate in a highly competitive industry, and we may not be able to maintain or increase our current audience ratings and advertising and sales revenues. Our radio stations and outdoor advertising properties

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compete for audiences and advertising revenues with other radio stations and outdoor advertising companies, as well as with other media, such as newspapers, magazines, television, direct mail, iPods, smart mobile phones, 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 revenues 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 also 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.

We employ or independently contract with many 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 have a material adverse effect on our ability to attract local and/or national advertisers and on our revenue and/or ratings, and could result in increased expenses.

Our business is dependent on our management team and other key individuals, many of whom are new to our company.

Our business is dependent upon the performance of our management team and other key individuals. A number of these individuals, including Robert W. Pittman, the Chairman of our Media and Entertainment Platforms pursuant to a consulting agreement, Thomas W. Casey, our Chief Financial Officer, Scott D. Hamilton, our Chief Accounting Officer, and Robert H. Walls, Jr., our General Counsel, joined us in 2010, and two of our three divisional CEOs, Ronald Cooper, the Chief Executive Officer of Outdoor Americas, and William Eccleshare, the Chief Executive Officer of Outdoor International, have joined us within the last two years. Although we have entered into agreements with some of these and other individuals, we can give no assurance that all or any of our management team or key individuals 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, and may decide to leave for a variety of personal or other reasons beyond our control.

Effective March 31, 2011, Mark P. Mays retired as CCMH's and our Chief Executive Officer and President and as the Chief Executive Officer of CCOH in accordance with the announcement in June 2010 of his decision to do so. Mr. Mays continues to serve as the Chairman of the Board of Clear Channel, CCMH and CCOH and as our employee pursuant to the terms and conditions of his Amended and Restated Employment Agreement, effective as of June 23, 2010, by and between us, CCMH and Mr. Mays. We have been actively searching for a replacement but, to date, have not identified a permanent successor. We are unable to predict how long the search will take and when we will name a new Chief Executive Officer. Until such time as a permanent replacement for Mr. Mays is hired, the functions of the Chief Executive Officer and President are being served by the newly established Office of the Chief Executive Officer. Thomas W. Casey, the current Executive Vice President and Chief Financial Officer of Clear Channel, CCMH and CCOH, and Robert H. Walls, Jr., the current Executive Vice President, General Counsel and Secretary of Clear Channel, CCMH and CCOH, have been appointed to serve in the newly-created office in addition to their existing offices, which they have retained.

If we are unable to identify a suitable candidate to succeed Mr. Mays as President and Chief Executive Officer, if any other senior members of our management or key individuals decide to leave us in the future, or if we are not successful in attracting, motivating and retaining other key employees, our business could be adversely affected.

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New technologies may increase competition with our broadcasting operations.

Our radio broadcasting business faces increasing competition from new technologies, such as broadband wireless, satellite radio and audio broadcasting by cable television systems, as well as new consumer products, such as portable digital audio players and smart mobile phones. These new technologies and alternative media platforms compete with our radio stations for audience share and advertising revenues. The FCC also has 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 are unable to predict the effect that 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. We cannot assure that we will continue to have the resources to acquire new technologies or to introduce new services to compete with other new technologies or services, and other companies employing such new technologies or services could increase competition with our businesses.

Extensive current government regulation, and future regulation, may limit our broadcasting operations or adversely affect our business and financial results.

Congress and several federal agencies, including the FCC, extensively regulate the domestic broadcasting industry. For example, as discussed in Business Federal Regulation of Radio Broadcasting, the FCC could impact our profitability by imposing large fines on us if, in response to pending complaints, it finds that we broadcast indecent programming. Additionally, we cannot be sure that the FCC will approve renewal of the licenses we must have in order to operate our stations. Nor can we be assured that our licenses will be renewed without conditions and for a full term. The non-renewal, or conditioned renewal, of a substantial number of our FCC licenses could have a materially adverse impact on our operations. Furthermore, possible changes in interference protections, spectrum allocations and other technical rules may negatively affect the operation of our stations. For example, Congress has recently passed legislation that eliminates certain minimum distance separation requirements between full-power and low-power FM radio stations, and the FCC has recently adopted policies which, in certain circumstances, could make it more difficult for radio stations to relocate to increase their population coverage. In addition, Congress and the FCC have considered, and may in the future consider and adopt, new laws, regulations and policies that could, directly or indirectly, have an adverse effect on our business operations and financial performance. In particular, Congress is considering legislation that would impose an obligation upon all U.S. broadcasters to pay performing artists a royalty for use of their sound recordings (this would be in addition to payments already made by broadcasters to owners of musical work rights, such as songwriters, composers and publishers). We cannot predict whether this or other legislation affecting our radio broadcasting business will be adopted. Such legislation could have a material impact on our operations and financial results.

Government regulation of outdoor advertising may restrict our outdoor advertising operations.

U.S. federal, state and local regulations have a significant impact on the outdoor advertising industry and our business. One of the seminal laws is the Highway Beautification Act (HBA), which regulates outdoor advertising on the 306,000 miles of Federal-Aid Primary, Interstate and National Highway Systems. 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, maintenance, lighting, upgrading, height, size, spacing, the location and permitting 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. 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. Due to such regulations, it has become increasingly difficult to develop new outdoor advertising locations.

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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 zoning ordinances, permit enforcement, condemnation and amortization. Amortization is the attempted forced removal of legal non-conforming billboards (billboards which conformed with applicable laws and regulations when built, but which do not conform to current laws and 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, maintain 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. For example, recent court rulings have upheld regulations in the City of New York that have impacted our displays in certain areas within the city. Although the number of our billboards from which we have been required to remove commercial advertising as a result of these regulations is immaterial, from time to time in the future we may be required to remove billboards for alleged noncompliance with regulations. 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 and/or to raise revenue. In addition, a number of jurisdictions, including the City of Los Angeles, have implemented legislation or interpreted existing legislation to restrict or prohibit the installation of new digital billboards. 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 overcome any such regulations could reduce our operating income if those outcomes require removal or restrictions on the use of preexisting displays. In addition, if we are unable to pass on the cost of these items to our clients, our operating income could be adversely affected.

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 U.S. tobacco companies and all 50 states, the District of Columbia, the Commonwealth of Puerto Rico and four other U.S. 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 our direct revenues from such advertisements and an increase in the available space on the existing inventory of billboards in the outdoor advertising industry.

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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.

Doing business in foreign countries exposes us to certain risks not found when doing business in the United States.

Doing business in foreign countries carries with it certain risks that are not found when 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 foreign exchange controls;

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;

difficulties collecting receivables and otherwise enforcing contracts with governmental agencies and others in some foreign legal systems;

withholding and other taxes on remittances and other payments by subsidiaries;

changes in tax structure and level; and

changes in laws or regulations or the interpretation or application of laws or regulations.

In addition, because we own assets in foreign countries and derive revenues from our international operations, we may incur currency translation losses due to changes in the values of foreign currencies and in the value of the U.S. dollar. We cannot predict the effect of exchange rate fluctuations upon future operating results. See Management's Discussion and Analysis of Financial Condition and Results of Operations Market Risk Foreign Currency Exchange Rate Risk.

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Our international operations involve contracts with, and regulation by, foreign governments. We operate in many parts of the world that experience corruption to some degree. Although we have policies and procedures in place that are designed to promote legal and regulatory compliance (including with respect to the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010), our employees, subcontractors and agents could take actions that violate applicable anticorruption laws or regulations. Violations of these laws, or allegations of such violations, could have a material adverse effect on our business, financial position and results of operations and could cause the market value of the notes to decline.

The success of our street furniture and transit products is dependent on our obtaining key municipal concessions, which we may not be able to obtain on favorable terms.

Our street furniture and transit products businesses require us to obtain and renew contracts with municipalities and other governmental entities. Many of these contracts, which require us to participate in competitive bidding processes at each renewal, typically have terms ranging from three to 20 years and have revenue share and/or fixed payment components. Our inability to successfully negotiate, renew or complete these contracts due to governmental demands and delay and the highly competitive bidding processes for these contracts could affect our ability to offer these products to our clients, or to offer them to our clients at rates that are competitive to other forms of advertising, without adversely affecting our financial results.

Future acquisitions and other strategic transactions 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 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;

we may enter 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 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 U.S. Department of Justice (DOJ), the Federal Trade Commission or foreign antitrust agencies will not seek to bar us from acquiring additional radio stations or outdoor advertising properties in any market where we already have a significant position. The DOJ actively

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reviews proposed acquisitions of outdoor advertising properties and radio broadcasting assets. In addition, the antitrust laws of foreign jurisdictions will apply if we acquire international outdoor properties or radio broadcasting properties. Further, radio station acquisitions by us are subject to FCC approval. Such acquisitions must comply with the Communications Act and FCC regulatory requirements and policies, including with respect to the number of broadcast facilities in which a person or entity may have an ownership or attributable interest, in a given local market, and the level of interest that may be held by a foreign individual or entity. The FCC's media ownership rules remain subject to ongoing agency and court proceedings. Future changes could restrict our ability to acquire new radio stations. See Business Federal Regulation of Radio Broadcasting.

Our cost savings initiatives may not be entirely successful.

In the fourth quarter of 2008, CCMH initiated a restructuring program targeting a reduction in fixed costs through renegotiations of lease agreements, workforce reductions, the elimination of overlapping functions and other cost savings initiatives. We incurred restructuring and other expenses under the program, including during 2010. We may incur additional expenses through ongoing cost-saving initiatives in the future. No assurance can be given that anticipated cost savings will be achieved in the timeframe expected or at all, or for how long any cost savings will persist.

Significant equity investors control us and may have conflicts of interest with us in the future.

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. The directors elected by THL and Bain Capital will have significant authority to effect decisions affecting us, including change of control transactions and the incurrence of additional indebtedness.

Additionally, the Sponsors are in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. One or more of the entities advised by or affiliated with one or more of the Sponsors may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as entities advised by or affiliated with THL and Bain Capital directly or indirectly own a significant amount of the voting power of our capital stock, even if such amount is less than 50%, THL and Bain Capital will continue to be able to strongly influence or effectively control our decisions.

Risks Related to the Notes

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

We have a substantial amount of indebtedness. At March 31, 2011, after giving effect to the issuance of \$750 million aggregate principal amount of outstanding notes in June 2011 and the voluntary paydown we made on June 8, 2011, using cash on hand, of all amounts outstanding under our receivables based credit facility, of which \$320.7 million was outstanding as of March 31, 2011, we would have had \$20,787 million of total indebtedness outstanding, including (i) \$11,471 million aggregate principal amount outstanding under our term loan credit facilities and delayed draw credit facility, which obligations mature at various dates from 2014 through 2016; (ii) \$1,781 million aggregate principal amount outstanding under our revolving credit facility, which will be available through July 2014, at which time all outstanding principal amounts under the revolving credit facility will be due and payable; (iii) \$1,007 million aggregate principal amount of other secured debt, including \$1,000 million aggregate principal amount of outstanding notes issued in February 2011; (iv) \$703.8 million aggregate principal amount of outstanding notes issued in June 2011, net of \$46.2 million of discount; and (v) \$5,826 million outstanding of unsecured senior debt and other long-term obligations, net of unamortized

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purchase accounting discounts of \$579.3 million. This large amount of indebtedness could have negative consequences for us, including, without limitation:

dedicating a substantial portion of our cash flow to the payment of principal and interest on indebtedness, thereby reducing cash available for other purposes, including to fund operations and capital expenditures, invest in new technology and pursue other business opportunities;

limiting our liquidity and operational flexibility and limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;

limiting our ability to adjust to changing economic, business and competitive conditions;

requiring us to defer planned capital expenditures, reduce discretionary spending, sell assets, restructure existing indebtedness or defer acquisitions or other strategic opportunities;

limiting our ability to refinance any of our indebtedness or increasing the cost of any such financing in any downturn in our operating performance or decline in general economic conditions;

making us more vulnerable to an increase in interest rates, a downturn in our operating performance or a decline in general economic conditions; and

making us more susceptible to changes in credit ratings, which could impact our ability to obtain financing in the future and increase the cost of such financing.

If compliance with our debt obligations materially hinders our ability to operate our business and adapt to changing industry conditions, we may lose market share, our revenue may decline and our operating results may suffer. The terms of our credit facilities and other indebtedness allow us, under certain conditions, to incur further indebtedness, including secured indebtedness, which heightens the foregoing risks.

Our ability to make scheduled payments on our debt obligations, including the notes, depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

For the year ended December 31, 2010, our earnings were not sufficient to cover our fixed charges by \$617.5 million, and for the three months ended March 31, 2011, our earnings were not sufficient to cover our fixed charges by \$221.6 million. After giving effect to the offerings of the outstanding notes and the use of proceeds therefrom and the voluntary paydown we made on June 8, 2011, using cash on hand, of all amounts outstanding under our receivables based credit facility, on a pro forma basis our 2010 earnings would have been insufficient to cover our fixed charges by \$751.2 million, and for the three months ended March 31, 2011, our earnings would have been insufficient to cover our fixed charges by \$247.6 million.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the notes. We may sell assets that constitute collateral for the notes and may not be required to offer to repurchase the notes or reinvest in new assets that constitute collateral. We may not be able to take any of these actions, and these actions may not be successful or permit us to meet our scheduled debt service obligations. Furthermore, these actions may not be permitted under the terms of our existing or future debt agreements.

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Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and increase our debt service obligations and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the indenture governing the notes may restrict us from adopting some of these alternatives. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If we cannot make scheduled payments on our indebtedness we will be in default under one or more of our debt agreements and, as a result we could be forced into bankruptcy or liquidation.

Because we derive a substantial portion of operating income from our subsidiaries, our ability to repay our debt, including the notes, depends upon the performance of our subsidiaries and their ability to dividend or distribute funds to us.

We derive a substantial portion of operating income from our subsidiaries. As a result, our cash flow and the ability to service our indebtedness, including our ability to pay the interest and principal amount of the notes when due, depend on the performance of our subsidiaries and the ability of those entities to distribute funds to us. 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. Because only some of our subsidiaries guarantee the notes, the ability of our non-guarantor subsidiaries to distribute funds to us is the only mechanism for the noteholders to benefit from the performance of these subsidiaries. None of the subsidiaries in our Americas Outdoor Advertising or International Outdoor Advertising business segments guarantee the notes.

Accordingly, repayment of our indebtedness, including the notes, depends on the generation of cash flow by our subsidiaries and (if they are not guarantors of the notes) their ability to make such cash available to us, by dividend, debt repayment or otherwise. For the year ended December 31, 2010, and the three months ended March 31, 2011, approximately 48% and 49% of our consolidated net revenue and 38% and 23% of our operating income was generated by our Americas Outdoor Advertising and our International Outdoor Advertising business segments, which are part of CCOH, which is not a guarantor of the notes. CCOH is subject to limitations on its ability to pay dividends or otherwise make distributions to us. Those limitations are set forth in the indenture governing one series of its outstanding notes, and we would not anticipate that CCOH could meet the requirements necessary to pay a dividend or otherwise distribute money to us. In addition, the EBITDA of CCOH is included in the calculation of EBITDA of Clear Channel for purposes of calculating Clear Channel's consolidated leverage ratio under the notes. The financial performance of CCOH may be taken into account to enable us to incur additional debt, pay dividends or make other restricted payments that we could not otherwise incur, pay or make without such results, even though CCOH's ability to pay us dividends or make distributions to us is subject to limitations. Accordingly, investors should not place undue reliance on our outdoor advertising business as a means for repayment of the notes. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing the notes limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our non-guarantor subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

In addition, any payment of interest, dividends, distributions, loans or advances by our subsidiaries to us could be subject to restrictions on dividends or repatriation of distributions under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which the subsidiaries operate or under arrangements with local partners.

Table of Contents**If we default on our obligations to pay our other indebtedness, holders of such indebtedness may declare all the funds borrowed thereunder immediately due and payable, which may cause us to be unable to make payments on the notes.**

Any default under the agreements governing our indebtedness, including a default under our senior secured credit facilities that is not waived by the required lenders thereunder, and the remedies sought by the holders of such indebtedness, could substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including our senior secured credit facilities), we could be in default under the terms of the agreements governing such indebtedness. In the event of any such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest. More specifically, the lenders under our revolving credit facility could elect to terminate their commitments, cease making further loans, require us to cash collateralize amounts outstanding under then existing letter of credit obligations and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to seek waivers from the required lenders under our senior secured credit facilities to avoid being in default. If we breach our covenants under our senior secured credit facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our senior secured credit facilities, the lenders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation. See Description of Other Indebtedness and Description of the Exchange Notes.

The notes are structurally subordinated to all of the debt and liabilities of our non-guarantor subsidiaries.

Some of our wholly owned subsidiaries do not guarantee the notes and none of our non-wholly owned subsidiaries, including CCOH and its subsidiaries, guarantee the notes. As of March 31, 2011, our non-guarantor subsidiaries held approximately 47.4% of our consolidated assets and had \$2,561 million in outstanding indebtedness, excluding intercompany obligations. During the three months ended March 31, 2011, our non-guarantor subsidiaries generated 49.7% of our revenue and 9.9% of our operating income. As of March 31, 2011, CCOH and its subsidiaries, which do not guarantee the notes, had \$7.1 billion of total assets and \$4.3 billion in total liabilities. Generally, claims of creditors (both secured and unsecured) of a non-guarantor subsidiary, including trade creditors and claims of preference shareholders (if any) of the non-guarantor subsidiary (or the equivalent of any of the foregoing under local law), will have priority with respect to the assets and cash flow of the non-guarantor subsidiary over the claims of creditors of its parent entity. Accordingly, those claims, including those related to the CCWH Notes, will have priority with respect to the assets and cash flow of CCOH and its subsidiaries. As of March 31, 2011, there was \$2.5 billion aggregate principal amount of CCWH Notes outstanding. In the event of a bankruptcy, liquidation or reorganization or other bankruptcy or insolvency proceeding of any of these non-guarantor subsidiaries (or the equivalent of any of the foregoing under local law), holders of the notes will participate with all other holders of our indebtedness in the assets remaining and divided or otherwise paid to the issuer after the non-guarantor subsidiaries involved in such proceedings have paid all of their debts and liabilities. In any of these cases, the relevant subsidiaries may not have sufficient funds to make payments to us, and holders of the notes may receive less, ratably, than the holders of debt of such non-guarantor subsidiaries, including CCOH and its subsidiaries.

U.S. federal and state fraudulent transfer laws permit a court to void the notes and the guarantees and security interests, and, if that occurs, you may not receive any payments on the notes or may be required to return payments made on the notes.

The issuance of the notes, the guarantees and the security interests may be subject to review under U.S. federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including under circumstances in which bankruptcy is not involved, were commenced at some future

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date by us, by the guarantors or on behalf of our unpaid creditors or the unpaid creditors of a guarantor. While the relevant laws may vary from state to state, under such laws the payment of consideration in certain transactions could be considered a fraudulent conveyance if (1) the consideration was paid with the intent of hindering, delaying or defrauding creditors or (2) we or any of our guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing notes, a guarantee or a security interest and, in the case of (2) only, one of the following is also true:

we or any of our guarantors were or was insolvent or rendered insolvent by reason of issuing notes or the guarantees;

payment of the consideration left us or any of our guarantors with an unreasonably small amount of capital to carry on our or its business; or

we or any of our guarantors intended to, or believed that we or it would, incur debts beyond our or its ability to pay as they mature.

If a court were to find that the issuance of the notes or a guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes, the guarantees or the related security agreements, further subordinate the notes or the payment obligations under such guarantee or security agreement to existing and future indebtedness of ours or such guarantor or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our other debt and that of our guarantors that could result in acceleration of such debt. The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the laws of the jurisdiction that is being applied. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;

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 and liabilities, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time, or regardless of the standard that a court uses, that the issuance of the notes and the guarantees would not be subordinated to our or any guarantors other debt.

If the guarantees were legally challenged, any guarantee could be subject to the finding of a court that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration. In particular, our use of proceeds of the offering of the outstanding notes in February 2011, which included the repayment at maturity of \$500 million in aggregate principal amount of our outstanding legacy notes, none of which are guaranteed by the guarantors of the notes, could increase the risk of such a finding. In addition, a court may determine that the use of proceeds for the general corporate purposes of Clear Channel did not directly benefit the guarantors, which could also increase the risk of such a finding. A court could thus void the obligations under the guarantees and related security agreements, subordinate them to the applicable guarantor's other debt or take other action detrimental to the holders of the notes.

Table of Contents**The amount of our obligations under our senior secured credit facilities and the notes substantially exceeds the value of the collateral securing the notes.**

The collateral securing the notes initially consists of (1) a lien on (i) 100% of the capital stock of Clear Channel and (ii) certain property and related assets that do not constitute principal property as defined in the indenture governing our legacy notes, in each case, that is equal in priority to the liens on such collateral securing the obligations under our senior secured credit facilities and (2) a lien on the accounts receivable and related assets pledged to secure our receivables based credit facility (the receivables-based collateral) that is junior in priority to the liens of the secured lenders under such receivables based credit facility and equal in priority to the liens of the lenders under our senior secured credit facilities on such collateral. Liens for the benefit of the notes are also, in the case of (1) and (2), subject to other liens permitted by the indenture governing the notes. On the issue dates of the outstanding notes, we did not pledge any of the capital stock of our subsidiaries as collateral securing the notes and we do not expect to pledge such capital stock, and the property and related assets that constitute principal property under the indenture governing the legacy notes will not secure the notes, unless certain conditions are satisfied. See Description of the Exchange Notes Security and Description of the Exchange Notes Security Limitations on Stock Collateral. The property and related assets that constitute principal property under the indenture governing the legacy notes consist of our assets related to the operation of our radio broadcasting, television broadcasting, outdoor advertising and live entertainment properties, other than those determined by our board of directors to be, in the aggregate, immaterial to us and our subsidiaries as an entirety. Substantially all of our properties constitute principal properties and the value of such assets is significantly more than our assets that constitute the collateral securing the notes.

All of the assets securing the notes also secure, on an equal priority basis, our obligations under our senior secured credit facilities. Therefore, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, the proceeds from the sale of any collateral securing the notes will be used to pay, on a *pari passu* basis, our senior secured credit facilities, the notes and any other indebtedness with a lien on such collateral that is equal in priority to that of the notes. In addition, the proceeds of the receivables-based collateral (if any remain after satisfying claims of lenders under our receivables based credit facility) will be used to pay, on a *pari passu* basis, our senior secured credit facilities, the notes and any other indebtedness with an equal priority lien on the receivables-based collateral. After the proceeds of the collateral securing the notes have been used to satisfy our senior secured credit facilities, the notes and any other indebtedness with an equal priority lien on the collateral securing the notes, and the proceeds of the receivables-based collateral (if any remain after satisfying claims of lenders under our receivables based credit facility) have been used to satisfy our senior secured credit facilities, the notes and any other indebtedness with an equal priority lien on the receivables-based collateral, any obligations in respect of the notes that remain outstanding will be general unsecured claims that will be equal in right of payment with both (1) our and the guarantors' indebtedness secured by an equal or junior priority lien and (2) our and the guarantors' unsecured unsubordinated indebtedness, including our legacy notes (the unsecured senior debt).

As of March 31, 2011, we had \$16.94 billion of total assets, of which \$4.1 billion was attributable to goodwill and \$3.1 billion was attributable to property, plant and equipment net, only a small portion of which will constitute the collateral. Of the \$16.94 billion of total assets, \$7.1 billion (including a portion of the above amounts attributable to goodwill and property, plant and equipment net) was attributable to CCOH, our 89% owned subsidiary that does not guarantee the notes and whose assets do not secure the notes. We also had \$1.26 billion of accounts receivable, net, a significant portion of which constitutes receivables-based collateral or is otherwise not part of the collateral securing the notes. As a result, the book value of the collateral securing the notes is significantly less than the aggregate principal amount of the notes and our other secured obligations. As of March 31, 2011, after giving effect to the issuance of \$750 million aggregate principal amount of outstanding notes in June 2011 and the voluntary paydown we made on June 8, 2011, using cash on hand, of all amounts outstanding under our receivables based credit facility, we would have had \$13.3 billion of indebtedness secured by the collateral securing the notes.

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No appraisal of the value of the collateral securing the notes has been made in connection with the offerings of the notes, and the fair market value of the collateral is subject to fluctuations and downward movement, based on factors that include, among others, general economic conditions and similar factors. The amount to be received upon a sale of the collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, a substantial majority of the collateral is illiquid, is subject to regulatory limits on transfer and may have no readily ascertainable market value. The value of the assets pledged as collateral for the notes could be impaired in the future as a result of changing economic conditions in multiple jurisdictions, changing legal regimes, our failure to implement our business strategy, competition and other future trends. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the collateral may not be sold in a timely or orderly manner and the proceeds from any sale or liquidation of the collateral may not be sufficient to pay our obligations under the notes in full.

In addition, upon the occurrence of certain future events, the notes may receive the benefit of a pledge of the stock and other securities of certain of our subsidiaries held by us or the guarantors. See Description of the Exchange Notes Security General Credit Facility Collateral. However, any such future pledge will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of a registration statement related to the notes. See Rights of holders of the notes in the collateral may be adversely affected by the failure to perfect security interests in certain collateral acquired in the future, and any future pledge of the securities of any subsidiary securing the notes will automatically be released to the extent and for so long as that pledge would require the filing of separate financial statements with the SEC for that subsidiary. In addition, any such future pledge or any other future pledge of collateral, including pursuant to security documents delivered after the date of the indenture governing the notes and including in connection with the springing lien, would be avoidable as a preference by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy within 90 days (or, in certain circumstances, a longer period) after such grant if we were insolvent at the time of the grant or if certain other events or circumstances exist or occur. Such events or circumstances may include, among others, if the pledge permits the holders of the notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days (or, in certain circumstances, a longer period) following the pledge.

In addition to borrowings under our senior secured credit facilities, the indenture governing the notes allows a significant amount of other indebtedness and other obligations to be secured by a senior priority lien on the collateral for the notes or secured by a lien on such collateral on an equal and ratable basis with the notes, provided that, in each case, such indebtedness or other obligation could be incurred under the debt incurrence covenants contained in the indenture governing the notes. Any additional obligations secured by a senior or equal priority lien on the collateral for the notes will adversely affect the relative position of the holders of the notes with respect to such collateral.

The lenders under our senior secured credit facilities may benefit from a more expansive security package than the notes.

The lenders under our senior secured credit facilities may benefit from a more expansive security package than the notes. Lenders under our senior secured credit facilities have been granted a security interest in certain assets that constitute principal properties under the indenture governing our legacy notes, including certain radio broadcasting, television broadcasting, outdoor advertising and live entertainment properties. Until the springing lien trigger date, which may not occur until December 2016 (or, under certain circumstances, as many as 60 days thereafter), if at all, the notes will not benefit from a security interest in any of our principal properties, which are substantially all of our properties. See

Description of the Exchange Notes Security General Credit Facility Collateral. Accordingly, the notes are effectively junior in right of payment to the senior secured credit facilities to the extent of the value of such principal property collateral. In addition, there will not be any requirement that the obligations under the senior secured credit facilities first be satisfied using proceeds from the assets that do not secure the notes, which means the noteholders may recover less on a ratable basis than lenders under the senior secured credit facilities.

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In addition, although the assets of Clear Channel that were not deemed to be principal property as of the issue date of the notes are not subject to the limitations described in the foregoing paragraph, any of those assets may be designated as principal property by our board of directors at any time in the future, upon which designation the value of the security interest of holders of the notes in such assets would be subject to the limitations described in the foregoing paragraph.

The documents governing our indebtedness contain restrictions that limit our flexibility in operating our business.

Our material financing agreements, including our credit agreements and indentures, contain various covenants restricting, among other things, our ability to:

make acquisitions or investments;

make loans or otherwise extend credit to others;

incur indebtedness or issue shares or guarantees;

create security;

sell, lease, transfer or dispose of assets;

merge or consolidate with other companies; and

make a substantial change to the general nature of our business.

In addition, under our senior secured credit facility we are required to comply with certain affirmative covenants and certain specified financial covenants and ratios. For instance, our senior secured credit facilities require us to comply on a quarterly basis with a financial covenant limiting the ratio of our consolidated secured debt, net of cash and cash equivalents, to our consolidated EBITDA (as defined in our senior secured credit facilities, or Adjusted EBITDA) for the preceding four quarters.

The restrictions contained in our credit agreements and indentures could affect our ability to operate our business and may limit our ability to react to market conditions or take advantage of potential business opportunities as they arise. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs. Additionally, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the agreements governing our indebtedness and as a result we would be forced into bankruptcy or liquidation.

The notes will mature after a substantial portion of our other indebtedness, including our unsecured indebtedness.

The notes will mature in 2021. Substantially all of our existing indebtedness (including our senior secured credit facilities, the senior cash pay notes, the senior toggle notes and certain series of our legacy notes) will mature prior to the maturity of the notes. Therefore, we will be required to repay substantially all of our other creditors, including holders of unsecured and unguaranteed indebtedness, before we are required to repay a portion of the interest due on, and the principal of, the notes. As a result, we may not have sufficient cash to repay all amounts owing on the notes at maturity. There can be no assurance that we will have the ability to borrow or otherwise raise the amounts necessary to repay such amounts.

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Because each guarantor's liability under its guarantee or security may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors.

Noteholders have the benefit of the guarantees of certain of our subsidiaries. However, the guarantees are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor's liability under its guarantee could be reduced to zero, depending on the amount of other obligations of such guarantor. Furthermore, under the circumstances discussed more fully above, a court under applicable fraudulent conveyance and transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. In addition, you will lose the benefit of a particular guarantee and security if it is released under certain circumstances described under [Description of the Exchange Notes](#) [Security Releases of Collateral](#).

As a result, a guarantor's liability under its guarantee could be materially reduced or eliminated depending upon the amounts of its other obligations and upon applicable laws. In particular, in certain jurisdictions, a guarantee issued by a company that is not in the company's corporate interests, the burden of which exceeds the benefit to the company or which is entered into within a certain period prior to insolvency or bankruptcy, may not be valid and enforceable. It is possible that a guarantor, a creditor of a guarantor or the insolvency administrator in the case of an insolvency of a guarantor may contest the validity and enforceability of the guarantee and that the applicable court may determine the guarantee should be limited or voided. In the event that any guarantees are deemed invalid or unenforceable, in whole or in part, or to the extent that agreed limitations on the guarantee obligation apply, the notes would be effectively subordinated to all liabilities of the applicable guarantor, including trade payables of such guarantor.

The value of the collateral may not be sufficient to secure post-petition interest and in the event of a bankruptcy of Clear Channel or any of the guarantors, the holders of the notes will be deemed to have an unsecured claim to the extent that our obligations in respect of the notes exceed the fair market value of the collateral securing the notes.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against the guarantors located in the United States, holders of the notes will only be entitled to post-petition interest under the U.S. bankruptcy code to the extent that the value of their security interest in the collateral securing the notes is greater than their pre-bankruptcy claim. In such event, holders of the notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the notes exceed the fair market value of the collateral. No appraisal of the fair market value of the collateral has been prepared in connection with the offerings of the outstanding notes or this exchange offer and we therefore cannot assure you that the value of the holders of the notes' interest in the collateral equals or exceeds the principal amount of the notes. As a result, holders of the notes that have a security interest in collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the bankruptcy code. In addition, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the collateral with respect to the notes on the date of the bankruptcy filing was less than the then current principal amount of the notes. Upon a finding by a bankruptcy court that the notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the collateral. Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement on the part of the holders of the notes to receive post-petition interest and a lack of entitlement on the part of the unsecured portion of the notes to receive other adequate protection under U.S. federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be recharacterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the notes. No appraisal of the fair market value of the collateral has been prepared in connection with the offering of the notes and we therefore cannot assure you that the value of the holders of the notes' interest in the collateral equals or exceeds the principal amount of the notes. See [The amount of our obligations under our senior secured credit facilities and the notes substantially exceeds the value of the collateral securing the notes.](#)

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There are circumstances other than repayment or discharge of the notes under which the collateral and related guarantees will be released automatically, without the consent of the holders of the notes or the trustee under the indenture governing the notes.

All or some of the liens on the property and other assets included in the collateral securing the notes may be released under various circumstances, including the following:

(1) to enable the sale, transfer or other disposal of such collateral in a transaction not prohibited under the indenture governing the notes, including the sale of any entity in its entirety that owns or holds such collateral;

(2) with respect to collateral held by a guarantor, (A) upon the release of such guarantor from its guarantee and (B) upon the sale of such guarantor in a transaction not prohibited by the indenture governing the notes.

The indenture governing the notes also permits us to designate one or more of our restricted subsidiaries that is a guarantor of the notes as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the notes by such subsidiary or any of its subsidiaries will be released under the indenture governing the notes. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries.

Holders of the notes will not control certain decisions regarding the collateral securing our senior secured credit facilities.

The trustee, as representative for the holders of the notes, and the authorized representative of the lenders under our senior secured credit facility, entered into the Credit Agreement Intercreditor Agreement. See Description of the Exchange Notes Intercreditor Agreements Credit Agreement Intercreditor Agreement. The Credit Agreement Intercreditor Agreement provides, among other things, that the lenders under our senior secured credit facilities, and their authorized representative acting on their behalf, will control substantially all matters related to the collateral securing the notes and the lenders under our senior secured credit facilities may foreclose on or take other actions with respect to such collateral with which holders of the notes may disagree or that may be contrary to the interests of holders of the notes. In addition, the Credit Agreement Intercreditor Agreement provides that, to the extent any collateral is released to satisfy such creditor's claims in connection with such a foreclosure, the liens on such collateral will also automatically be released without any further action by the trustee or the holders of the notes and the holders of the notes will agree to waive certain of their rights relating to such collateral in connection with a bankruptcy or insolvency proceeding involving us or any guarantor of the notes. The Credit Agreement Intercreditor Agreement also provides that, while our senior secured credit facilities are outstanding, the collateral agent with respect thereto will control all decisions regarding the collateral securing our senior secured credit facilities at all times, unless, at such time, (i) a series of obligations secured on an equal priority basis has a greater principal amount outstanding than the then outstanding amount of the obligations under our senior secured credit facilities and (ii) the collateral agent under our senior secured credit facilities is not diligently pursuing enforcement actions with respect thereto for at least 90 days. Following such time, the authorized representative for the largest then-outstanding series of obligations party to the Credit Agreement Intercreditor Agreement would control all decisions regarding the collateral securing the notes at all times and holders of the notes would only be permitted to take enforcement action with respect to such collateral if the notes are the largest then-outstanding series of obligations party to the Credit Agreement Intercreditor Agreement. As of March 31, 2011, the aggregate principal amount of the obligations under our senior secured credit facilities was \$13,251 million, the aggregate amount of unused revolving commitments thereunder was \$147.5 million and the aggregate principal amount of outstanding notes was \$1,000 million.

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After the discharge of the obligations with respect to our senior secured credit facilities, at which time the parties to our senior secured credit facilities will no longer have the right to direct the actions with respect to the collateral securing the notes pursuant to the Credit Agreement Intercreditor Agreement, that right passes to the authorized representative of holders of the next largest outstanding principal amount of indebtedness secured by a lien on the collateral equal in priority to the lien securing our obligations with respect to our senior secured credit facilities, prior to their discharge. If we have issued or if we issue additional indebtedness that is equal in priority to the lien securing our senior secured credit facilities in a greater principal amount than the notes, then the authorized representative for such additional indebtedness would be next in line to exercise rights under the Credit Agreement Intercreditor Agreement, rather than the trustee as the collateral agent for the notes. Accordingly, the trustee under the indenture governing the notes may never have the right to control remedies and take other actions with respect to the collateral.

Furthermore, the security documents generally allow us and our subsidiaries to remain in possession of, retain exclusive control over, to freely operate and to collect, invest and dispose of any income from the collateral securing the notes. In addition, to the extent we sell any assets that constitute collateral, the proceeds from such sale will be subject to the lien securing the notes only to the extent such proceeds would otherwise constitute collateral securing the notes under the security documents. To the extent the proceeds from any such sale of collateral do not constitute collateral under the security documents, the pool of assets securing the notes would be reduced and the notes would not be secured by such proceeds. If such proceeds constitute collateral under the receivables based credit facility, the notes would be secured by such collateral on a junior priority basis to the lenders under our receivables based credit facility. For example, the collateral under our senior secured credit facilities does not include a security interest in cash, including cash proceeds from a sale of assets that constituted collateral under our senior secured credit facilities. However, the definition of collateral under the receivables based credit facility includes accounts receivable and other accounts and cash, and any assets acquired with such collateral or otherwise constituting proceeds of collateral under the receivables based credit facility. Accordingly, if assets that constitute collateral under our senior secured credit facilities are sold, the cash proceeds and anything purchased with those proceeds may constitute collateral under the receivables based credit facility and our senior secured credit facilities. In such a case, the holders of notes may not be able to take any enforcement action with respect to such collateral or to receive any proceeds from the sale of such collateral in an enforcement action until our obligations under the receivables based credit facility are paid off in full. Maximum commitments under our receivables based credit facility are \$625.0 million, subject to a borrowing base equal to 85% of CCU's, and certain of CCU's subsidiaries', accounts receivable. As of March 31, 2011, our obligations under the receivables based credit facility equaled \$320.7 million. On June 8, 2011, we made a voluntary paydown of all amounts outstanding under this facility using cash on hand. Our voluntary paydown did not reduce our commitments under this facility and we may reborrow under this facility at any time.

In addition, in most cases, the collateral securing the notes will be taken in the name of the authorized representative of the lenders under our senior secured credit facility for the benefit of the holders of the notes and the trustee. As a result, the authorized representative of the lenders under our senior secured credit facility may effectively control actions with respect to collateral securing the notes, which may impair the rights that a noteholder would otherwise have as a secured creditor. The authorized representative of the lenders under our senior secured credit facility may take actions that a noteholder disagrees with or fail to take actions that a noteholder wishes to pursue. Furthermore, the authorized representative of the lenders under our senior secured credit facility under the Credit Agreement Intercreditor Agreement may fail to act in a timely manner which could impair the recovery of holders of the notes.

Indebtedness under our receivables based credit facility is senior to the notes to the extent of the value of the collateral securing our receivables based credit facility.

Our receivables based credit facility provides revolving credit commitments in a maximum amount equal to \$625.0 million, subject to a borrowing base. The receivables based credit facility is guaranteed by, subject to certain exceptions, the guarantors of our senior secured credit facilities. All obligations under the receivables

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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. Obligations under the notes, on the other hand, are secured, subject to prior liens permitted by the indenture governing the legacy notes, by a lien on the accounts receivable and related assets securing our receivables based credit facility that is junior in priority to the lien securing our obligations under such credit facility. Any rights to payment and claims by the holders of the notes are, therefore, junior to any rights of payment or claims by our creditors under our receivables based credit facility to the extent of the value of the receivables based collateral. Upon the satisfaction of our obligations to the lenders under our receivables based credit facility, the remaining proceeds of the receivables-based collateral, if any, will be used to pay, on a *pari passu* basis, our senior secured credit facilities, the notes and any other indebtedness with an equal priority lien on the receivables-based collateral. See The amount of our obligations under our senior secured credit facilities and the notes substantially exceeds the value of the collateral securing the notes.

The rights of holders of the notes with respect to the receivables based collateral are substantially limited by the terms of the ABL Intercreditor Agreement.

The rights of holders of the notes with respect to the receivables based collateral are substantially limited by the ABL Intercreditor Agreement that exists between lenders under our senior secured credit facilities, holders of the notes and lenders under the receivables based credit facility. See Description of the Exchange Notes Intercreditor Agreements ABL Intercreditor Agreement. Under the terms of the ABL Intercreditor Agreement, at any time that obligations that have the benefit of the senior priority liens on the receivables based collateral remain outstanding, any actions that may be taken in respect of the receivables based collateral, including the ability to cause the commencement of enforcement proceedings against the receivables based collateral and to control the conduct of such proceedings, and the approval of amendments to, releases of receivables based collateral from the lien of, and waivers of past defaults under, the security documents, will be at the direction of the holders of the obligations secured by the senior priority liens and neither the trustee nor the collateral agent, on behalf of the holders of the notes, will have the ability to control or direct such actions, even if the rights of the holders of the notes are adversely affected, subject to certain exceptions. Under the terms of the ABL Intercreditor Agreement, at any time that obligations that have the benefit of the senior priority liens on the receivables based collateral are outstanding, if the holders of such indebtedness release the receivables based collateral for any reason whatsoever (other than any such release granted following the discharge of obligations with respect to our receivables based credit facility), including, without limitation, in connection with any sale of assets, the junior priority security interest in such receivables based collateral securing the notes will be automatically and simultaneously released without any consent or action by the holders of the notes, subject to certain exceptions. The receivables based collateral so released will no longer secure our and the guarantors' obligations under the notes. In addition, because the holders of the indebtedness secured by senior priority liens in the receivables based collateral control the disposition of the receivables based collateral, such holders could decide not to proceed against the receivables based collateral, regardless of whether there is a default under the documents governing such indebtedness or under the indenture governing the notes. In such event, the only remedy available to the holders of the notes would be to sue for payment on the notes and the related guarantees. In addition, the ABL Intercreditor Agreement gives the holders of senior priority liens on the receivables based collateral the right to access and use the collateral that secures the notes to allow those holders to protect the receivables based collateral and to process, store and dispose of the receivables based collateral.

In the event that either the Credit Agreement Intercreditor Agreement or the ABL Intercreditor Agreement is found to be invalid or unenforceable, the liens in favor of the notes will not rank *pari passu* with the liens in favor of the senior secured credit facilities with respect to the collateral securing the notes.

The Credit Agreement Intercreditor Agreement establishes the relative priorities of the lenders under the senior secured credit facilities and holders of the notes with respect to the collateral securing the notes. The Credit Agreement Intercreditor Agreement provides that the security interest of the holders of notes are equal in priority to that of the lenders under the senior secured credit facilities. In addition, the ABL Intercreditor

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Agreement establishes the relative priorities of the lenders under the receivables based credit facility, the lenders under the senior secured credit facilities and holders of the notes with respect to the receivables based collateral. The ABL Intercreditor Agreement provides that the security interest of the holders of the notes is junior in priority to that of the lenders under the receivables based credit facility and equal in priority to that of the lenders under our senior secured credit facilities.

However, if either the Credit Agreement Intercreditor Agreement or the ABL Intercreditor Agreement is found to be invalid or unenforceable, the priority of these liens will be subject to state law governing perfection and security interests. As a result, because the security interests in the collateral securing our senior secured credit facilities and the receivables based collateral of the lenders under the senior secured credit facilities were perfected, in each case, at a date prior to those of the holders of notes, the security interests of the lenders under the senior secured credit facilities will be senior to those of the holders of notes. Therefore, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, the proceeds of collateral securing our senior secured credit facilities and the receivables based collateral would be applied to satisfy our obligations under the senior secured credit facilities before it was applied to satisfy our obligations under the notes. Moreover, in the event that the ABL Intercreditor Agreement is found to be invalid or unenforceable, the lenders under our receivables based credit facility will remain senior in priority to holders of the notes with respect to the receivables based collateral.

The waiver of rights of marshaling may adversely affect the recovery rates of holders of the notes in a bankruptcy or foreclosure scenario.

The notes and the related guarantees are secured by the collateral on a pari passu basis with our senior secured credit facilities and other related obligations. The ABL Intercreditor Agreement provides that, at any time that obligations under the receivables based credit facility are outstanding, the holders of the notes, the trustee under the indenture governing the notes and the collateral agent may not assert or enforce any right of marshaling as against the lenders under the receivables based credit facility. See Description of the Exchange Notes Intercreditor Agreements ABL Intercreditor Agreement. Without this waiver of the right of marshaling, holders of such indebtedness would likely be required to liquidate collateral on which the notes did not have a lien, if any, prior to liquidating the collateral securing the notes, thereby maximizing the proceeds of the collateral that would be available to repay our obligations under the notes. As a result of this waiver, the proceeds of sales of the collateral securing the notes could be applied to repay the receivables based credit facility before applying proceeds of other collateral securing other indebtedness, and the holders of the notes may recover less than they would have if such proceeds were applied in the order most favorable to the holders of the notes.

The imposition of certain permitted liens could adversely affect the value of the collateral.

The collateral securing the notes is subject to liens permitted under the terms of the indenture governing the notes, whether arising on or after the date the notes are issued. The existence of any permitted liens could adversely affect the value of the collateral as well as the ability to realize or foreclose on such collateral. The collateral also secures our obligations under our senior secured credit facilities and may also secure future indebtedness and other obligations of the company and the guarantors to the extent permitted by the indenture governing the notes and the security documents. In addition, a portion of the collateral also secures our receivables based credit facility, and the holders of notes are junior in priority to lenders under our receivables based credit facility with respect to such collateral. As a result, your rights to the collateral would be diluted by any increase in the indebtedness secured by the receivables based collateral. To the extent we incur any permitted liens, the liens of holders of the notes may be junior in priority to such permitted liens.

There are certain categories of property that are excluded from the collateral.

Certain categories of assets are excluded from the collateral. These assets include any fee owned real property and all leasehold rights and interests in real property, general intangibles (other than licenses, permits

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and other authorizations issued by the FCC), investment property and intellectual property (as such terms are defined in the Uniform Commercial Code) where the grant of a security interest therein would adversely affect our rights in such property, including trademark rights; assets in which the grant of a security interest is prohibited by law; margin stock; assets in which we are contractually obligated not to create a security interest; assets in which the taking of a security interest would be unduly burdensome or costly to us; assets that are held for sale; and certain assets identified as exclusions from the collateral by the administrative agent under our senior secured credit facilities.

In addition, the equity interests of our restricted subsidiaries under the legacy notes indenture and the property and related assets that constitute principal property under the indenture governing the legacy notes, will, in each case, be excluded from the collateral unless and until the notes receive the benefit of a springing lien in such collateral, which would occur as a result of \$500 million or less aggregate principal amount of the legacy notes remaining outstanding or the legacy notes becoming secured on an equal and ratable basis with the notes. See Description of the Exchange Notes General Credit Facility Collateral.

The rights of holders of the notes with respect to such excluded property will be equal to the rights of our and the guarantors general unsecured creditors in the event of any bankruptcy filed by or against us or the guarantors under applicable U.S. federal bankruptcy laws.

Rights of holders of the notes in the collateral may be adversely affected by the failure to perfect security interests in certain collateral acquired in the future, and any future pledge of the securities of any subsidiary securing the notes will automatically be released to the extent and for so long as that pledge would require the filing of separate financial statements with the SEC for that subsidiary.

The security interest in the collateral securing the notes includes certain assets, both tangible and intangible, whether now owned or acquired or arising in the future. In addition, the notes may in the future become secured by certain equity interests, including equity interests of our restricted subsidiaries under the indenture governing the legacy notes, and the property and related assets that constitute principal property under the indenture governing the legacy notes. See Description of the Exchange Notes General Credit Facility Collateral. Applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. There can be no assurance that the trustee or the collateral agent will monitor, or that we will inform the trustee or the collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the notes against third parties.

Under the SEC regulations in effect as of the issue date of the notes, if the par value, book value as carried by us or market value (whichever is greatest) of the capital stock, other securities or similar items of a subsidiary pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of the notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. The indenture governing the notes provides that any capital stock and other securities of any of our subsidiaries will be excluded from the collateral for so long as the pledge of such capital stock or other securities to secure the notes would cause such subsidiary to be required to file separate financial statements with the SEC pursuant to Rule 3-16 of Regulation S-X or another similar rule. As a result, if in the future the notes become secured by a pledge of the stock and other securities of any of our subsidiaries held by us or the guarantors, holders of the notes could lose a portion or all of their security interest in such stock or other securities of those subsidiaries during that period. It may be more difficult, costly and time-consuming for holders of the notes to foreclose on the assets of a subsidiary than to foreclose on its capital stock or other securities, so the proceeds realized upon any such foreclosure could be significantly less than those that would have been received upon any sale of the capital stock or other securities of such subsidiary.

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Rights of holders of the notes in the U.S. collateral may be adversely affected by bankruptcy proceedings in the United States.

The right of the collateral agent to repossess and dispose of the collateral securing the notes upon acceleration is likely to be significantly impaired by U.S. federal bankruptcy law if bankruptcy proceedings are commenced by or against us prior to or possibly even after the security agent has repossessed and disposed the collateral. Under the U.S. bankruptcy code, a secured creditor, such as the collateral agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, U.S. bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given adequate protection. The meaning of the term adequate protection may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the notes could be delayed following commencement of a bankruptcy case, whether or when the security agent would repossess or dispose of the collateral, or whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the collateral through the requirements of adequate protection. Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the notes, the holders of the notes would have undersecured claims as to the difference. U.S. federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys fees for undersecured claims during the debtor's bankruptcy case.

The collateral is subject to casualty risk.

Even if we maintain insurance, there are certain losses that may be either uninsurable or not economically insurable, in whole or part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any collateral securing the notes, the insurance proceeds may not be sufficient to satisfy all of our obligations, including the notes and related guarantees.

Any future pledge of collateral might be avoidable by a trustee in bankruptcy.

The notes may, upon the occurrence of certain future events, receive the benefit of a pledge of the equity interests of our restricted subsidiaries under the indenture governing the legacy notes and the property and related assets that constitute principal property under such indenture. See Description of the Exchange Notes General Credit Facility Collateral. This or any other future pledge of collateral in favor of the collateral agent, including pursuant to security documents delivered after the date of the indenture governing the notes, might be avoidable by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge (or, in certain circumstances, a longer period).

We may not be able to repurchase the notes upon a change of control and holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount plus accrued and unpaid interest. The change of control provisions may not protect you if we undergo a highly leveraged transaction, reorganization, restructuring, acquisition or similar transaction that may adversely affect you unless the transaction is included within the definition of a change of control.

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Our senior secured credit facilities provide that the occurrence of certain events that would constitute a change of control for the purposes of the indenture governing the notes constitutes a default under our senior secured credit facilities. 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. Much of our other debt also requires us to repurchase such debt upon an event that would constitute a change of control for the purposes of the notes. Any of our future debt agreements may contain prohibitions of events that would constitute a change of control or would require such debt to be repurchased upon a change of control. The source of funds for any purchase of the notes will be our available cash or cash generated from our and our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control. Further, we are contractually restricted under the terms of our senior secured credit facilities from repurchasing notes tendered by holders upon a change of control. Accordingly, we may not be able to satisfy our obligations to purchase the notes unless we are able to refinance or obtain waivers under our senior secured credit facilities. Our failure to repurchase the notes upon a change of control would cause a default under the indenture governing the notes. Such a default would, in turn, constitute a default under our senior secured credit facilities.

The definition of change of control in the indenture governing the notes includes a phrase relating to the sale of all or substantially all of our assets. There is no precise established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of a sale of less than all our assets to another person is uncertain.

Ratings of the notes may cause their trading price to fall and affect the marketability of the notes.

The outstanding notes have been rated by Moody's and S&P. A rating agency's rating of the notes is not a recommendation to purchase, sell or hold any particular security, including the notes. Such ratings are limited in scope and do not comment as to material risks relating to an investment in the notes. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will remain in effect for any given period of time. Rating agencies also may lower, suspend or withdraw ratings on the notes or our other debt in the future. Noteholders will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices or marketability of the notes.

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EXCHANGE OFFER

Purpose and Effect of the Exchange Offer

Simultaneously with the initial sales of the outstanding notes, we entered into an exchange and registration rights agreement with respect to each private offering, pursuant to which we have agreed that we will use commercially reasonable efforts to take the following actions, at our expense, for the benefit of the holders of the outstanding notes:

no later than September 21, 2011, file an exchange offer registration statement with the SEC with respect to a registered offer to exchange the outstanding notes for exchange notes, which will have terms identical in all material respects to the outstanding notes, except that additional interest will not be payable in respect of the exchange notes and the exchange notes will not be entitled to registration rights under the applicable exchange and registration rights agreement and will not be subject to the transfer restrictions,

cause the exchange offer registration statement to be declared effective by the SEC no later than November 20, 2011 (the effectiveness deadline),

commence the exchange offer promptly (but no later than 10 business days) after the registration statement is declared effective, and

keep the exchange offer open for at least 20 business days after the date we mail notice of such exchange offer to holders. For each outstanding note surrendered to us pursuant to the exchange offer, the holder of such outstanding note will receive an exchange note, having a principal amount at maturity equal to that of the surrendered note.

Under existing SEC interpretations set forth in no-action letters to third parties, the exchange notes will in general be freely transferable after the exchange offer without further registration under the Securities Act; provided that, in the case of broker-dealers, a prospectus meeting the requirements of the Securities Act is delivered as required. We have agreed for a period of 180 days after consummation of the exchange offer to make available a prospectus meeting the requirements of the Securities Act to any broker-dealer for use in connection with any resale of any such exchange notes acquired as described below. A broker-dealer which delivers such a prospectus to purchasers in connection with such resales will be subject to certain of the civil liability provisions under the Securities Act, and will be bound by the provisions of the applicable exchange and registration rights agreement, including certain indemnification rights and obligations.

If you wish to participate in the exchange offer, you will be required to represent to us, among other things, that, at the time of the consummation of the exchange offer:

any exchange notes received by you will be acquired in the ordinary course of business,

you have no arrangement or understanding with any person to participate in the distribution of the exchange notes within the meaning of the Securities Act,

you are not our affiliate, as defined in Rule 405 of the Securities Act,

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if you are not a broker-dealer, you are not engaged in, and do not intend to engage in, the distribution of the exchange notes within the meaning of the Securities Act, and

if you are a broker-dealer, you will receive exchange notes in exchange for outstanding notes that were acquired for your own account as a result of market-making activities or other trading activities and that you will be required to acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange notes.

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Any holder that is not able to make these representations or certain similar representations will not be entitled to participate in the exchange offer or to exchange their outstanding notes for exchange notes.

If (i) applicable law or the interpretations of the staff of the SEC do not permit us to effect an exchange offer with respect to the outstanding notes, (ii) an exchange offer with respect to the outstanding notes for any other reason is not completed within the time frame described above or (iii) any holder notifies us within 20 business days following the exchange offer that, for certain reasons, it was unable to participate in the exchange offer, we will, no later than 30 days after such event (but in no event less than 210 days after the closing date of the outstanding notes), file a shelf registration statement relating to resales of the outstanding notes and use commercially reasonable efforts to cause it to become effective within 90 days after filing (but in no event less than 270 days after the closing date of the outstanding notes) and keep that shelf registration statement effective until the expiration of two years from the closing date of the outstanding notes, or such shorter time period that will terminate when all notes covered by the shelf registration statement have been sold pursuant to the shelf registration statement. We will, in the event of such a shelf registration, provide to each holder of the notes copies of a prospectus, notify each such holder of notes when the shelf registration statement has become effective and take certain other actions to permit resales of the notes. A holder of notes that sells notes under a shelf registration statement generally will be required to be named as a selling securityholder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with those sales and will be bound by the provisions of the applicable exchange and registration rights agreement that are applicable to such a holder (including certain indemnification obligations).

If we fail to comply in a timely fashion with the requirements outlined above regarding the completion of the exchange offer (or, if required, a shelf registration statement), and in certain other limited circumstances, the annual interest rate borne by the notes will be increased by 0.25% per annum and an additional 0.25% per annum every 90 days thereafter, up to a maximum additional cash interest of 0.50% per annum, until the exchange offer is completed, the shelf registration statement is declared effective or, with respect to any particular note, such note ceases to be outstanding or is actually sold by the holder thereof pursuant to Rule 144 under circumstances in which any legend borne by such note relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by us or pursuant to the indenture.

Terms of the Exchange Offer

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 5:00 p.m., New York City time, on the expiration date of the exchange offer. You may tender all or any portion of your outstanding notes; however, exchange notes will only be issued in denominations of \$2,000 and integral multiples of \$1,000.

The form and terms of the exchange notes are the same as the form and terms of the outstanding notes, except that:

- (1) the exchange notes each bear a different CUSIP Number from the outstanding notes;
- (2) the exchange notes have been registered under the Securities Act and hence will not bear legends restricting the transfer thereof; and
- (3) the holders of the exchange notes will not be entitled to certain rights under the applicable exchange and registration rights agreement, including the provisions providing for an increase in the interest rate on the outstanding notes in certain circumstances relating to the timing of the exchange offer, all of which rights will terminate when the exchange offer is terminated.

We will be deemed to have accepted validly tendered outstanding notes when, as and if we have given oral or written notice (if oral, to be promptly confirmed in writing) thereof to the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the exchange notes from us.

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If any tendered outstanding notes are not accepted for exchange because of an invalid tender, the occurrence of specified other events set forth in this prospectus or otherwise, the certificates for any unaccepted outstanding notes will be returned, without expense, to the tendering holder thereof as promptly as practicable after the expiration date of the exchange offer.

Holders who tender outstanding notes in the exchange offer 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 pursuant to the exchange offer. We will pay all charges and expenses, other than transfer taxes in certain circumstances, in connection with the exchange offer. See Fees and Expenses.

Expiration Date; Extensions; Amendments

The term expiration date will mean 5:00 p.m., New York City time, on _____, 2011, unless we, in our sole discretion, extend the exchange offer, in which case the term expiration date will mean the latest date and time to which the exchange offer is extended.

In order to extend the exchange offer, we will make a press release or other public announcement and notify the exchange agent of any extension by oral or written notice (if oral, to be promptly confirmed in writing) prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion, (1) to delay accepting any outstanding notes, to extend the exchange offer or to terminate the exchange offer if any of the conditions set forth below under Conditions have not been satisfied, by giving oral or written notice (if oral, to be promptly confirmed in writing) of any delay, extension or termination to the exchange agent or (2) to amend the terms of the exchange offer in any manner. Such decision will also be communicated in a press release or other public announcement prior to 9:00 a.m., New York City time on the next business day following such decision. Any announcement of delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof to the registered holders.

Interest on the Exchange Notes

Each exchange note will bear interest from its issuance date. The holders of outstanding notes that are accepted for exchange will receive, in cash, accrued interest on those outstanding notes through, but not including, the issuance date of the exchange notes. This interest will be paid with the first interest payment on the exchange notes. Interest on the outstanding notes accepted for exchange will cease to accrue upon issuance of the exchange notes.

Interest on the exchange notes is payable semi-annually in cash in arrears on March 1 and September 1 of each year.

Procedures for Tendering

Only a holder of outstanding notes may tender outstanding notes in the exchange offer. To tender in the exchange offer, a holder must complete, sign and date the letter of transmittal, or a facsimile thereof, have the signatures thereon guaranteed if required by the letter of transmittal or transmit an agent's message in connection with a book-entry transfer, and, unless transmitting an agent's message in connection with a book-entry transfer, mail or otherwise deliver the letter of transmittal or the facsimile, together with the outstanding notes and any other required documents, to the exchange agent prior to 5:00 p.m., New York City time, on the expiration date. To be tendered effectively, the outstanding notes, letter of transmittal or an agent's message and other required documents must be completed and received by the exchange agent at the address set forth below under Exchange Agent prior to 5:00 p.m., New York City time, on the expiration date. Delivery of the outstanding notes may be made by book-entry transfer in accordance with the procedures described below. Confirmation of the book-entry transfer must be received by the exchange agent prior to the expiration date.

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The term *agent's message* means a message, transmitted by a book-entry transfer facility to, and received by, the exchange agent forming a part of a confirmation of a book-entry, which states that the book-entry transfer facility has received an express acknowledgement from the participant in the book-entry transfer facility tendering the outstanding notes that the participant has received and agrees: (1) to participate in ATOP; (2) to be bound by the terms of the letter of transmittal; and (3) that we may enforce the agreement against the participant.

By executing the letter of transmittal, each holder will make to us the representations set forth above in the fourth paragraph under the heading *Purpose and Effect of the Exchange Offer*.

The tender by a holder and our acceptance thereof will constitute agreement between the holder and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal or *agent's message*.

The method of delivery of outstanding notes and the letter of transmittal or *agent's message* and all other required documents to the exchange agent is at the election and sole risk of the holder. As an alternative to delivery by mail, holders may wish to consider overnight or hand delivery service. In all cases, sufficient time should be allowed to assure delivery to the exchange agent before the expiration date. No letter of transmittal or outstanding notes should be sent to us. Holders may request their respective brokers, dealers, commercial banks, trust companies or nominees to effect the above transactions for them.

Any beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct the registered holder to tender on the beneficial owner's behalf. See *Instructions to Letter of Transmittal* included with the letter of transmittal.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member of the Medallion System unless the outstanding notes tendered pursuant to the letter of transmittal are tendered (1) by a registered holder who has not completed the box entitled *Special Issuance Instructions* on the letter of transmittal or (2) for the account of a member firm of the Medallion System. In the event that signatures on a letter of transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, the guarantee must be by a member firm of the Medallion System.

If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes listed in this prospectus, the outstanding notes must be endorsed or accompanied by a properly completed bond power, signed by the registered holder as the registered holder's name appears on the outstanding notes with the signature thereon guaranteed by a member firm of the Medallion System.

If the letter of transmittal or any 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, the person signing should so indicate when signing, and evidence satisfactory to us of its authority to so act must be submitted with the letter of transmittal.

We understand that the exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the outstanding notes at DTC for the purpose of facilitating the exchange offer, and subject to the establishment thereof, any financial institution that is a participant in DTC's system may make book-entry delivery of outstanding notes by causing DTC to transfer the outstanding notes into the exchange agent's account with respect to the outstanding notes in accordance with DTC's procedures for the transfer. Although delivery of the outstanding notes may be effected through book-entry transfer into the exchange agent's account at DTC, unless an *agent's message* is received by the exchange agent in compliance with ATOP, an appropriate letter of transmittal properly completed and duly executed with any required signature guarantee and all other required documents must in each case be transmitted to and received or confirmed by the exchange

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agent at its address set forth below on or prior to the expiration date, or, if the guaranteed delivery procedures described below are complied with, within the time period provided under the procedures. Delivery of documents to DTC does not constitute delivery to the exchange agent.

All questions as to the validity, form and eligibility, including time of receipt, of the acceptance of tendered outstanding notes and the withdrawal of tendered outstanding notes will be determined by us in our sole discretion, which determination will be final and binding on all parties. We reserve the absolute right to reject any and all outstanding notes not properly tendered or any outstanding notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right in our sole discretion to waive any defects, irregularities or conditions of tender as to particular outstanding notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of outstanding notes must be cured within the time we determine. Although we intend to notify holders of defects or irregularities with respect to tenders of outstanding notes, neither we, the exchange agent nor any other person will incur any liability for failure to give the notification. Tenders of outstanding notes will not be deemed to have been made until the defects or irregularities have been cured or waived. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the exchange agent to the tendering holders, unless otherwise provided in the letter of transmittal, as soon as practicable following the expiration date.

Guaranteed Delivery Procedures

Holders who wish to tender their outstanding notes and (1) whose outstanding notes are not immediately available, (2) who cannot deliver their outstanding notes, the letter of transmittal or any other required documents to the exchange agent or (3) who cannot complete the procedures for book-entry transfer, prior to the expiration date, may effect a tender if:

- (A) the tender is made through a member firm of the Medallion System;
- (B) prior to the expiration date, the exchange agent receives from a member firm of the Medallion System a properly completed and duly executed notice of guaranteed delivery by facsimile transmission, mail or hand delivery setting forth the name and address of the holder, the certificate number(s) of the outstanding notes and the principal amount of outstanding notes tendered, stating that the tender is being made thereby and guaranteeing that, within three New York Stock Exchange trading days after the expiration date, the letter of transmittal or facsimile thereof together with the certificate(s) representing the outstanding notes or a confirmation of book-entry transfer of the outstanding notes into the exchange agent's account at DTC, and any other documents required by the letter of transmittal will be deposited by the member firm of the Medallion System with the exchange agent; and
- (C) the properly completed and executed letter of transmittal or facsimile thereof, as well as the certificate(s) representing all tendered outstanding notes in proper form for transfer or a confirmation of book-entry transfer of the outstanding notes into the exchange agent's account at DTC, and all other documents required by the letter of transmittal are received by the exchange agent within three New York Stock Exchange trading days after the expiration date.

Upon oral or written (if oral, to be promptly confirmed in writing) request to the exchange agent, a notice of guaranteed delivery will be sent to holders who wish to tender their outstanding notes according to the guaranteed delivery procedures set forth above.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, tenders of outstanding notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date.

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To withdraw a tender of outstanding notes in the exchange offer, a letter or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth in this prospectus prior to 5:00 p.m., New York City time, on the expiration date. Any notice of withdrawal must:

- (1) specify the name of the person having deposited the outstanding notes to be withdrawn;
- (2) identify the outstanding notes to be withdrawn, including the certificate number(s) and principal amount of the outstanding notes, or, in the case of outstanding notes transferred by book-entry transfer, the name and number of the account at DTC to be credited;
- (3) be signed by the holder in the same manner as the original signature on the letter of transmittal by which the outstanding notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to have the trustee with respect to the outstanding notes register the transfer of the outstanding notes into the name of the person withdrawing the tender; and
- (4) specify the name in which any outstanding notes are to be registered, if different from that of the person depositing the outstanding notes to be withdrawn.

All questions as to the validity, form and eligibility, including time of receipt, of the notices will be determined by us in our sole discretion, which determination will be final and binding on all parties. Any outstanding notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and no exchange notes will be issued with respect thereto unless the outstanding notes so withdrawn are validly retendered. Any outstanding notes which have been tendered but which are not accepted for exchange will be returned to the holder thereof without cost to the holder as soon as practicable after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn outstanding notes may be retendered by following one of the procedures described above under Procedures for Tendering at any time prior to the expiration date.

Conditions

We intend to conduct the exchange offer in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC thereunder. Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange notes for, any outstanding notes, and may, prior to the expiration of the exchange offer, terminate or amend the exchange offer as provided in this prospectus before the acceptance of the outstanding notes, if:

- (1) any action or proceeding is instituted or threatened in any court or by or before any governmental agency with respect to the exchange offer which we reasonably believe might materially impair our ability to proceed with the exchange offer or any material adverse development has occurred in any existing action or proceeding with respect to us or any of our subsidiaries; or
- (2) any law, statute, rule, regulation or interpretation by the staff of the SEC is proposed, adopted or enacted, which we reasonably believe might materially impair our ability to proceed with the exchange offer or materially impair the contemplated benefits of the exchange offer to us; or
- (3) any governmental approval has not been obtained, which approval we reasonably believe to be necessary for the consummation of the exchange offer as contemplated by this prospectus.

If we determine in our sole discretion that any of the conditions are not satisfied with respect to the exchange offer, we may (1) refuse to accept any outstanding notes and return all tendered outstanding notes to the tendering holders, (2) extend the exchange offer and retain all outstanding

notes tendered prior to the

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expiration of the exchange offer, subject, however, to the rights of holders to withdraw the outstanding notes (see *Withdrawal of Tenders*), or (3) waive the unsatisfied conditions with respect to the exchange offer and accept all properly tendered outstanding notes which have not been withdrawn.

Exchange Agent

Deutsche Bank Trust Company Americas has been appointed as exchange agent for the exchange offer. Requests for additional copies of this prospectus, the letter of transmittal or the notice of guaranteed delivery should be directed to the exchange agent addressed as follows:

By Overnight Courier or Registered/Certified Mail:

Deutsche Bank Trust Company Americas

(US CTAS Operations)

5022 Gate Parkway

Suite 200

Jacksonville, Florida 32256

Attn: Reorganization Unit

Facsimile Transmission:

(615) 866-3889

Attn: Reorganization Unit

*For Information or to Confirm Receipt of
Facsimile by Telephone:
(800) 735-7777*

Clear Channel Communications, Inc.

Delivery to an address other than set forth above will not constitute a valid delivery.

Fees and Expenses

We will bear the expenses of soliciting tenders. The principal solicitation is being made through DTC by Deutsche Bank Trust Company Americas; however, additional solicitation may be made by electronic mail, facsimile, telephone or in person by our and our affiliates' officers and regular employees.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses incurred in connection with these services.

We will pay the cash expenses to be incurred in connection with the exchange offer. Such expenses include fees and expenses of the exchange agent and trustee, accounting and legal fees and printing costs, among others.

Accounting Treatment

The exchange notes will be recorded at the same carrying value as the outstanding notes, which is face value, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes as a result of the exchange offer. The expenses of the exchange offer will be expensed as incurred.

Consequences of Failure to Exchange

The outstanding notes that are not exchanged for exchange notes pursuant to the exchange offer will remain restricted securities. Accordingly, the outstanding notes may be resold only:

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- (1) to us upon redemption thereof or otherwise;

- (2) so long as the outstanding notes are eligible for resale pursuant to Rule 144A, to a person inside the United States whom the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of

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Rule 144A, in accordance with Rule 144 under the Securities Act, or pursuant to another exemption from the registration requirements of the Securities Act, which other exemption is based upon an opinion of counsel reasonably acceptable to us if we so request;

- (3) outside the United States to a foreign person in a transaction meeting the requirements of Rule 904 under the Securities Act; or
- (4) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States.

Resale of the Exchange Notes

With respect to resales of exchange notes, based on interpretations by the staff of the SEC set forth in no-action letters issued to third parties, we believe that a holder or other person who receives exchange notes, whether or not the person is the holder, other than a person that is our affiliate within the meaning of Rule 405 under the Securities Act, in exchange for outstanding notes in the ordinary course of business and who is not participating, does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of the exchange notes, will be allowed to resell the exchange notes to the public without further registration under the Securities Act and without delivering to the purchasers of the exchange notes a prospectus that satisfies the requirements of Section 10 of the Securities Act. However, if any holder acquires exchange notes in the exchange offer for the purpose of distributing or participating in a distribution of the exchange notes, the holder cannot rely on the position of the staff of the SEC expressed in the no-action letters or any similar interpretive letters, and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction, unless an exemption from registration is otherwise available. Further, each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the outstanding notes were acquired by the 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 the exchange notes. See Plan of Distribution for more information.

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USE OF PROCEEDS

This exchange offer is intended to satisfy certain of our obligations under the exchange and registration rights agreements. We will not receive any cash proceeds from the issuance of the exchange notes. In consideration for issuing the exchange notes contemplated in this prospectus, we will receive outstanding notes in like principal amount, the form and terms of which are the same as the form and terms of the exchange notes, except as otherwise described in this prospectus. The outstanding notes surrendered in exchange for the exchange notes will be retired and cancelled. Accordingly, no additional debt will result from the exchange. We have agreed to bear the expenses of the exchange offer.

Table of Contents**CAPITALIZATION**

The following table sets forth our consolidated cash and cash equivalents and capitalization as of March 31, 2011 on an actual basis and as adjusted to give effect to the issuance of \$750 million aggregate principal amount of outstanding notes in June 2011 and the voluntary paydown we made on June 8, 2011 using cash on hand of all amounts outstanding under our receivables based credit facility, of which \$320.7 million was outstanding as of March 31, 2011, as if each of these events had occurred as of March 31, 2011. You should read the following information in conjunction with the information contained in Selected Historical Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes included elsewhere in this prospectus.

	As of March 31, 2011	
	Historical	As Adjusted
	(In millions)	
Cash and cash equivalents(1)	\$ 1,510.8	\$ 1,880.8
Clear Channel long-term debt (including current portion):		
Senior secured credit facilities:		
Revolving credit facility(2):		
Domestic based borrowings	\$ 1,635.9	\$ 1,635.9
Foreign subsidiary borrowings	144.6	144.6
Term loan A facility	1,087.1	1,087.1
Term loan B facility	8,735.9	8,735.9
Term loan C asset sale facility	670.9	670.9
Delayed draw term loan facilities(3)	976.8	976.8
Priority guarantee notes, net of discount(4)	1,000.0	1,703.8
Receivables based credit facility(5)	320.7	
Other secured long-term debt	6.7	6.7
Total secured debt	14,578.6	14,961.7
Senior cash pay notes	796.3	796.3
Senior toggle notes	829.8	829.8
Other long term debt(6)	60.2	60.2
Total guaranteed debt of the issuer and the guarantors(7)	16,264.9	16,648.0
Legacy notes, net of discounts(8)	1,639.3	1,639.3
Total Clear Channel debt	17,904.2	18,287.3
CCWH Notes(9)	2,500.0	2,500.0
Total long-term debt	\$ 20,404.2	\$ 20,787.3
Total member's deficit(10)	(7,280.4)	(7,280.4)
Total capitalization	\$ 13,123.8	\$ 13,506.9

- (1) Adjusted cash and cash equivalents reflects (i) \$703.8 million in proceeds from the issuance of \$750 million aggregate principal amount of outstanding notes in June 2011 (net of \$46.2 million of discount) as cash on hand for general corporate purposes, including the repayment of legacy notes and other indebtedness; (ii) the use of cash on hand to pay estimated fees and expenses of \$13.13 million arising from the offering; and (iii) the voluntary paydown we made on June 8, 2011 using cash on hand of all amounts outstanding under our receivables based credit facility, of which \$320.7 million was outstanding as of March 31, 2011.
- (2) Our senior secured credit facilities provide for a \$1,928 million six-year revolving credit facility, of which, as of March 31, 2011, \$1,780.5 million was outstanding. We have the ability to designate one or more of our foreign restricted subsidiaries as borrowers under a foreign currency sublimit of the revolving credit facility.

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- (3) Our senior secured credit facilities provide for two delayed draw term loans facilities in the amount of \$568.6 million and \$408.2 million as of March 31, 2011 that mature on January 30, 2016. As of March 31, 2011, these facilities were fully drawn.
- (4) The amount under As Adjusted includes \$750.0 million aggregate principal amount of the outstanding notes issued in June 2011, net of \$46.2 million of discount.
- (5) On June 8, 2011, we repaid all outstanding amounts under our receivables based credit facility using cash on hand. This voluntary repayment did not reduce our commitments under this facility and we may reborrow amounts under this facility at any time.
- (6) Represents subsidiary indebtedness, including \$22.2 million held at a subsidiary within our Americas Outdoor Advertising segment and \$38.0 million held at various subsidiaries within our International Outdoor Advertising segment.
- (7) Represents the sum of the indebtedness which is guaranteed by Clear Channel Capital and our material wholly-owned domestic restricted subsidiaries and retained indebtedness of our restricted subsidiaries that was outstanding as of March 31, 2011. This amount does not include our legacy notes, which are not guaranteed by, or direct obligations of, our subsidiaries.
- (8) Represents our legacy notes, net of unamortized purchase accounting discounts of \$579.3 million, which are not guaranteed by, or direct obligations of, our subsidiaries. As of March 31, 2011, our legacy notes bore interest at fixed rates ranging from 4.4% to 7.25%, have maturities through 2027 and contain provisions customary for investment grade debt securities. The legacy notes are not guaranteed by Clear Channel Capital or any of Clear Channel's subsidiaries. On May 15, 2011, we repaid \$250 million in aggregate principal amount of our legacy notes at maturity, of which \$109.8 million was held by one of our subsidiaries.
- (9) The CCWH Notes were issued by a subsidiary of CCOH, are guaranteed by CCOH and certain of its subsidiaries and are not guaranteed by Clear Channel or any of its wholly-owned subsidiaries. Neither CCOH nor any of its subsidiaries guarantee the notes offered hereby.
- (10) On December 31, 2008 and on June 30, 2009, we recognized impairment charges of \$5.3 billion and \$4.1 billion, respectively. Additionally, during the fourth quarter of 2010, we recognized impairment charges of \$15.4 million.

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

The following table sets forth our selected historical consolidated financial data as of and for the years ended December 31, 2010, 2009, 2008, 2007 and 2006 and as of and for the three-month periods ended March 31, 2011 and 2010. The selected historical consolidated financial data as of December 31, 2010 and 2009 and for the years ended December 31, 2010, 2009 and 2008 are derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus. The selected historical consolidated financial data as of December 31, 2008 and as of and for the years ended December 31, 2007 and 2006 are derived from our audited consolidated financial statements and related notes not included herein. The selected historical consolidated financial data as of and for the three-month periods ended March 31, 2011 and 2010 are derived from our unaudited consolidated financial statements and related notes included elsewhere in this prospectus. The 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 and the period preceding the Merger, respectively. See Basis of Presentation.

In the opinion of management, the interim financial data reflects all adjustments (consisting only of normal and recurring adjustments) necessary for a fair presentation of the results for the interim periods. Historical results are not necessarily indicative of the results to be expected for future periods and operating results for the three months ended March 31, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011.

The Merger and other acquisitions and dispositions significantly impact the comparability of the historical consolidated financial data reflected in this financial data.

This information is only a summary and you should read the information presented below in conjunction with our 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,					Three Months Ended March 31,	
	2010 Post- Merger	2009 Post- Merger	2008 (1) Combined	2007 (2) Pre- Merger	2006 (3) Pre- Merger	2011 Post- Merger	2010 Post- Merger (unaudited)
Results of Operations Data:							
Revenue	\$ 5,865,685	\$ 5,551,909	\$ 6,688,683	\$ 6,921,202	\$ 6,567,790	\$ 1,320,826	\$ 1,263,778
Operating expenses:							
Direct operating expenses	2,442,167	2,583,263	2,904,444	2,733,004	2,532,444	596,255	597,347
Selling, general and administrative expenses	1,509,692	1,466,593	1,829,246	1,761,939	1,708,957	360,524	349,296
Corporate expenses	284,042	253,964	227,945	181,504	196,319	52,347	64,496
Depreciation and amortization	732,869	765,474	696,830	566,627	600,294	183,711	181,334
Merger expenses			155,769	6,762	7,633		
Impairment charges (4)	15,364	4,118,924	5,268,858				
Other operating income (expense) net	(16,710)	(50,837)	28,032	14,113	71,571	16,714	3,772
Operating income (loss)	864,841	(3,687,146)	(4,366,377)	1,685,479	1,593,714	144,703	75,077
Interest expense	1,533,341	1,500,866	928,978	451,870	484,063	369,666	385,795
Gain (loss) on marketable securities	(6,490)	(13,371)	(82,290)	6,742	2,306		
Equity in earnings (loss) of nonconsolidated affiliates	5,702	(20,689)	100,019	35,176	37,845	2,975	1,871
Other income (expense) net	46,455	679,716	126,393	5,326	(8,593)	(2,036)	58,035
Income (loss) before income taxes and discontinued operations	(622,833)	(4,542,356)	(5,151,233)	1,280,853	1,141,209	(224,024)	(250,812)
Income tax (expense) benefit	159,980	493,320	524,040	(441,148)	(470,443)	92,661	71,185
Income (loss) before discontinued operations	(462,853)	(4,049,036)	(4,627,193)	839,705	670,766	(131,363)	(179,627)
Income from discontinued operations, net (5)			638,391	145,833	52,678		
Consolidated net income (loss)	(462,853)	(4,049,036)	(3,988,802)	985,538	723,444	(131,363)	(179,627)
Amount attributable to noncontrolling interest	16,236	(14,950)	16,671	47,031	31,927	469	(4,213)

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Net income (loss) attributable to the Company	\$ (479,089)	\$ (4,034,086)	\$ (4,005,473)	\$ 938,507	\$ 691,517	\$ (131,832)	\$ (175,414)
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(Dollars in thousands, except per share data)

	Year Ended December 31,					Three Months Ended March 31,	
	2010 Post- Merger	2009 Post- Merger	2008 (1) Combined	2007 (2) Pre- Merger	2006 (3) Pre- Merger	2011 Post- Merger	2010 Post- Merger
Balance Sheet Data (at end of period):							
Current assets	\$ 3,603,173	\$ 3,658,845	\$ 2,066,555	\$ 2,294,583	\$ 2,205,730	\$ 3,142,629	\$ 3,168,367
Property, plant and equipment net	3,145,554	3,332,393	3,548,159	3,215,088	3,236,210	3,117,816	3,259,714
Total assets	17,460,382	18,047,101	21,125,463	18,805,528	18,886,455	16,938,645	17,399,984
Current liabilities	2,098,579	1,544,136	1,845,946	2,813,277	1,663,846	1,498,479	1,889,215
Long-term debt, net of current maturities	19,739,617	20,303,126	18,940,697	5,214,988	7,326,700	19,999,658	19,576,685
Member s/shareholders equity (deficit)	(7,204,686)	(6,844,738)	(2,916,231)	9,233,851	8,391,733	(7,280,432)	(7,054,786)
Other Financial Data:							
Ratio of earnings to fixed charges (6)				2.44	2.30		
Deficiency of earnings to fixed charges (6)	617,451	4,500,766	5,208,174			221,633	246,183

	Period from January 1 through July 30, 2008		Year Ended December 31, 2007	
	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
Net income per common share (7):				
Basic:				
Income attributable to the Company before discontinued operations	\$ 0.80	\$ 1.59	\$ 1.27	\$ 1.27
Discontinued operations	1.29	0.30	0.11	0.11
Net income attributable to the Company	\$ 2.09	\$ 1.89	\$ 1.38	\$ 1.38
Diluted:				
Income attributable to the Company before discontinued operations	\$ 0.80	\$ 1.59	\$ 1.27	\$ 1.27
Discontinued operations	1.29	0.29	0.11	0.11
Net income attributable to the Company	\$ 2.09	\$ 1.88	\$ 1.38	\$ 1.38

(1) The 2008 financial data consists of two periods: post-Merger and pre-Merger. The 2008 post-Merger and pre-Merger financial data is presented as follows:

(Dollars in thousands)

	Post-Merger	Pre-Merger	Combined
	Period from July 31 through December 31, 2008	Period from January 1 through July 30, 2008	Year ended December 31, 2008
Revenue	\$ 2,736,941	\$ 3,951,742	\$ 6,688,683
Operating expenses:			
Direct operating expenses	1,198,345	1,706,099	2,904,444
Selling, general and administrative expenses	806,787	1,022,459	1,829,246
Corporate expenses	102,276	125,669	227,945
Depreciation and amortization	348,041	348,789	696,830
Merger expenses	68,085	87,684	155,769
Impairment charges	5,268,858		5,268,858
Other operating income (expense) net	13,205	14,827	28,032

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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 (loss) of nonconsolidated affiliates	5,804	94,215	100,019
Other income (expense) net	131,505	(5,112)	126,393
Income (loss) before income taxes and discontinued operations	(5,737,257)	586,024	(5,151,233)
Income tax benefit (expense)	696,623	(172,583)	524,040
Income (loss) before discontinued operations	(5,040,634)	413,441	(4,627,193)
Income (loss) from discontinued operations, net	(1,845)	640,236	638,391
Consolidated net income (loss)	(5,042,479)	1,053,677	(3,988,802)
Amount attributable to noncontrolling interest	(481)	17,152	16,671
Net income (loss) attributable to the Company	\$ (5,041,998)	\$ 1,036,525	\$ (4,005,473)

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- (2) Effective January 1, 2007, we adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, codified in ASC 740-10. In accordance with the provisions of ASC 740-10, 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 ASC 740-10 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, we adopted FASB Statement No. 123(R), *Share-Based Payment*, codified in ASC 718-10. In accordance with the provisions of ASC 718-10, we elected to adopt the standard using the modified prospective method.
- (4) We recorded impairment charges of \$15.4 million during 2010. We also recorded non-cash impairment charges of \$4.1 billion in 2009 and \$5.3 billion in 2008 as a result of the global economic downturn which adversely affected advertising revenues across our businesses.
- (5) Includes the results of operations of our live entertainment and sports representation businesses, which we spun-off on December 21, 2005, our television business, which we sold on March 14, 2008, and certain of our non-core radio stations.
- (6) Ratio of earnings to fixed charges represents the ratio of earnings (defined as pre-tax income (loss) from continuing operations before equity in earnings (loss) of nonconsolidated affiliates) to fixed charges (defined as interest expense plus the interest portion of rental expense). Our earnings, which included impairment charges of \$15.4 million, \$4.1 billion and \$5.3 billion for the years ended December 31, 2010, 2009 and 2008, respectively, were not sufficient to cover our fixed charges by \$617.5 million, \$4.5 billion and \$5.2 billion, respectively. Our earnings were not sufficient to cover our fixed charges by \$221.6 million and \$246.2 million for the three months ended March 31, 2011 and 2010, respectively.
- (7) Net loss per share information is not presented for the post-Merger period as this information is not meaningful. During the post-Merger periods, Clear Channel Capital II, LLC is the sole member of Clear Channel Capital and owns 100% of the limited liability company interests. Clear Channel Capital does not have any publicly traded 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 our results of operations and financial condition together with the information included under Selected Historical Consolidated Financial Data and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under Forward-Looking Statements and Risk Factors. Actual results may differ materially from those contained in any forward-looking statements.

OVERVIEW

Executive Summary

The key highlights for our business for the quarter ended March 31, 2011 are summarized below:

Consolidated revenue increased \$57.0 million compared to the first quarter of 2010.

Radio revenue increased \$17.1 million compared to the first quarter of 2010 from increases in local advertising.

Americas outdoor revenue increased \$18.3 million compared to the first quarter of 2010, driven by revenue growth across most of our display types, particularly digital.

International outdoor revenue increased \$23.1 million compared to the first quarter of 2010, primarily as a result of increased street furniture sales and an increase from movements in foreign exchange.

We issued \$1.0 billion aggregate principal amount of 9.0% Priority Guarantee Notes due 2021 (which we refer to as the outstanding notes issued in February 2011). Proceeds of the offering of the outstanding notes issued in February 2011, along with available cash on hand, were used to repay \$500.0 million of the senior secured credit facilities and \$692.7 million of the 6.25% senior notes that matured during the first quarter of 2011.

We purchased a cloud-based music technology business in the first quarter of 2011 that provides us with state-of-the-art music technology and services. We believe this technology and services will enable us to accelerate the development and growth of the next generation of our iHeartRadio.com digital products.

The key highlights of our business for the year ended December 31, 2010 are summarized below:

Consolidated revenue increased \$313.8 million for the year ended December 31, 2010 compared to 2009, primarily as a result of improved economic conditions.

Radio revenue increased \$161.7 million for the year ended December 31, 2010 compared to 2009, primarily as a result of increased average rates per minute driven by increased demand for both national and local advertising.

Americas outdoor revenue increased \$51.9 million for the year ended December 31, 2010 compared to 2009, driven by revenue growth across our advertising inventory, particularly digital.

International outdoor revenue increased \$48.1 million for the year ended December 31, 2010 compared to 2009, primarily as a result of increased revenue from street furniture across most countries, partially offset by a decrease from movements in foreign exchange of \$10.3 million.

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Our subsidiary, Clear Channel Investments, Inc. (CC Investments), repurchased \$185.2 million aggregate principal amount of our senior toggle notes for \$125.0 million during the year ended December 31, 2010.

We repaid \$240.0 million upon the maturity of our 4.50% senior notes due 2010 during the year ended December 31, 2010.

During 2010, we repaid our remaining 7.65% senior notes upon maturity for \$138.8 million with proceeds from our delayed draw term loan facility that was specifically designated for this purpose.

During 2010, we received \$132.3 million in Federal income tax refunds.

On October 15, 2010, Clear Channel Outdoor Holdings, Inc. (CCOH), our subsidiary, transferred its interest in its Branded Cities operations to its joint venture partner, The Ellman Companies. We recorded a loss of \$25.3 million in Other operating income (expense) net related to the transfer.

We performed impairment tests on our goodwill, FCC licenses, billboard permits, and other intangible assets and recorded impairment charges of \$15.4 million. Please see the notes to the consolidated financial statements included elsewhere in this prospectus for a more complete description of the impairment charges.

The key highlights of our business for the year ended December 31, 2009 are summarized below:

Consolidated revenue decreased \$1.14 billion for the year ended December 31, 2009 compared to 2008, primarily as a result of weakness in advertising and the global economy.

Radio revenue declined \$557.5 million for the year ended December 31, 2009 compared to 2008, primarily as a result of decreases in local and national advertising demand.

Americas outdoor revenue decreased \$192.1 million for the year ended December 31, 2009 compared to 2008, driven by declines in bulletin, poster and transit revenues due to cancellations and non-renewals from larger national advertisers.

International outdoor revenue decreased \$399.2 million for the year ended December 31, 2009 compared to 2008, primarily as a result of weak advertising demand across most countries. Also contributing to the decline was \$118.5 million from movements in foreign exchange.

We recorded a \$21.3 million impairment to taxi contract intangible assets in our Americas outdoor segment, a \$55.0 million impairment primarily related to street furniture tangible assets and contract intangible assets in our International outdoor segment and an \$11.3 million impairment related to corporate assets under ASC 360-10.

We performed impairment tests on our goodwill, FCC licenses, billboard permits, and other intangible assets and recorded impairment charges of \$4.1 billion. We had previously recorded impairment charges of \$5.3 billion as of December 31, 2008. Please see the notes to the consolidated financial statements included elsewhere in this prospectus for a more complete description of the impairment charges.

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Our subsidiary, Clear Channel Worldwide Holdings, Inc. (CCWH), issued \$500.0 million aggregate principal amount of Series A Senior Notes due 2017 and \$2.0 billion aggregate principal amount of Series B Senior Notes due 2017.

Our wholly-owned subsidiaries, CC Finco, LLC, and Clear Channel Acquisition, LLC (previously known as CC Finco II, LLC), repurchased an aggregate \$1.2 billion of our debt through open market repurchases, privately negotiated transactions and tenders. Cash paid to repurchase the debt was \$343.5 million.

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On December 31, 2009, our subsidiary Clear Channel Outdoor, Inc. (CCOI) disposed of Clear Channel Taxi Media, LLC, our taxi advertising business and recorded a loss of \$20.9 million.

Format of Presentation

Management's discussion and analysis of our results of operations and financial condition should be read in conjunction with the consolidated financial statements and related footnotes. Our discussion is presented on both a consolidated and segment basis. Our reportable operating segments are radio broadcasting (radio or radio broadcasting), which includes our national syndication business, Americas Outdoor Advertising (Americas outdoor or Americas outdoor advertising), and International Outdoor Advertising (International outdoor or International outdoor advertising). Included in the other segment are our media representation business, Katz Media, as well as other general support services and initiatives.

We manage our operating segments primarily focusing on their operating income, while Corporate expenses, Merger expenses, Impairment charges, Other operating income (expense) - net, Interest expense, Gain (loss) on marketable securities, Equity in earnings (loss) of nonconsolidated affiliates, Other income (expense) - net, Income tax benefit (expense) and Income (loss) from discontinued operations, net are managed on a total company basis and are, therefore, included only in our discussion of consolidated results.

Certain Credit Agreement EBITDA Adjustments

In the fourth quarter of 2008, CCMH initiated a restructuring program targeting a reduction in fixed costs through renegotiations of lease agreements, workforce reductions, the elimination of overlapping functions and other cost savings initiatives (the restructuring program). This restructuring program was substantially complete as of December 31, 2010.

Our senior secured credit facilities allow us to adjust the calculation of consolidated EBITDA (as calculated in accordance with our senior secured credit facilities) for certain charges. These charges include restructuring costs of \$47.3 million, \$164.4 million and \$95.9 million for the years ended December 31, 2010, 2009 and 2008, respectively. In addition, certain other charges, including costs related to the closure and/or consolidation of facilities, retention charges, systems establishment costs, costs related to refinancing and acquisition and consulting fees incurred in connection with any of the foregoing, among other items, are also adjustments to the calculation of consolidated EBITDA. For the year ended December 31, 2010, we adjusted our consolidated EBITDA calculation for an additional \$8.6 million. See *Sources of Capital* below for a description of the calculation of our consolidated EBITDA pursuant to the senior secured credit facilities.

Radio Broadcasting

Our revenue is derived from selling advertising time, or 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. Also, our advertising rates are influenced by the time of day the advertisement airs, with morning and evening drive-time hours typically highest priced. Management monitors yield per available minute in addition to average rates because yield allows management to track revenue performance across our inventory. Yield is measured by management in a variety of ways, including revenue earned divided by minutes of advertising sold.

Management monitors macro level indicators to assess our radio 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 each of our stations.

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Management looks at our radio operations overall revenue as well as the revenue from each type of advertising, including 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 staff 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. We periodically review and refine our selling structures in all markets in an effort to maximize the value of our offering to advertisers and, therefore, our revenue.

Management also looks at radio revenue by market size. Typically, larger markets can reach larger audiences with wider demographics than smaller markets. Additionally, management reviews our share of radio advertising revenues in markets where such information is available, as well as 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 segment's expenses vary in connection with changes in revenue. These variable expenses primarily relate to costs in our sales department, such as 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. We incur discretionary costs in our marketing and promotions, which we primarily use in an effort to maintain and/or increase our audience share. Lastly, we have incentive systems in each of our departments which provide for bonus payments based on specific performance metrics, including ratings, sales levels, pricing and overall profitability.

Americas and International Outdoor Advertising

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 with clients 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 by a display or group of displays, expressed as a percentage of a market population. 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, primarily Europe and China, 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.

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In our International business, normal market practice is to sell space on 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 U.S. In addition, competitive bidding for street furniture and transit display contracts, which constitute a larger portion of our International business, and a different regulatory environment for billboards, result in higher site lease cost in our International business compared to our Americas business. As a result, our margins are typically lower in our International business than in the Americas.

Our street furniture and transit display contracts with municipal agencies, 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.

Results of Operations**THREE MONTHS ENDED MARCH 31, 2011 COMPARED TO THREE MONTHS ENDED MARCH 31, 2010****Consolidated Results of Operations**

The comparison of the three months ended March 31, 2011 to the three months ended March 31, 2010 is as follows.

<i>(In thousands)</i>	Three Months Ended March 31,		%
	2011	2010	Change
Revenue	\$ 1,320,826	\$ 1,263,778	5%
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	596,255	597,347	(0%)
Selling, general and administrative expenses (excludes depreciation and amortization)	360,524	349,296	3%
Corporate expenses (excludes depreciation and amortization)	52,347	64,496	(19%)
Depreciation and amortization	183,711	181,334	1%
Other operating expense net	16,714	3,772	
Operating income (loss)	144,703	75,077	
Interest expense	369,666	385,795	
Equity in earnings (loss) of nonconsolidated affiliates	2,975	1,871	
Other income net	(2,036)	58,035	
Loss before income taxes	(224,024)	(250,812)	
Income tax benefit	92,661	71,185	
Consolidated net loss	(131,363)	(179,627)	
Less amount attributable to noncontrolling interest	469	(4,213)	
Net loss attributable to the Company	\$ (131,832)	\$ (175,414)	

Table of Contents***Consolidated Revenue***

Our consolidated revenue increased \$57.0 million during the first quarter of 2011 compared to the same period of 2010. Our radio broadcasting revenue increased \$17.1 million driven by increases in local advertising on improved average rates per minute. Americas outdoor revenue increased \$18.3 million driven by increases in revenue across most of our display types, particularly digital. Our International outdoor revenue increased \$23.1 million, primarily due to \$8.7 million from street furniture growth across most of our markets and an \$8.0 million increase from movements in foreign exchange.

Consolidated Direct Operating Expenses

Direct operating expenses remained relatively flat during the first quarter of 2011 compared to the same period of 2010. Our radio broadcasting direct operating expenses decreased \$11.7 million, primarily due to an \$8.0 million decline in restructuring expenses. Americas outdoor direct operating expenses increased \$4.2 million primarily due higher variable costs associated with the increase in revenue. Direct operating expenses in our International outdoor segment increased \$8.3 million primarily from a \$5.6 million increase from movements in foreign exchange.

Consolidated Selling, General and Administrative (SG&A) Expenses

SG&A expenses increased \$11.2 million during the first quarter of 2011 compared to the same period of 2010. SG&A expenses increased \$9.9 million in our Americas outdoor segment, partially as a result of increased commission expenses associated with the increase in revenue during 2011. In addition, 2010 Americas outdoor SG&A included a \$3.8 million favorable litigation settlement. Our International outdoor SG&A expenses increased \$1.9 million primarily due to a \$2.8 million increase in administrative costs. Our radio broadcasting SG&A expenses were flat with increased administrative expenses offset by lower restructuring expenses.

Corporate Expenses

Corporate expenses decreased \$12.1 million during the first quarter of 2011 compared to the same period of 2010. We experienced an increase in the first quarter of 2011 of \$4.5 million related to general corporate infrastructure support services and initiatives. The increase in general corporate infrastructure support services and initiatives was offset by the impact of the reversal of \$6.6 million of share-based compensation expense related to the cancellation of a portion of an executive's stock options, and the impact of the timing and amounts recorded under our variable compensation plans. In addition, we recorded \$2.9 million less restructuring expenses in the current year.

Other Operating Income - Net

Other income of \$16.7 million in the first quarter of 2011 primarily related to gains on sales of radio stations, towers and proceeds received from condemnations of bulletins.

Interest Expense

Interest expense decreased \$16.1 million during the first quarter of 2011 compared to the same period of 2010, primarily due to a decline in the weighted average cost of debt. Our weighted average cost of debt during the quarter ending March 31, 2011 was 5.9% compared to 6.2% at March 31, 2010.

Other Income (Expense) - Net

Other expense of \$2.0 million in the first quarter of 2011 related to the accelerated expensing of \$5.7 million of loan fees upon the prepayment of \$500.0 million of the senior secured credit facilities in connection with the offering of the outstanding notes issued in February 2011 described above. This expense was partially offset by a \$3.3 million foreign exchange gain on short term intercompany accounts.

Table of Contents**Income Tax Benefit**

Our effective tax rate for the first quarter of 2011 was 41.4%. The effective rate was primarily impacted by our settlement of U.S. federal and state tax examinations during the quarter. Pursuant to the settlements, we recorded a reduction to income tax expense of approximately \$10.2 million to reflect the net tax benefits of the settlements. In addition, the effective rate was impacted by our ability to benefit from certain tax loss carryforwards in foreign jurisdictions as a result of increased taxable income during 2011, where the losses previously did not provide a benefit.

Our effective tax rate for the first quarter of 2010 was 28.4%. The effective rate was impacted by tax losses in certain foreign jurisdictions for which benefits could not be recorded due to the uncertainty of the ability to utilize those losses in future years.

Radio Broadcasting Results of Operations

Our radio broadcasting operating results were as follows:

<i>(In thousands)</i>	Three Months Ended		% Change
	March 31,		
	2011	2010	
Revenue	\$ 640,345	\$ 623,199	3%
Direct operating expenses	192,108	203,760	(6%)
SG&A expenses	226,649	227,097	0%
Depreciation and amortization	64,456	63,932	1%
Operating income	\$ 157,132	\$ 128,410	22%

Radio broadcasting revenue increased \$17.1 million during the first quarter of 2011 compared to the same period of 2010, driven primarily by increases of \$10.6 million in local advertising and \$7.4 million from digital, traffic and other revenues. The increases were partially offset by a slight decline in national advertising. The increase in local advertising revenue was primarily a result of increased average rates per minute. Increases in advertising occurred across various markets and advertising categories including automotive, entertainment and financial services.

Direct operating expenses decreased \$11.7 million during the first quarter of 2011 compared to the same period of 2010, primarily from an \$8.0 million decline in expenses incurred in connection with our restructuring program as well as lower programming costs. SG&A expenses were relatively flat with increases in legal and professional costs primarily related to our digital player initiative offset by a \$3.7 million decline in restructuring expenses.

Americas Outdoor Advertising Results of Operations

Our Americas outdoor operating results were as follows:

<i>(In thousands)</i>	Three Months Ended		% Change
	March 31,		
	2011	2010	
Revenue	\$ 289,314	\$ 270,977	7%
Direct operating expenses	143,491	139,308	3%
SG&A expenses	54,367	44,477	22%
Depreciation and amortization	51,086	49,451	3%
Operating income	\$ 40,370	\$ 37,741	7%

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Our Americas outdoor revenue increased \$18.3 million compared to the first quarter of 2010, driven by revenue growth across most of our display types. Bulletin revenues increased primarily due to digital growth driven by the increased number of digital displays. Airport and shelter revenues increased due to higher average rates as a result of improved economic conditions.

Direct operating expenses increased \$4.2 million during the first quarter of 2011 compared to the same period of 2010. The increase was primarily a result of increased site-lease costs driven by the increase in revenue. We also experienced an increase related to structure maintenance and electricity for new digital bulletins as well as existing displays. SG&A expenses increased \$9.9 million in our Americas outdoor segment from an increase in commission costs associated with the increase in revenue during 2011 and an increase in other administrative expenses. The first quarter of 2010 included a \$3.8 million favorable litigation settlement.

International Outdoor Advertising Results of Operations

Our International outdoor operating results were as follows:

<i>(In thousands)</i>	Three Months Ended		% Change
	March 31,		
	2011	2010	
Revenue	\$ 360,900	\$ 337,791	7%
Direct operating expenses	247,889	239,578	3%
SG&A expenses	68,813	66,880	3%
Depreciation and amortization	51,244	52,258	(2%)
Operating income (loss)	\$ (7,046)	\$ (20,925)	(66%)

International outdoor revenue increased \$23.1 million compared to the first quarter of 2010, primarily as a result of growth in street furniture across most of our markets, particularly China and Sweden, as a result of improved economic conditions. Revenue growth was partially offset by lower revenues in France. Movements in foreign exchange resulted in an \$8.0 million increase in revenues.

Direct operating expenses increased \$8.3 million primarily attributable to higher direct production costs associated with the increase in revenue, and including a \$5.6 million increase from movements in foreign exchange. SG&A expenses increased \$1.9 million primarily due to increased administrative costs and a \$1.6 million increase from movements in foreign exchange. These SG&A increases were partially offset by a \$2.1 million reduction in restructuring expenses and business tax related to a change in French tax law.

Reconciliation of Segment Operating Income (Loss) to Consolidated Operating Income

<i>(In thousands)</i>	Three Months Ended	
	March 31,	
	2011	2010
Radio broadcasting	\$ 157,132	\$ 128,410
Americas outdoor advertising	40,370	37,741
International outdoor advertising	(7,046)	(20,925)
Other	(6,480)	(7,328)
Other operating income - net	16,714	3,772
Corporate expenses ⁽¹⁾	(55,987)	(66,593)
Consolidated operating income	\$ 144,703	\$ 75,077

(1) Corporate expenses include expenses related to radio broadcasting, Americas outdoor, International outdoor and our other segment.

Table of Contents**Share-Based Compensation**

We do not have any compensation plans under which we grant stock awards to employees. Our employees receive equity awards from CCMH's or CCOH's equity incentive plans.

The following table presents amounts related to share-based compensation expense for the three months ended March 31, 2011 and 2010, respectively:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2011	2010
Radio broadcasting	\$ 1,554	\$ 1,749
Americas outdoor advertising	2,168	2,030
International outdoor advertising	903	603
Corporate ⁽¹⁾	(2,334)	3,733
Total share-based compensation expense	\$ 2,291	\$ 8,115

(1) Included in corporate share-based compensation in 2011 is a \$6.6 million reversal of expense related to the cancellation of a portion of an executive's CCMH stock options.

CCMH completed a voluntary stock option exchange program on March 21, 2011 and exchanged 2.5 million stock options granted under the 2008 Executive Incentive Plan for 1.3 million replacement stock options with a lower exercise price and different service and performance conditions. We accounted for the exchange program as a modification of the existing awards under ASC 718 and will recognize incremental compensation expense of approximately \$1.0 million over the service period of the new awards.

As of March 31, 2011, there was \$61.6 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 approximately three years. In addition, as of March 31, 2011, there was \$14.6 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.

Table of Contents**YEAR ENDED DECEMBER 31, 2010 COMPARED TO YEAR ENDED DECEMBER 31, 2009****Consolidated Results of Operations**

The comparison of the year ended December 31, 2010 to the year ended December 31, 2009 is as follows.

<i>(In thousands)</i>	Years ended December 31,		%
	2010	2009	Change
Revenue	\$ 5,865,685	\$ 5,551,909	6%
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	2,442,167	2,583,263	(5%)
Selling, general and administrative expenses (excludes depreciation and amortization)	1,509,692	1,466,593	3%
Corporate expenses (excludes depreciation and amortization)	284,042	253,964	12%
Depreciation and amortization	732,869	765,474	(4%)
Impairment charges	15,364	4,118,924	
Other operating expense net	(16,710)	(50,837)	
Operating income (loss)	864,841	(3,687,146)	
Interest expense	1,533,341	1,500,866	
Loss on marketable securities	(6,490)	(13,371)	
Equity in earnings (loss) of nonconsolidated affiliates	5,702	(20,689)	
Other income net	46,455	679,716	
Loss before income taxes	(622,833)	(4,542,356)	
Income tax benefit	159,980	493,320	
Consolidated net loss	(462,853)	(4,049,036)	
Less amount attributable to noncontrolling interest	16,236	(14,950)	
Net loss attributable to the Company	\$ (479,089)	\$ (4,034,086)	

Revenue

Consolidated revenue increased \$313.8 million during 2010 compared to 2009. Our radio broadcasting revenue increased \$161.7 million driven by increases in both national and local advertising from average rates per minute. Americas outdoor revenue increased \$51.9 million, driven by revenue increases across most of our advertising inventory, particularly digital. Our International outdoor revenue increased \$48.1 million, primarily due to revenue growth from street furniture across most countries, partially offset by a \$10.3 million decrease from movements in foreign exchange. Other revenue increased \$61.0 million compared to 2009, primarily from stronger national advertising in our media representation business.

Direct Operating Expenses

Direct operating expenses decreased \$141.1 million during 2010 compared to 2009. Our radio broadcasting direct operating expenses decreased \$81.6 million, primarily from a \$29.9 million decline in expenses incurred in connection with our restructuring program from which cost savings resulted in declines of \$26.7 million and \$11.0 million in programming expenses and compensation expenses, respectively. Americas outdoor direct operating expenses decreased \$19.5 million, primarily as a result of the disposition of our taxi advertising business, partially offset by an increase in site lease expenses associated with the increase in revenue. Direct operating expenses in our International outdoor segment decreased \$45.6 million, primarily as a result of a \$20.4 million decline in expenses incurred in connection with our restructuring program in addition to decreased site lease expenses associated with cost savings from our restructuring program, and included an \$8.2 million decrease from movements in foreign exchange.

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SG&A Expenses

Consolidated SG&A expenses increased \$43.1 million during 2010 compared to 2009. Our radio broadcasting SG&A expenses increased \$47.6 million, primarily as a result of increased bonus and commission expense associated with the increase in revenue. SG&A expenses increased \$16.6 million in our Americas outdoor segment, primarily as a result of increased selling and marketing costs associated with the increase in revenue in addition to the unfavorable impact of litigation. Our International outdoor SG&A expenses decreased \$6.3 million, primarily as a result of a decrease in business tax related to a change in French tax law, and included a \$2.3 million decrease from movements in foreign exchange.

Corporate Expenses

Corporate expenses increased \$30.1 million during 2010 compared to 2009, primarily due to a \$49.9 million increase in bonus expense from improved operating performance and a \$53.8 million increase primarily related to headcount from centralization efforts and the expansion of corporate capabilities. Partially offsetting the 2010 increase was \$23.5 million related to an unfavorable outcome of litigation recorded in 2009, a \$22.6 million decrease in expenses during 2010 associated with our restructuring program and an \$18.6 million decrease related to various corporate accruals.

Depreciation and Amortization

Depreciation and amortization decreased \$32.6 million during 2010 compared to 2009, primarily as a result of assets in our International outdoor segment that became fully amortized during 2009. Additionally, 2009 included \$8.0 million of additional amortization expense associated with the finalization of purchase price allocations to the acquired intangible assets in our Radio segment.

Impairment Charges

We performed our annual impairment test on October 1, 2010 on our goodwill, FCC licenses, billboard permits, and other intangible assets and recorded impairment charges of \$15.4 million. We also performed impairment tests on our goodwill, FCC licenses, billboard permits, and other intangible assets in 2009 and recorded impairment charges of \$4.1 billion. Please see the notes to the consolidated financial statements included elsewhere in this prospectus for a further description of the impairment charges.

Other Operating Expense - Net

Other operating expense of \$16.7 million for 2010 primarily related to a \$25.3 million loss recorded as a result of the transfer of our subsidiary's interest in its Branded Cities business, partially offset by a \$6.2 million gain on the sale of representation contracts.

The \$50.8 million expense for 2009 is primarily related to a \$42.0 million loss on the sale and exchange of radio stations and a \$20.9 million loss on the sale of our taxi advertising business. The losses were partially offset by a \$10.1 million gain on the sale of Americas and International outdoor assets.

Interest Expense

Interest expense increased \$32.5 million during 2010 compared to 2009, primarily as a result of the issuance of \$2.5 billion in CCWH Notes in December 2009. This increase was partially offset by decreased interest expense due to maturities of the 4.5% senior notes due January 2010, repurchases of senior toggle notes during the first quarter of 2010, repurchases of senior notes during the fourth quarter of 2009 and prepayment of \$2.0 billion of term loans in December 2009. Our weighted average cost of debt for 2010 and 2009 was 6.1% and 5.8%, respectively.

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Loss on Marketable Securities

The loss on marketable securities of \$6.5 million and \$13.4 million in 2010 and 2009, respectively, related primarily to the impairment of Independent News & Media PLC (INM). The fair value of INM was below cost for an extended period of time. As a result, we considered the guidance in ASC 320-10-S99 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 at each date was other than temporary and recorded non-cash impairment charges to our investment in INM as noted above.

Equity in Earnings (Loss) of Nonconsolidated Affiliates

Equity in earnings of nonconsolidated affiliates increased in 2010 and was partially offset by an \$8.3 million impairment of an equity investment in our International outdoor segment. Equity in loss of nonconsolidated affiliates for 2009 included a \$22.9 million impairment of equity investments in our International outdoor segment in addition to a \$4.0 million loss on the sale of a portion of our investment in Grupo ACIR Comunicaciones (Grupo ACIR).

Other Income (Expense) Net

Other income of \$46.5 million in 2010 primarily related to an aggregate gain of \$60.3 million on the repurchase of our senior toggle notes partially offset by a \$12.8 million foreign exchange loss on the translation of short-term intercompany notes. Please refer to the *Debt Repurchases, Tender Offers, Maturities and Other* section within this Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) for additional discussion of the repurchase.

Other income of \$679.7 million in 2009 relates to an aggregate gain of \$368.6 million on the repurchases of certain of our senior notes and an aggregate gain of \$373.7 million on the repurchases of certain of our senior toggle notes and senior cash pay notes. The gains on extinguishment of debt were partially offset by a \$29.3 million loss related to loan costs associated with the \$2.0 billion retirement of certain of our outstanding senior secured debt. Please refer to the *Debt Repurchases, Tender Offers, Maturities and Other* section within this MD&A for additional discussion of the repurchases and debt retirement.

Income Taxes

The effective tax rate for the year ended December 31, 2010 was 25.7% as compared to 10.9% for the year ended December 31, 2009. The effective tax rate for 2010 was impacted by our inability to benefit from tax losses in certain foreign jurisdictions due to the uncertainty of the ability to utilize those losses in future years. In addition, we recorded a valuation allowance of \$13.6 million in 2010 against deferred tax assets related to capital allowances in foreign jurisdictions due to the uncertainty of the ability to realize those assets in future periods.

The effective tax rate for 2009 was impacted by the goodwill impairment charges, which are not deductible for tax purposes, along with our inability to benefit from tax losses in certain foreign jurisdictions as discussed above.

Table of Contents**Radio Broadcasting Results of Operations**

Our radio broadcasting operating results were as follows:

<i>(In thousands)</i>	Years Ended December 31,		%
	2010	2009	Change
Revenue	\$ 2,898,087	\$ 2,736,404	6%
Direct operating expenses	820,214	901,799	(9%)
SG&A expenses	981,094	933,505	5%
Depreciation and amortization	256,673	261,246	(2%)
Operating income	\$ 840,106	\$ 639,854	31%

Radio broadcasting revenue increased \$161.7 million during 2010 compared to 2009, driven primarily by a \$79.5 million increase in national advertising and a \$51.0 million increase in local advertising. Average rates per minute increased during 2010 compared to 2009 as a result of improved economic conditions. Increases occurred across various advertising categories including automotive, political, food and beverage and healthcare.

Direct operating expenses during 2010 decreased \$81.6 million compared to 2009, primarily from a \$29.9 million decline in expenses incurred in connection with our restructuring program. Cost savings from our restructuring program resulted in declines of \$26.7 million and \$11.0 million in programming expenses and compensation expenses, respectively. Direct operating expenses declined further from the non-renewals of sports contracts, offset by the impact of \$8.0 million associated with the finalization of purchase accounting during the first nine months of 2009. SG&A expenses increased \$47.6 million, primarily as a result of a \$26.6 million increase in bonus and commission expense associated with the increase in revenue in addition to a \$24.1 million increase in selling and marketing expenses.

Depreciation and amortization decreased \$4.6 million during 2010 compared to 2009. The 2009 results included \$8.0 million of additional amortization expense associated with the finalization of purchase price allocations to the acquired intangible assets.

Americas Outdoor Advertising Results of Operations***Disposition of Taxi Business***

On December 31, 2009, our subsidiary CCOI disposed of Clear Channel Taxi Media, LLC (*Taxis*), our taxi advertising business. For the year ended December 31, 2009, *Taxis* contributed \$41.5 million in revenue, \$39.8 million in direct operating expenses and \$10.5 million in SG&A expenses.

Our Americas outdoor operating results were as follows:

<i>(In thousands)</i>	Years Ended December 31,		%
	2010	2009	Change
Revenue	\$ 1,290,014	\$ 1,238,171	4%
Direct operating expenses	588,592	608,078	(3%)
SG&A expenses	218,776	202,196	8%
Depreciation and amortization	209,127	210,280	(1%)
Operating income	\$ 273,519	\$ 217,617	26%

Americas outdoor revenue increased \$51.9 million during 2010 compared to 2009 as a result of revenue growth across most of our advertising inventory, particularly digital. The increase was driven by increases in both occupancy and rate. Partially offsetting the revenue increase was the decrease in revenue related to the sale of *Taxis*.

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Direct operating expenses decreased \$19.5 million during 2010 compared to 2009. The decline in direct operating expenses was due to the disposition of Taxis, partially offset by a \$20.2 million increase in site-lease expenses associated with the increase in revenue. SG&A expenses increased \$16.6 million as a result of a \$6.3 million increase primarily related to the unfavorable impact of litigation, a \$4.7 million increase in consulting costs and a \$6.2 million increase primarily due to bonus and commission expenses associated with the increase in revenue, partially offset by the disposition of Taxis.

International Outdoor Advertising Results of Operations

Our International outdoor operating results were as follows:

<i>(In thousands)</i>	Years Ended December 31,		% Change
	2010	2009	
Revenue	\$ 1,507,980	\$ 1,459,853	3%
Direct operating expenses	971,380	1,017,005	(4%)
SG&A expenses	275,880	282,208	(2%)
Depreciation and amortization	204,461	229,367	(11%)
Operating income (loss)	\$ 56,259	\$ (68,727)	

International outdoor revenue increased \$48.1 million during 2010 compared to 2009, primarily as a result of revenue growth from street furniture across most countries, partially offset by the exit from the businesses in Greece and India. Foreign exchange movements negatively impacted revenue by \$10.3 million.

Direct operating expenses decreased \$45.6 million during 2010 compared to 2009, primarily as a result of a \$20.4 million decrease in expenses incurred in connection with our restructuring program and a \$15.6 million decline in site-lease expenses associated with cost savings from our restructuring program. Also contributing to the decreased expenses was the exit from the businesses in Greece and India and an \$8.2 million decrease from movements in foreign exchange. SG&A expenses decreased \$6.3 million during 2010 compared to 2009, primarily as a result of a \$5.4 million decrease in business tax related to a change in French tax law and a \$2.3 million decrease from movements in foreign exchange.

Depreciation and amortization decreased \$24.9 million during 2010 compared to 2009 primarily as a result of assets that became fully amortized during 2009.

Reconciliation of Segment Operating Income (Loss) to Consolidated Operating Income (Loss)

<i>(In thousands)</i>	Years Ended December 31,	
	2010	2009
Radio broadcasting	\$ 840,106	\$ 639,854
Americas outdoor advertising	273,519	217,617
International outdoor advertising	56,259	(68,727)
Other	20,716	(43,963)
Impairment charges	(15,364)	(4,118,924)
Other operating expense - net	(16,710)	(50,837)
Corporate expenses ⁽¹⁾	(293,685)	(262,166)
Consolidated operating income (loss)	\$ 864,841	\$ (3,687,146)

(1) Corporate expenses include expenses related to radio broadcasting, Americas outdoor, International outdoor and our other segment.

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YEAR ENDED DECEMBER 31, 2009 COMPARED TO YEAR ENDED DECEMBER 31, 2008

CCMH was formed in May 2007 by private equity funds sponsored by Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. (together, the Sponsors) for the purpose of acquiring the business of Clear Channel. The acquisition was completed on July 30, 2008 pursuant to the Agreement and Plan of Merger, dated November 16, 2006, as amended on April 18, 2007, May 17, 2007 and May 13, 2008.

Our 2008 consolidated statements of operations and statements of cash flows are presented for two periods: post-merger and pre-merger. The merger resulted in a new basis of accounting beginning on July 31, 2008 and the financial reporting periods are presented as follows:

The period from July 31 through December 31, 2008 reflect our post-merger period. Subsequent to the acquisition, Clear Channel became an indirect, wholly-owned subsidiary of CCMH and Clear Channel Capital's business became that of Clear Channel and its subsidiaries.

The period from January 1 through July 30, 2008 reflects our pre-merger period. The consolidated financial statements for the pre-merger period were prepared using the historical basis of accounting for Clear Channel. As a result of the merger and the associated purchase accounting, the consolidated financial statements of the post-merger periods are not comparable to periods preceding the merger.

The discussion in this MD&A is presented on a combined basis of 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 2010 and 2009.

Table of Contents**Consolidated Results of Operations**

The comparison of the year ended December 31, 2009 to the year ended December 31, 2008 is as follows:

<i>(In thousands)</i>	Post-Merger Year ended December 31, 2009	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	% Change
Revenue	\$ 5,551,909	\$ 2,736,941	\$ 3,951,742	\$ 6,688,683	(17%)
Operating expenses:					
Direct operating expenses (excludes depreciation and amortization)	2,583,263	1,198,345	1,706,099	2,904,444	(11%)
Selling, general and administrative expenses (excludes depreciation and amortization)	1,466,593	806,787	1,022,459	1,829,246	(20%)
Corporate expenses (excludes depreciation and amortization)	253,964	102,276	125,669	227,945	11%
Depreciation and amortization	765,474	348,041	348,789	696,830	10%
Merger expenses		68,085	87,684	155,769	
Impairment charges	4,118,924	5,268,858		5,268,858	
Other operating income (expense) net	(50,837)	13,205	14,827	28,032	
Operating income (loss)	(3,687,146)	(5,042,246)	675,869	(4,366,377)	
Interest expense	1,500,866	715,768	213,210	928,978	
Gain (loss) on marketable securities	(13,371)	(116,552)	34,262	(82,290)	
Equity in earnings (loss) of nonconsolidated affiliates	(20,689)	5,804	94,215	100,019	
Other income (expense) net	679,716	131,505	(5,112)	126,393	
Income (loss) before income taxes and discontinued operations	(4,542,356)	(5,737,257)	586,024	(5,151,233)	
Income tax benefit (expense)	493,320	696,623	(172,583)	524,040	
Income (loss) before discontinued operations	(4,049,036)	(5,040,634)	413,441	(4,627,193)	
Income (loss) from discontinued operations, net		(1,845)	640,236	638,391	
Consolidated net income (loss)	(4,049,036)	(5,042,479)	1,053,677	(3,988,802)	
Amount attributable to noncontrolling interest	(14,950)	(481)	17,152	16,671	
Net income (loss) attributable to the Company	\$ (4,034,086)	\$ (5,041,998)	\$ 1,036,525	\$ (4,005,473)	

Revenue

Our consolidated revenue decreased \$1.14 billion during 2009 compared to 2008 as a result of the economic downturn. Revenue declined \$557.5 million during 2009 compared to 2008 from our radio business associated with decreases in both local and national advertising. Our Americas outdoor revenue declined \$192.1

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million attributable to decreases in bulletin, poster and airport revenues associated with cancellations and non-renewals from larger national advertisers. Our International outdoor revenue declined \$399.2 million primarily as a result of challenging advertising climates in our markets and approximately \$118.5 million from movements in foreign exchange.

Direct Operating Expenses

Our consolidated direct operating expenses decreased \$321.2 million during 2009 compared to 2008 as a result of cost-cutting measures and the impact of lower revenues. Our radio broadcasting direct operating expenses decreased \$77.5 million primarily related to decreased compensation expense associated with cost savings from the restructuring program. Our Americas outdoor direct operating expenses decreased \$39.4 million driven by decreased site-lease expenses from lower revenue and cost savings from the restructuring program. Our International outdoor business contributed \$217.6 million of the overall decrease primarily from a decrease in site-lease expenses from lower revenue and cost savings from the restructuring program and \$85.6 million related to movements in foreign exchange.

SG&A Expenses

Our SG&A expenses decreased \$362.7 million during 2009 compared to 2008 due to lower variable expenses resulting from lower revenues, as well as cost reduction efforts. SG&A expenses in our radio broadcasting business decreased \$249.1 million primarily from decreases in commission and salary expenses and decreased marketing and promotional expenses. Our Americas outdoor SG&A expenses decreased \$50.7 million primarily related to a decline in commission expense. Our International outdoor SG&A expenses decreased \$71.3 million primarily attributable to an overall decline in compensation and administrative expenses and \$23.7 million from movements in foreign exchange.

Corporate Expenses

Corporate expenses increased \$26.0 million in 2009 compared to 2008 primarily as a result of a \$29.3 million increase related to the restructuring program and a \$23.5 million accrual related to an unfavorable outcome of litigation concerning a breach of contract regarding internet advertising and our radio stations. The increase was partially offset by decreases of \$33.3 million, including the impact of litigation settled in 2009.

Depreciation and Amortization

Depreciation and amortization expense increased \$68.6 million in 2009 compared to 2008 primarily due to \$139.9 million associated with the fair value adjustments to the assets acquired in the merger. Partially offsetting the increase was a \$43.2 million decrease in depreciation expense associated with the impairment of assets in our International outdoor segment during the fourth quarter of 2008 and a \$20.6 million decrease from movements in foreign exchange.

Impairment Charges

We performed impairment tests on December 31, 2008 and again on June 30, 2009 on our goodwill, FCC licenses, billboard permits, and other intangible assets and recorded impairment charges of \$5.3 billion and \$4.1 billion, respectively. Please see the notes to the consolidated financial statements included elsewhere in this prospectus for a further description of the impairment charges.

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A rollforward of our goodwill balance from July 30, 2008 through December 31, 2009 by reporting unit is as follows:

(In thousands)	Balances as of July 30, 2008	Acquisitions	Dispositions	Foreign Currency	Impairment	Adjustments	Balances as of December 31, 2008
United States Radio Markets	\$ 6,691,260	\$ 3,486	\$	\$	\$ (1,115,033)	\$ (523)	\$ 5,579,190
United States Outdoor Markets	3,121,645				(2,296,915)		824,730
France	122,865			(14,747)	(23,620)		84,498
Switzerland	57,664			(977)		198	56,885
Australia	40,520			(11,813)		(529)	28,178
Belgium	37,982			(4,549)	(7,505)		25,928
Sweden	31,794			(8,118)			23,676
Norway	26,434			(7,626)			18,808
Ireland	16,224			(1,939)			14,285
United Kingdom	32,336			(10,162)	(22,174)		
Italy	23,649		(542)	(2,808)	(20,521)	222	
China	31,187			234	(31,421)		
Spain	21,139			(2,537)	(18,602)		
Turkey	17,896				(17,896)		
Finland	13,641			(1,637)	(12,004)		
Americas Outdoor Canada	35,390			(5,783)	(24,687)		4,920
All Others Americas	86,770			(23,822)			62,948
All Others International Outdoor	54,265			3,160	(19,692)	(2,448)	35,285
Other	331,290						331,290
	\$ 10,793,951	\$ 3,486	\$ (542)	\$ (93,124)	\$ (3,610,070)	\$ (3,080)	\$ 7,090,621

(In thousands)	Balances as of December 31, 2008	Acquisitions	Dispositions	Foreign Currency	Impairment	Adjustments	Balances as of December 31, 2009
United States Radio Markets	\$ 5,579,190	\$ 4,518	\$ (62,410)	\$	\$ (2,420,897)	\$ 46,468	\$ 3,146,869
United States Outdoor Markets	824,730	2,250			(324,892)	69,844	571,932
Switzerland	56,885			1,276	(7,827)		50,334
Ireland	14,285			223	(12,591)		1,917
Baltics	10,629				(10,629)		
Americas Outdoor Mexico	8,729			7,440	(10,085)	(442)	5,642
Americas Outdoor Chile	3,964			4,417	(8,381)		
Americas Outdoor Peru	45,284				(37,609)		7,675
Americas Outdoor Brazil	4,971			4,436	(9,407)		
Americas Outdoor Canada	4,920					(4,920)	
All Others International Outdoor	205,744	110		15,913	(42,717)	45,042	224,092
Other	331,290		(2,276)		(211,988)	(482)	116,544
	\$ 7,090,621	\$ 6,878	\$ (64,686)	\$ 33,705	\$ (3,097,023)	\$ 155,510	\$ 4,125,005

Other Operating Income (Expense) - Net

The \$50.8 million expense for 2009 is primarily related to a \$42.0 million loss on the sale and exchange of radio stations and a \$20.9 million loss on the sale of our taxi advertising business. The losses were partially offset by a \$10.1 million gain on the sale of Americas and International outdoor assets.

The \$28.0 million income in 2008 consists of a gain of \$3.3 million from the sale of sports broadcasting rights, 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, a \$1.7 million gain on the sale of International street furniture and \$9.6 million from the favorable settlement of a lawsuit.

Interest Expense

Interest expense increased \$571.9 million in 2009 compared to 2008 primarily from an increase in outstanding indebtedness due to the merger. Additionally, we borrowed approximately \$1.6 billion under our \$2.0 billion credit facility during the first quarter of 2009 to improve our liquidity position in light of the uncertain economic environment at the time.

Table of Contents***Gain (Loss) on Marketable Securities***

The loss on marketable securities of \$13.4 million in 2009 relates to the impairment of INM. The fair value of INM was below cost for an extended period of time. As a result, we considered the guidance in ASC 320-10-S99 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 an \$11.3 million non-cash impairment charge to our investment in INM. In addition, we recognized a \$1.8 million loss on the third quarter 2009 sale of our remaining 8.6% interest in Grupo ACIR.

During the fourth quarter of 2008, we recorded a non-cash impairment charge to INM and Sirius XM Radio. The fair value of these available-for-sale securities was below their cost each month subsequent to the closing of the merger. After considering the guidance in ASC 320-10-S99, we concluded that the impairment was other than temporary and recorded a \$116.6 million impairment charge to our investments in INM and Sirius XM Radio. 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.

Equity in Earnings (Loss) of Nonconsolidated Affiliates

Equity in loss of nonconsolidated affiliates of \$20.7 million in 2009 is primarily related to a \$22.9 million impairment of equity investments in our International outdoor segment in addition to a \$4.0 million loss on the sale of a portion of our investment in Grupo ACIR. Subsequent to the January 2009 sale of 57% of our remaining 20% interest in Grupo ACIR, we no longer accounted for our investment as an equity method investment and began accounting for it at cost in accordance with ASC 323.

Included in equity in earnings of nonconsolidated affiliates in 2008 is a \$75.6 million gain on the sale of our 50% interest in Clear Channel Independent, a South African outdoor advertising company.

Other Income (Expense) Net

Other income of \$679.7 million in 2009 relates to an aggregate gain of \$368.6 million on the repurchases of certain of our senior notes and an aggregate gain of \$373.7 million on the repurchases of certain of our senior toggle notes and senior cash pay notes. The gains on extinguishment of debt were partially offset by a \$29.3 million loss related to loan costs associated with the \$2.0 billion retirement of certain of our outstanding senior secured debt. Please refer to the *Debt Repurchases, Tender Offers, Maturities and Other* section within this MD&A for additional discussion of the repurchases and debt retirement.

Other income of \$126.4 million in 2008 relates to an aggregate net gain of \$94.7 million on the tender of certain of our outstanding notes, a \$29.3 million foreign exchange gain on translating short-term intercompany notes and an \$8.0 million dividend received from a cost investment, partially offset by a \$4.7 million impairment of our investment in a radio partnership.

Income Taxes

The effective tax rate for the year ended December 31, 2009 was 10.9% as compared to 10.2% for the year ended December 31, 2008. The effective tax rate for 2009 was impacted by the goodwill impairment charges, which are not deductible for tax purposes, along with our inability to benefit from tax losses in certain foreign jurisdictions due to the uncertainty of the ability to utilize those losses in future years.

The 2008 effective tax rate was impacted by the impairment charge that resulted in a \$5.3 billion decrease in Income (loss) before income taxes 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

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of valuation allowances on the capital loss carryforwards that were used to offset the taxable gain from the disposition of our investment in AMT and Grupo ACIR. Additionally, we sold our 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.

Income (Loss) from 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 the sale of radio stations.

Radio Broadcasting Results of Operations

Our radio broadcasting operating results were as follows:

<i>(In thousands)</i>	Years Ended December 31,		% Change
	2009 Post-Merger	2008 Combined	
Revenue	\$ 2,736,404	\$ 3,293,874	(17%)
Direct operating expenses	901,799	979,324	(8%)
SG&A expenses	933,505	1,182,607	(21%)
Depreciation and amortization	261,246	152,822	71%
Operating income	\$ 639,854	\$ 979,121	(35%)

Our radio broadcasting revenue declined approximately \$557.5 million in 2009 compared to 2008, driven by decreases in local and national revenues of \$388.5 million and \$115.1 million, respectively. Local and national revenue were down as a result of an overall weakness in advertising and the economy. The decline in advertising demand led to declines in total minutes sold and average rate per minute in 2009 compared to 2008. Our radio revenue experienced declines across markets and advertising categories.

Direct operating expenses declined \$77.5 million in 2009 compared to 2008. Compensation expense declined \$55.0 million primarily as a result of cost savings from the restructuring program. Direct operating expenses further declined due to the impact of \$34.2 million associated with the finalization of purchase accounting related to talent contracts. Non-renewals of sports contracts resulted in a decrease of \$9.1 million while non-cash compensation decreased \$13.5 million as a result of accelerated expense taken in 2008 related to options that vested in the merger. The declines were partially offset by an increase of \$9.4 million in programming expenses primarily related to new contract talent expenses in our national syndication business and an increase of \$34.1 million in expense primarily associated with involuntary termination charges related to the restructuring program. SG&A expenses decreased \$249.1 million in 2009 compared to 2008, primarily from a \$122.9 million decline in commission and compensation expenses related to the decline in revenue and cost savings from the restructuring program, a \$43.3 million decline in marketing and promotional expenses and an \$18.3 million decline in bad debt expense. Non-cash compensation decreased \$16.0 million as a result of accelerated expense taken in 2008 on options that vested in the merger.

Depreciation and amortization increased \$108.4 million in 2009 compared to 2008, primarily as a result of additional amortization associated with the purchase accounting adjustments to intangible assets acquired in the merger.

Table of Contents**Americas Outdoor Advertising Results of Operations**

Our Americas outdoor operating results were as follows:

(In thousands)

	Years Ended December 31,		% Change
	2009 Post-Merger	2008 Combined	
Revenue	\$ 1,238,171	\$ 1,430,258	(13%)
Direct operating expenses	608,078	647,526	(6%)
SG&A expenses	202,196	252,889	(20%)
Depreciation and amortization	210,280	207,633	1%
Operating income	\$ 217,617	\$ 322,210	(32%)

Our Americas outdoor revenue decreased \$192.1 million in 2009 compared to 2008 primarily driven by declines in bulletin, poster and transit revenues due to cancellations and non-renewals from larger national advertisers resulting from the overall weakness in advertising and the economy. The decline in bulletin, poster and transit revenues was also impacted by a decline in rate compared to 2008.

Our Americas outdoor direct operating expenses decreased \$39.4 million in 2009 compared to 2008, primarily from a \$25.3 million decrease in site-lease expenses associated with cost savings from the restructuring program and the decline in revenues. This decrease was partially offset by \$5.7 million related to the restructuring program. Our SG&A expenses decreased \$50.7 million in 2009 compared to 2008, primarily from a \$26.0 million decline in compensation expense associated with the decline in revenue and cost savings from the restructuring program, and a \$16.2 million decline in bad debt expense primarily as a result of receipts of previously-reserved collections and an improvement in the agings of our accounts receivable during 2009.

International Outdoor Advertising Results of Operations

Our International outdoor operating results were as follows:

(In thousands)

	Years Ended December 31,		% Change
	2009 Post-Merger	2008 Combined	
Revenue	\$ 1,459,853	\$ 1,859,029	(21%)
Direct operating expenses	1,017,005	1,234,610	(18%)
SG&A expenses	282,208	353,481	(20%)
Depreciation and amortization	229,367	264,717	(13%)
Operating income (loss)	\$ (68,727)	\$ 6,221	(1205%)

Our International outdoor revenue decreased \$399.2 million in 2009 compared to 2008 as a result of the weak global economy, as well as movements in foreign exchange, which contributed \$118.5 million of the decrease. The revenue decline occurred across most countries, with the most significant decline in France of \$75.5 million due to weak advertising demand. Other countries with significant declines include the U.K. and Italy, which declined \$30.4 million and \$28.3 million, respectively, due to weak advertising markets.

Direct operating expenses decreased \$217.6 million in our International outdoor segment in 2009 compared to 2008, in part due to a decrease of \$85.6 million from movements in foreign exchange. The remaining decrease in direct operating expenses was primarily attributable to a \$146.4 million decline in site lease expenses partially attributable to cost savings from the restructuring program and partially as a result of lower revenues. The decrease in direct operating expenses was partially offset by \$12.8 million related to the

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restructuring program and the decline in revenue. SG&A expenses decreased \$71.3 million in 2009 compared to 2008, primarily from \$23.7 million related to movements in foreign exchange, \$34.3 million related to a decline in compensation expense and a \$25.8 million decrease in administrative expenses, both partially attributable to cost savings from the restructuring program and the decline in revenue.

Depreciation and amortization decreased \$35.4 million in our International outdoor segment in 2009 compared to 2008, primarily related to a \$43.2 million decrease in depreciation expense associated with the impairment of assets during the fourth quarter of 2008 and a \$20.6 million decrease from movements in foreign exchange. The decrease was partially offset by \$31.9 million related to additional amortization associated with the purchase accounting adjustments to the acquired intangible assets.

Reconciliation of Segment Operating Income (Loss) to Consolidated Operating Loss

<i>(In thousands)</i>	Years Ended December 31,	
	2009	2008
	Post-Merger	Combined
Radio broadcasting	\$ 639,854	\$ 979,121
Americas outdoor advertising	217,617	322,210
International outdoor advertising	(68,727)	6,221
Other	(43,963)	(31,419)
Impairment charges	(4,118,924)	(5,268,858)
Other operating income (expense) net	(50,837)	28,032
Merger expenses		(155,769)
Corporate expenses ⁽¹⁾	(262,166)	(245,915)
Consolidated operating loss	\$ (3,687,146)	\$ (4,366,377)

(1) Corporate expenses include expenses related to radio broadcasting, Americas outdoor, International outdoor, and our other segment.

Share-Based Compensation

We do not have any compensation plans under which we grant stock awards to employees. Our employees receive equity awards from CCMH's or CCOH's equity incentive plans. Prior to the merger, we granted options to purchase our common stock to our employees and directors and our affiliates under our various equity incentive plans typically at no less than the fair value of the underlying stock on the date of the grant.

As of December 31, 2010, there was \$40.6 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 a weighted average period of approximately two years. In addition, as of December 31, 2010, there was \$59.3 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, holders of stock options, other than certain executive officers and holders of certain options that could not, by their terms, be cancelled prior to their stated expiration date, received cash or, if elected, an amount of CCMH's Class A 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 or, if elected, a share of CCMH Class A 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.

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The following table indicates non-cash compensation costs related to share-based payments for the years ended December 31, 2010, 2009 and 2008, respectively:

<i>(In thousands)</i>	Years Ended December 31,		
	2010	2009	2008
	Post-Merger	Post-Merger	Combined
Radio broadcasting	\$ 7,152	\$ 8,276	\$ 37,785
Americas outdoor advertising	9,207	7,977	8,465
International outdoor advertising	2,746	2,412	2,167
Corporate	15,141	21,121	28,941
Other			1,276
Total share-based compensation expense	\$ 34,246	\$ 39,786	\$ 78,634

Additionally, CCMH recorded compensation expense of \$6.0 million in Corporate expenses related to shares tendered by Mark P. Mays to CCMH on August 23, 2010 for purchase at \$36.00 per share pursuant to a put option included in his amended employment agreement.

LIQUIDITY AND CAPITAL RESOURCES**Cash Flows****Three Months Ended March 31, 2011 Compared to Three Months Ended March 31, 2010**

<i>(In thousands)</i>	Three Months ended	
	March 31,	
	2011	2010
Cash provided by (used for):		
Operating activities	\$ (125,309)	\$ 30,235
Investing activities	\$ (32,768)	\$ (71,660)
Financing activities	\$ (252,045)	\$ (360,278)
Operating Activities		

Our net loss, adjusted for \$173.9 million of non-cash items, provided positive cash flows of \$46.5 million during the first quarter of 2011. Our net loss, adjusted for \$101.9 million of non-cash items, resulted in cash used of \$81.3 million in the first quarter of 2010. Cash used for operating activities during the three months ended March 31, 2011 was \$125.3 million compared to \$30.2 million cash provided by operating activities during the three months ended March 31, 2010. Cash generated by higher operating income compared to the prior year as a result of improved operating performance was offset by higher variable compensation payments in the first quarter of 2011 associated with our employee incentive programs based on 2010 operating performance.

Non-cash items affecting our net loss include depreciation and amortization, deferred taxes, gain on disposal of operating assets, (gain) loss on extinguishment of debt, provision for doubtful accounts, share-based compensation, equity in earnings of nonconsolidated affiliates, amortization of deferred financing charges and note discounts net and other reconciling items net as presented on the face of the statement of cash flows.

Investing Activities

Cash used for investing activities during the first quarter of 2011 primarily reflected capital expenditures of \$64.0 million. We spent \$16.0 million for capital expenditures in our Radio segment, \$32.4 million in our Americas outdoor segment primarily related to the construction of new billboards, and \$14.0 million in our International outdoor segment primarily related to new billboard and street furniture contracts and renewals of

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existing contracts. In addition, we received proceeds of \$42.3 million primarily related to the sale of a radio stations, towers and other assets in our Radio broadcasting, Americas outdoor, and International outdoor segments.

Cash used for investing activities during the first quarter of 2010 primarily reflected capital expenditures of \$55.3 million. We spent \$4.6 million for capital expenditures in our Radio segment, \$24.7 million in our Americas outdoor segment primarily related to the construction of new billboards, and \$24.6 million in our International outdoor segment primarily related to new billboard and street furniture contracts and renewals of existing contracts. In addition, Katz Media acquired representation contracts for \$10.4 million and we received proceeds of \$8.1 million primarily related to the sale of a radio station and Americas outdoor assets.

Financing Activities

Cash used for financing activities during the first quarter of 2011 primarily reflects the issuance of \$1,000 million aggregate principal amount of outstanding notes in February 2011 and the use of proceeds from the offering of such notes, as well as cash on hand, to prepay a portion of the senior secured credit facilities and repay at maturity the 6.25% senior notes that matured in the first quarter of 2011.

Cash used for financing activities during the first quarter of 2010 included draws and repayments on our credit facilities of \$75.3 million and \$66.7 million, respectively. Our wholly-owned subsidiary, CC Investments, repurchased \$185.2 million aggregate principal amount of our senior toggle notes for \$125.0 million as discussed in the Uses of Capital section within this MD&A. In addition, we repaid our remaining 4.50% senior notes upon maturity for \$240.0 million with available cash on hand.

Years Ended December 31, 2010, 2009 and 2008

	Year ended December 31, 2010	Post-Merger Year ended December 31, 2009	Period from July 31 through December 31, 2008	Pre-Merger Period from January 1 to July 30, 2008	Combined Year ended December 31, 2008
<i>(In thousands)</i>					
Cash provided by (used for):					
Operating activities	\$ 582,373	\$ 181,175	\$ 246,026	\$ 1,035,258	\$ 1,281,284
Investing activities	\$ (240,197)	\$ (141,749)	\$ (17,711,703)	\$ (416,251)	\$ (18,127,954)
Financing activities	\$ (305,244)	\$ 1,604,722	\$ 17,554,739	\$ (1,646,941)	\$ 15,907,798
Discontinued operations	\$	\$	\$ 2,429	\$ 1,031,141	\$ 1,033,570

Operating Activities**2010**

The increase in cash flows from operations in 2010 compared to 2009 was primarily driven by improved profitability, including a 6% increase in revenue and a 2% decrease in direct operating and SG&A expenses. Our net loss adjusted for \$792.7 million of non-cash items provided positive cash flows of \$329.8 million in 2010. We received \$132.3 million in Federal income tax refunds during the third quarter of 2010. Working capital, excluding taxes, provided \$120.3 million to cash flows from operations in the current year.

2009

The decline in cash flow from operations in 2009 compared to 2008 was primarily driven by a 17% decline in consolidated revenues associated with the weak economy and challenging advertising markets and a

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62% increase in interest expense to service our debt obligations. Our net loss adjusted for non-cash items of \$4.2 billion provided positive cash flows of \$157.9 million. Changes in working capital provided an additional \$23.2 million in operating cash flows for 2009.

2008

In 2008, our net loss adjusted for non-cash items of \$5.6 billion provided positive cash flows of \$999.0 million. Changes in working capital provided an additional \$282.3 million in operating cash flows for 2008.

Investing Activities

2010

Cash used for investing activities during 2010 primarily reflected capital expenditures of \$241.5 million. We spent \$35.5 million for capital expenditures in our Radio segment, \$96.7 million in our Americas outdoor segment primarily related to the construction of new billboards, and \$98.6 million in our International outdoor segment primarily related to new billboard and street furniture contracts and renewals of existing contracts. In addition, we acquired representation contracts for \$14.1 million and received proceeds of \$28.6 million primarily related to the sale of radio stations, assets in our Americas and International outdoor segments and representation contracts.

2009

In 2009, we spent \$41.9 million for capital expenditures in our Radio segment. We spent \$84.4 million in our Americas outdoor segment for the purchase of property, plant and equipment mostly related to the construction of new billboards and \$91.5 million in our International outdoor segment for the purchase of property, plant and equipment related to new billboard and street furniture contracts and renewals of existing contracts. We received proceeds of \$41.6 million primarily related to the sale of our remaining investment in Grupo ACIR. In addition, we received proceeds of \$48.8 million primarily related to the disposition of radio stations and corporate assets.

2008

Cash used for investing activities during 2008 principally reflects \$17.5 billion of cash used in the merger. In 2008, we spent \$61.5 million for capital expenditures in our Radio segment. We spent \$175.8 million in our Americas outdoor segment for the purchase of property, plant and equipment mostly related to the construction of new billboards and \$182.5 million in our International segment for the purchase of property, plant and equipment related to new billboard and street furniture contracts and renewals of existing contracts. We spent \$177.1 million primarily for the purchase of outdoor display faces and additional equity interest in international outdoor companies, representation contracts and two FCC licenses. In addition, we received proceeds of \$38.6 million primarily from the sale of radio stations, \$41.5 million related to the sale of Americas and International assets and \$9.6 million related to a litigation settlement.

Financing Activities

2010

During 2010, our wholly-owned subsidiary, CC Investments, repurchased \$185.2 million aggregate principal amount of our senior toggle notes for \$125.0 million as discussed in the *Debt Repurchases, Tender Offers, Maturities and Other* section within this MD&A. We repaid our remaining 7.65% senior notes upon maturity for \$138.8 million with proceeds from our delayed draw term loan facility that was specifically designated for this purpose. In addition, we repaid our remaining 4.50% senior notes upon maturity for \$240.0 million with available cash on hand.

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2009

Cash provided by financing activities during 2009 primarily reflected a draw of remaining availability of \$1.6 billion under our \$2.0 billion revolving credit facility and \$2.5 billion of proceeds from the issuance of CCWH Notes, offset by the \$2.0 billion paydown of our senior secured credit facilities. We also repaid the remaining principal amount of our 4.25% senior notes at maturity with a draw under the \$500.0 million delayed draw term loan facility that was specifically designated for this purpose as discussed in the *Debt Repurchases, Tender Offers, Maturities and Other* section within this MD&A. Our wholly-owned subsidiaries, CC Finco, LLC and Clear Channel Acquisition, LLC, together repurchased certain of our outstanding senior notes for \$343.5 million as discussed in the *Debt Repurchases, Tender Offers, Maturities and Other* section within this MD&A. In addition, during 2009, our Americas Outdoor segment purchased the remaining 15% interest in our fully consolidated subsidiary, Paneles Napsa S.A., for \$13.0 million and our International Outdoor segment acquired an additional 5% interest in our fully consolidated subsidiary, Clear Channel Jolly Pubblicita SPA, for \$12.1 million.

2008

Cash used for financing activities during 2008 primarily reflects \$15.4 billion in debt proceeds and an equity contribution of \$2.1 billion used to finance the merger. Also included in financing activities is \$1.9 billion related to the repayment of our 4.625% senior notes due 2008 and 6.625% senior notes due 2008 at their maturity, the repayment of and cash tender offer for AMFM Operating Inc.'s 8% senior notes due 2008, and the cash tender offer and consent solicitation for our 7.65% senior notes due 2010. In addition, \$93.4 million relates to dividends paid prior to the merger.

Discontinued Operations

During 2008, we 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 2008.

Anticipated Cash Requirements

Our ability to fund our working capital needs, debt service and other obligations, and to comply with the financial covenant 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 expectations or our plans materially change in an adverse manner or prove to be materially inaccurate, we may need additional financing. 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.

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.

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

We expect to be in compliance with the covenants contained in our material financing agreements in 2011, including the maximum consolidated senior secured net debt to consolidated EBITDA limitations

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contained in our senior secured credit facilities. However, our anticipated results are subject to significant uncertainty and our ability to comply with this limitation may be affected by events beyond our control, including prevailing economic, financial and industry conditions. The breach of any covenants set forth in our 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 our 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 our obligations under any secured credit facility, the lenders could proceed against any assets that were pledged to secure such facility. In addition, a default or acceleration under any of our material financing agreements could cause a default under other of our obligations that are subject to cross-default and cross-acceleration provisions. The threshold amount for a cross-default under the senior secured credit facilities is \$100.0 million.

Sources of Capital

As of March 31, 2011 and December 31, 2010 and 2009, we had the following indebtedness outstanding:

<i>(In millions)</i>	March 31, 2011	December 31, 2010	December 31, 2009
Senior Secured Credit Facilities:			
Term Loan A Facility	\$ 1,087.1	\$ 1,127.7	\$ 1,127.7
Term Loan B Facility	8,735.9	9,061.9	9,061.9
Term Loan C Asset Sale Facility	670.9	695.9	695.9
Revolving Credit Facility ⁽¹⁾	1,780.5	1,842.5	1,812.5
Delayed Draw Term Loan Facilities	976.8	1,013.2	874.4
Receivables Based Facility	320.7	384.2	355.7
Priority Guarantee Notes	1,000.0		
Secured Subsidiary Debt	6.7	4.7	5.2
Total Secured Debt	14,578.6	14,130.1	13,933.3
Senior Cash Pay Notes	796.3	796.3	796.3
Senior Toggle Notes	829.8	829.8	915.2
Legacy Notes ⁽²⁾	1,639.3	2,288.1	2,479.5
CCWH Notes	2,500.0	2,500.0	2,500.0
Clear Channel Subsidiary Debt	60.2	63.1	77.7
Total Debt	20,404.2	20,607.4	20,702.0
Less: Cash and cash equivalents	1,510.8	1,920.9	1,884.0
	\$ 18,893.4	\$ 18,686.5	\$ 18,818.0

(1) We had \$46.0 million of availability under the Revolving Credit Facility as of March 31, 2011.

(2) Reflects \$579.3 million, \$623.3 million and \$788.1 million at March 31, 2011, December 31, 2010 and December 31, 2009, respectively, in unamortized fair value purchase accounting discounts related to the merger.

We and our subsidiaries have from time to time repurchased certain of our debt obligations and we may in the future, as part of various financing and investment strategies, purchase additional outstanding indebtedness of ours or our subsidiaries or outstanding equity securities of CCOH or CCMH, in tender offers, open market purchases, privately negotiated transactions or otherwise. We may also sell certain assets or properties and use the proceeds to reduce our indebtedness. These purchases or sales, if any, could have a material positive or negative impact on our liquidity available to repay outstanding debt obligations or on our consolidated results of operations. These transactions could also require or result in amendments to the agreements governing

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outstanding debt obligations or changes in our leverage or other financial ratios, which could have a material positive or negative impact on our ability to comply with the covenants contained in our debt agreements. These transactions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Senior Secured Credit Facilities

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 the term loan facilities and 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; 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.

The margin percentages are subject to adjustment 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 currently 0.50% per annum, but subject to adjustment based on our leverage ratio. The delayed draw term facilities are fully drawn, and therefore there are currently no commitment fees associated with any unused commitments thereunder.

Prepayments

The senior secured credit facilities require us to prepay outstanding term loans, subject to certain exceptions, with:

50% (which percentage may 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% of the net cash proceeds of sales or other dispositions of specified assets being marketed for sale (including casualty and condemnation events), subject to certain exceptions;

100% (which percentage may 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 of assets other than specified assets being marketed for sale, subject to reinvestment rights and certain other exceptions; and

100% of the net cash proceeds of (i) any incurrence of certain debt, other than debt permitted under our senior secured credit facilities, (ii) certain securitization financing and (iii) certain issuances of Permitted Additional Notes (as defined in the senior secured credit facilities).

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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 the 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 the term loan facilities, after giving effect to the December 2009 prepayment of \$2.0 billion of term loans with proceeds from the issuance of CCWH Notes and the February 2011 prepayment of \$500 million of revolving credit facility and term loans with the proceeds from the issuance of the existing priority guarantee notes discussed elsewhere in this MD&A, as follows:

The term loan A facility amortizes in quarterly installments commencing on the fourth interest payment date after the fourth anniversary of the closing date of the merger, in annual amounts equal to 1.6% of the original funded principal amount of such facility in year five, 10% thereafter, with the balance being payable on the final maturity date (July 2014) of such term loans;

The term loan B facility and the delayed draw facilities will be payable in full on the final maturity date (January 2016) of such term loans; and

The term loan C asset sale facility amortizes in quarterly installments on the second interest payment date after the fourth anniversary of the closing date of the merger, in annual amounts equal to 1.4% of the original funded principal amount of such facilities in year five and 1% thereafter, with the balance being payable on the final maturity date (January 2016) of such term loans.

Collateral and Guarantees

The senior secured credit facilities are guaranteed by Clear Channel Capital I and each of its existing and future material wholly-owned domestic restricted subsidiaries, subject to certain exceptions.

All obligations under the senior secured credit facilities, and the guarantees of those obligations, are secured, subject to permitted liens, including prior liens permitted by the indenture governing our senior notes, and other exceptions, by:

a lien on our capital stock;

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 senior notes;

certain assets that do not constitute principal property (as defined in the indenture governing our senior notes);

certain specified assets of ours and the guarantors that constitute principal property (as defined in the indenture governing our 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 senior notes; and

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a lien on the accounts receivable and related assets securing our receivables based credit facility that is junior to the lien securing our obligations under such credit facility.

The obligations of any foreign subsidiaries 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.

Certain Covenants and Guarantees

The senior secured credit facilities require us to comply on a quarterly basis with a financial covenant limiting the ratio of consolidated secured debt, net of cash and cash equivalents, to consolidated EBITDA for the preceding four quarters. Our secured debt consists of the senior secured credit facilities, the receivables-based credit facility, the outstanding notes and certain other secured subsidiary debt. Our consolidated EBITDA for the preceding four quarters of \$1.8 billion is calculated as operating income (loss) before depreciation, amortization, impairment charges and other operating income (expense) net, plus non-cash compensation, and is further adjusted for the following items including: (i) an increase for expected cost savings (limited to \$100.0 million in any twelve month period) of \$0.0 million; (ii) an increase of \$10.0 million for cash received from nonconsolidated affiliates; (iii) an increase of \$39.5 million for non-cash items; (iv) an increase of \$37.7 million related to expenses incurred associated with our cost savings program; and (v) an increase of \$31.9 million for various other items. The maximum ratio under this financial covenant is currently set at 9.5:1 and becomes more restrictive over time beginning in the second quarter of 2013. At March 31, 2011, our ratio was 7.2:1.

In addition, the 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.

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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 the senior secured credit facilities, the failure of the 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 the senior secured credit facilities will be entitled to take various actions, including the acceleration of all amounts due under the senior secured credit facilities and all actions permitted to be taken by a secured creditor.

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We obtained, concurrent with the offering of the outstanding notes issued in February 2011, amendments to our credit agreements with respect to our senior secured credit facilities and our receivables based credit facility (revolving credit commitments under the receivables based facility were reduced from \$783.5 million to \$625.0 million), which were required as a condition to complete the offering. The amendments, among other things, permit us to request future extensions of the maturities of our senior secured credit facilities, provide us with greater flexibility in the use of our accordion capacity, provide us with greater flexibility to incur new debt, provided that the proceeds from such new debt are used to pay down senior secured credit facility indebtedness, and provide greater flexibility for our indirect subsidiary, CCOH, and its subsidiaries to incur new debt, provided that the net proceeds distributed to us from the issuance of such new debt are used to pay down senior secured credit facility indebtedness.

As a result of the prepayment of \$500.0 million of indebtedness under our senior secured credit facilities, the scheduled repayment of term loans is revised as set forth below:

(In millions)

Year	Tranche A Term Loan Amortization*	Tranche B Term Loan Amortization**	Tranche C Term Loan Amortization**	Delayed Draw 1 Term Loan Amortization**	Delayed Draw 2 Term Loan Amortization**
2012			\$ 1.0		
2013	\$ 88.5		12.2		
2014	998.6		7.0		
2015			3.4		
2016		\$ 8,735.9	647.2	\$ 568.6	\$ 408.2
Total	\$ 1,087.1	\$ 8,735.9	\$ 670.8	\$ 568.6	\$ 408.2

*Balance of Tranche A Term Loan is due July 30, 2014

**Balance of Tranche B Term Loan, Tranche C Term Loan, Delayed Draw 1 Term Loan and Delayed Draw 2 Term Loan are due January 29, 2016

Receivables Based Credit Facility

As of March 31, 2011, we had a total of \$320.7 million outstanding under our receivables based credit facility.

The receivables based credit facility provides revolving credit of \$625.0 million, subject to a borrowing base. The borrowing base at any time equals 85% of our and certain of our subsidiaries' eligible accounts receivable. The receivables based credit facility includes a letter of credit sub-facility and a swingline loan sub-facility. The maturity of the receivables based credit facility is July 2014.

All borrowings under the 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 under the receivables based credit facility, excluding the initial borrowing, are subject to compliance with a minimum fixed charge coverage ratio of 1.0:1.0 if at any time 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.

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 the receivables based credit facility. The receivables based credit facility loans and letters of credit are available in U.S. dollars.

Borrowings under the 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

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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 the 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 adjustment if our leverage ratio of total debt to EBITDA decreases below 7 to 1.

We are required to pay each lender a commitment fee in respect of any unused commitments under the receivables based credit facility, which is currently 0.375% per annum, subject to adjustment based on our leverage ratio.

Prepayments

If at any time the sum of the outstanding amounts under the 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 the 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 the receivables based credit facility at any time without premium or penalty, other than customary breakage costs with respect to Eurocurrency rate loans.

On June 8, 2011, we made a voluntary paydown of all amounts outstanding under this facility using cash on hand. Our voluntary paydown did not reduce our commitments under this facility and we may reborrow under this facility at any time.

Collateral and Guarantees

The receivables based credit facility is guaranteed by, subject to certain exceptions, the guarantors of the senior secured credit facilities. All obligations under the receivables based credit facility, and the guarantees of those obligations, are secured by a perfected security interest in all of our and all of the guarantors' accounts receivable and related assets and proceeds thereof, that is senior to the security interest of the senior secured credit facilities in such accounts receivable and related assets and proceeds thereof, subject to permitted liens, including prior liens permitted by the indenture governing our senior notes, and certain exceptions.

The receivables based credit facility includes negative covenants, representations, warranties, events of default, and termination provisions substantially similar to those governing our senior secured credit facilities.

Senior Cash Pay Notes and Senior Toggle Notes

As of March 31, 2011, we had outstanding \$796.3 million aggregate principal amount of 10.75% senior cash pay notes due 2016 and \$829.8 million aggregate principal amount of 11.00%/11.75% senior toggle notes due 2016, excluding \$452.7 million of our outstanding senior toggle notes held by our subsidiaries.

The senior cash pay notes and senior toggle notes are unsecured and are guaranteed by Clear Channel Capital I and all of our existing and future material wholly-owned domestic restricted subsidiaries, subject to certain exceptions. The senior toggle notes mature on August 1, 2016 and may require a special redemption of up to \$30.0 million on August 1, 2015. We may elect on each interest election date to pay all or 50% of such interest on the senior toggle notes in cash or by increasing the principal amount of the senior toggle notes or by issuing new senior toggle notes (such increase or issuance, PIK Interest). Interest on the senior toggle notes payable in cash will accrue at a rate of 11.00% per annum and PIK Interest will accrue at a rate of 11.75% per annum.

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We may redeem some or all of the senior cash pay notes and senior toggle 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 an applicable premium, as described in the indenture governing such notes. We may redeem some or all of the senior cash pay notes and senior toggle notes at any time on or after August 1, 2012 at the redemption prices set forth in the indenture governing such notes. In addition, we may redeem up to 40% of any series of the outstanding senior cash pay notes and senior toggle notes at any time on or prior to August 1, 2011 with the net cash proceeds raised in one or more equity offerings. If we undergo a change of control, sell certain of our assets, or issue certain debt, we may be required to offer to purchase the senior cash pay notes and senior toggle notes from holders.

The senior cash pay notes and senior toggle notes are senior unsecured debt and rank equal in right of payment with all of our existing and future senior debt. Guarantors of obligations under the senior secured credit facilities, the receivables based credit facility and the outstanding notes guarantee the senior cash pay notes and senior toggle notes with unconditional guarantees that are unsecured and equal in right of payment to all existing and future senior debt of such guarantors, except that the guarantees are subordinated in right of payment to the guarantees of obligations under the senior secured credit facilities, the receivables based credit facility and the outstanding notes. In addition, the senior cash pay notes and senior toggle notes and the guarantees are structurally senior to our legacy notes and existing and future debt to the extent that such debt is not guaranteed by the guarantors of the senior cash pay notes and senior toggle notes. The senior cash pay notes and senior toggle notes and the guarantees are effectively subordinated to our existing and future secured debt and that of the guarantors to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all obligations of subsidiaries that do not guarantee the senior cash pay notes and senior toggle notes.

On July 16, 2010, we made the election to pay interest on the senior toggle notes entirely in cash, effective for the interest period commencing August 1, 2010. Assuming the cash interest election remains in effect for the remaining term of the notes, we will be contractually obligated to make a payment to bondholders of \$57.4 million on August 1, 2013. This amount is included in Interest payments on long-term debt in the *Contractual Obligations* table of this MD&A.

Legacy Notes

As of March 31, 2011, our legacy notes represented approximately \$2.2 billion of aggregate principal amount of indebtedness outstanding, including legacy notes held by our subsidiaries.

The legacy notes are senior, unsecured obligations that are effectively subordinated to our secured indebtedness to the extent of the value of the assets securing such indebtedness and the guarantees of such indebtedness from our existing and future material wholly-owned domestic restricted subsidiaries, subject to certain exceptions. The legacy notes rank equally in right of payment with all of our existing and future senior indebtedness and senior in right of payment to all existing and future subordinated indebtedness. The legacy notes are not guaranteed by our subsidiaries.

CCWH Notes

As of March 31, 2011, we had outstanding \$2.5 billion aggregate principal amount of CCWH Notes, which consisted of \$500.0 million aggregate principal amount of Series A Senior Notes due 2017 (the Series A Notes) and \$2.0 billion aggregate principal amount of Series B Senior Notes due 2017 (the Series B Notes). The CCWH Notes were issued by CCWH and are guaranteed by CCOH, CCOI and certain of CCOH's direct and indirect subsidiaries.

The CCWH Notes bear interest on a daily basis and contain customary provisions, including covenants requiring us to maintain certain levels of credit availability and limitations on incurring additional debt.

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The CCWH Notes are senior obligations that rank pari passu in right of payment to all unsubordinated indebtedness of CCWH and the guarantees of the CCWH Notes rank pari passu in right of payment to all unsubordinated indebtedness of the guarantors.

The indentures governing the CCWH Notes require us to maintain at least \$100 million in cash or other liquid assets or have cash available to be borrowed under committed credit facilities consisting of (i) \$50.0 million at the issuer and guarantor entities (principally the Americas outdoor segment) and (ii) \$50.0 million at the non-guarantor subsidiaries (principally the International outdoor segment) (together the Liquidity Amount), in each case under the sole control of the relevant entity. In the event of a bankruptcy, liquidation, dissolution, reorganization, or similar proceeding of ours, for the period thereafter that is the shorter of such proceeding and 60 days, the Liquidity Amount shall be reduced to \$50.0 million, with a \$25.0 million requirement at the issuer and guarantor entities and a \$25.0 million requirement at the non-guarantor subsidiaries.

In addition, interest on the CCWH Notes accrues daily and is payable into an account established by the trustee for the benefit of the bondholders (the Trustee Account). Failure to make daily payment on any day does not constitute an event of default so long as (a) no payment or other transfer by CCOH or any of its subsidiaries shall have been made on such day under the cash management sweep with us and (b) on each semiannual interest payment date the aggregate amount of funds in the Trustee Account is equal to at least the aggregate amount of accrued and unpaid interest on the CCWH Notes.

The indenture governing the Series A Notes contains covenants that limit CCOH and its restricted subsidiaries ability to, among other things:

incur or guarantee additional debt to persons other than us and our subsidiaries (other than CCOH) or issue certain preferred stock;

create liens on its restricted subsidiaries assets to secure such debt;

create restrictions on the payment of dividends or other amounts to CCOH from its restricted subsidiaries that are not guarantors of the notes;

enter into certain transactions with affiliates;

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

sell certain assets, including capital stock of its subsidiaries, to persons other than us and our subsidiaries (other than CCOH).

The indenture governing the Series A Notes does not include limitations on dividends, distributions, investments or asset sales.

The indenture governing the Series B Notes contains covenants that limit CCOH and its restricted subsidiaries ability to, among other things:

incur or guarantee additional debt or issue certain preferred stock;

redeem, repurchase or retire CCOH's subordinated debt;

make certain investments;

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create liens on its or its restricted subsidiaries' assets to secure debt;

create restrictions on the payment of dividends or other amounts to it from its restricted subsidiaries that are not guarantors of the CCWH Notes;

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enter into certain transactions with affiliates;

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

sell certain assets, including capital stock of its subsidiaries;

designate its subsidiaries as unrestricted subsidiaries;

pay dividends, redeem or repurchase capital stock or make other restricted payments; and

purchase or otherwise effectively cancel or retire any of the Series B Notes if after doing so the ratio of (a) the outstanding aggregate principal amount of the Series A Notes to (b) the outstanding aggregate principal amount of the Series B Notes shall be greater than 0.250. This stipulation ensures, among other things, that as long as the Series A Notes are outstanding, the Series B Notes are outstanding.

The Series A Notes indenture and Series B Notes indenture restrict CCOH's ability to incur additional indebtedness but permit CCOH to incur additional indebtedness based on an incurrence test. In order to incur additional indebtedness under this test, CCOH's debt to adjusted EBITDA ratios (as defined by the indentures) must be lower than 6.5:1 and 3.25:1 for total debt and senior debt, respectively. The indentures contain certain other exceptions that allow CCOH to incur additional indebtedness. The Series B Notes indenture also permits CCOH to pay dividends from the proceeds of indebtedness or the proceeds from asset sales if its debt to adjusted EBITDA ratios (as defined by the indenture) are lower than 6.0:1 and 3.0:1 for total debt and senior debt, respectively. The Series A Notes indenture does not limit CCOH's ability to pay dividends. The Series B Notes indenture contains certain exceptions that allow CCOH to incur additional indebtedness and pay dividends, including a \$500.0 million exception for the payment of dividends. CCOH was in compliance with these covenants as of March 31, 2011.

A portion of the proceeds of the CCWH Notes offering were used to (i) pay the fees and expenses of the offering, (ii) fund \$50.0 million of the Liquidity Amount (the \$50.0 million liquidity amount of the non-guarantor subsidiaries was satisfied) and (iii) apply \$2.0 billion of the cash proceeds (which amount is equal to the aggregate principal amount of the Series B Notes) to repay an equal amount of indebtedness under our senior secured credit facilities. In accordance with the senior secured credit facilities, the \$2.0 billion cash proceeds were applied ratably to the term loan A, term loan B, and both delayed draw term loan facilities, and within each such class, such prepayment was applied to remaining scheduled installments of principal.

The balance of the proceeds is available to CCOI for general corporate purposes. In this regard, all of the remaining proceeds could be used to pay dividends from CCOI to CCOH. In turn, CCOH could declare a dividend to its shareholders of which we would receive our proportionate share. Payment of such dividends would not be prohibited by the terms of the CCWH Notes or any of the loan agreements or credit facilities of CCOI or CCOH.

Priority Guarantee Notes

During the first quarter of 2011, we amended our senior secured credit facilities and our receivables based credit facility and issued \$1.0 billion aggregate principal amount of outstanding notes in February 2011. We capitalized \$39.5 million in fees and expenses associated with the offering and are amortizing them through interest expense over the life of such notes.

On June 14, 2011, we issued \$750.0 billion aggregate principal amount of outstanding notes. The outstanding notes issued in February 2011 and the outstanding notes issued in June 2011 have identical terms and are treated as a single class of notes under the indenture governing the outstanding notes.

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The outstanding notes were issued pursuant to an indenture, dated as of February 23, 2011 (the Indenture), among us, the guarantors named therein (the Guarantors), Wilmington Trust FSB, as trustee, and the other agents named therein. The outstanding notes mature on March 1, 2021 and bear interest at a rate of 9.0% per annum, payable semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2011. The outstanding notes are our senior obligations and are fully and unconditionally guaranteed, jointly and severally, on a senior basis by the Guarantors. The outstanding notes and the Guarantors' obligations under the guarantees are secured by (i) a lien on (a) our capital stock and (b) certain property and related assets that do not constitute principal property (as defined in the indenture governing certain of our legacy notes), in each case equal in priority to the liens securing the obligations under our senior secured credit facilities, subject to certain exceptions, and (ii) a lien on the accounts receivable and related assets securing our receivables based credit facility junior in priority to the lien securing our obligations thereunder, subject to certain exceptions.

We may redeem the outstanding notes at our option, in whole or part, at any time prior to March 1, 2016, at a price equal to 100% of the principal amount of the outstanding notes redeemed, plus accrued and unpaid interest to the redemption date and plus an applicable premium. We may redeem the outstanding notes, in whole or in part, on or after March 1, 2016, at the redemption prices set forth in the Indenture plus accrued and unpaid interest to the redemption date. At any time on or before March 1, 2014, we may elect to redeem up to 40% of the aggregate principal amount of the outstanding notes at a redemption price equal to 109.0% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net proceeds of one or more equity offerings.

The Indenture contains covenants that limit our ability and the ability of our restricted subsidiaries to, among other things: (i) pay dividends, redeem stock or make other distributions or investments; (ii) incur additional debt or issue certain preferred stock; (iii) modify any of our legacy notes; (iv) transfer or sell assets; (v) engage in certain transactions with affiliates; (vi) create restrictions on dividends or other payments by the restricted subsidiaries; and (vii) merge, consolidate or sell substantially all of our assets. The Indenture contains covenants that limit Clear Channel Capital's and our ability and the ability of our restricted subsidiaries to, among other things: (i) create liens on assets and (ii) materially impair the value of the security interests taken with respect to the collateral for the benefit of the notes collateral agent and the holders of the outstanding notes issued in February 2011. The Indenture also provides for customary events of default.

We used the proceeds of the issuance of \$1,000 million aggregate principal amount of outstanding notes in February 2011 to prepay \$500.0 million of the indebtedness outstanding under our senior secured credit facilities. The \$500.0 million prepayment was allocated on a ratable basis between outstanding term loans and revolving credit commitments under our revolving credit facility, thus permanently reducing the revolving credit commitments under our revolving credit facility to \$1.9 billion. The prepayment resulted in the accelerated expensing of \$5.7 million of loan fees recorded in Other income (expense) net.

The proceeds from the offering of the outstanding notes issued in February 2011, along with available cash on hand, were also used to repay at maturity \$692.7 million in aggregate principal amount of the 6.25% senior notes, which matured during the first quarter of 2011.

Of the \$703.8 million of proceeds from the issuance of the outstanding notes in June 2011 (\$750.0 million aggregate principal amount net of \$46.2 million of discount), we intend to use (i) \$203.8 million to repay at maturity a portion of our 5% legacy notes which mature in March 2012 and (ii) the remaining \$500 million for general corporate purposes (to replenish cash on hand that we previously used to pay legacy notes at maturity on March 15, 2011 and May 15, 2011). The \$500 million of proceeds available for general corporate purposes may be used to repay indebtedness, including repaying indebtedness outstanding under our revolving credit facilities (without reducing or terminating the associated commitments). In addition, such proceeds may be used in connection with one or more future transactions involving a permanent repayment of a portion of our senior secured credit facilities as part of our long-term efforts to optimize our capital structure.

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Dispositions and Other

On October 15, 2010, CCOH transferred its interest in its Branded Cities operations to its joint venture partner, The Ellman Companies. We recognized a loss of \$25.3 million in Other operating income (expense) net related to this transfer.

During 2010, our International outdoor segment sold its outdoor advertising business in India, resulting in a loss of \$3.7 million included in Other operating income (expense) net. In addition, we sold three radio stations, donated one station, and recorded a gain of \$1.3 million in Other operating income (expense) net. We also sold representation contracts and recorded a gain of \$6.2 million in Other operating income (expense) net.

During 2009, we sold six radio stations for approximately \$12.0 million and recorded a loss of \$12.8 million in Other operating income (expense) net. In addition, we exchanged radio stations in our radio markets for assets located in a different market and recognized a loss of \$28.0 million in Other operating income (expense) net.

During 2009, we sold international assets for \$11.3 million resulting in a gain of \$4.4 million in Other operating income (expense) net. In addition, we sold assets for \$6.8 million in our Americas outdoor segment and recorded a gain of \$4.9 million in Other operating income (expense) net. We sold our taxi advertising business and recorded a loss of \$20.9 million in our Americas outdoor segment included in Other operating income (expense) net. We also received proceeds of \$18.3 million from the sale of corporate assets during 2009 and recorded a loss of \$0.7 million in Other operating income (expense) net.

In addition, we sold our remaining interest in Grupo ACIR for approximately \$40.5 million and recorded a loss of approximately \$5.8 million during 2009.

During 2008, we 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. We received proceeds of \$1.0 billion related to the sale of our 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 .

In addition, we sold our 50% interest in Clear Channel Independent during 2008 and recognized a gain of \$75.6 million in Equity in earnings (loss) of nonconsolidated affiliates based on the fair value of the equity securities received in the pre-merger period.

We sold a portion of our investment in Grupo ACIR for approximately \$47.0 million on July 1, 2008 and recorded a gain of \$9.2 million in Equity in earnings (loss) of nonconsolidated affiliates.

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Between 2008 and 2010, our indirect wholly-owned subsidiaries, CC Investments, CC Finco, LLC and Clear Channel Acquisition, LLC, repurchased certain of our outstanding senior notes, senior cash pay and senior toggle notes through open market repurchases, privately negotiated transactions and tenders as shown in the table below. Notes repurchased by CC Investments, CC Finco, LLC and Clear Channel Acquisition, LLC, are eliminated in consolidation.

<i>(In thousands)</i>	Post Merger Years Ended December 31,		
	2010	2009	2008
<u>CC Investments</u>			
Principal amount of debt repurchased	\$ 185,185	\$	\$
Deferred loan costs and other	104		
Gain recorded in Other income (expense) ⁽²⁾ <i>n</i> et	(60,289)		
Cash paid for repurchases of long-term debt	\$ 125,000	\$	\$
<u>CC Finco, LLC</u>			
Principal amount of debt repurchased	\$	\$ 801,302	\$ 102,241
Purchase accounting adjustments ⁽¹⁾		(146,314)	(24,367)
Deferred loan costs and other		(1,468)	
Gain recorded in Other income (expense) ⁽²⁾ <i>n</i> et		(368,591)	(53,449)
Cash paid for repurchases of long-term debt	\$	\$ 284,929	\$ 24,425
<u>Clear Channel Acquisition, LLC</u>			
Principal amount of debt repurchased ⁽³⁾	\$	\$ 433,125	\$
Deferred loan costs and other		(813)	
Gain recorded in Other income (expense) ⁽²⁾ <i>n</i> et		(373,775)	
Cash paid for repurchases of long-term debt	\$	\$ 58,537	\$

(1) Represents unamortized fair value purchase accounting discounts recorded as a result of the merger.

(2) CC Investments, CC Finco, LLC and Clear Channel Acquisition, LLC, repurchased certain of our senior notes, senior cash pay notes and senior toggle notes at a discount, resulting in a gain on the extinguishment of debt.

(3) Clear Channel Acquisition, LLC immediately cancelled these notes subsequent to the purchase.

During 2010, we repaid our remaining 7.65% senior notes upon maturity for \$138.8 million, including \$5.1 million of accrued interest, with proceeds from our delayed draw term loan facility that was specifically designated for this purpose. Also during 2010, we repaid our remaining 4.50% senior notes upon maturity for \$240.0 million with available cash on hand.

During 2009, we repaid the remaining principal amount of our 4.25% senior notes at maturity with a draw under the \$500.0 million delayed draw term loan facility that was specifically designated for this purpose.

On November 24, 2008, we announced that we commenced a cash tender offer to purchase our outstanding 7.65% Senior Notes due 2010. The tender offer and consent payment expired on December 23, 2008. The aggregate principal amount of 7.65% senior notes validly tendered and accepted for payment was \$252.4 million. The aggregate gain on the extinguishment of debt recorded during the post-merger period as a result of the tender offer for the 7.65% senior notes due 2010 was \$74.7 million.

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We repurchased \$639.2 million aggregate principal amount of the AMFM Operating Inc. 8% senior notes pursuant to a tender offer and consent solicitation in connection with the merger. The remaining 8% senior notes were repaid at maturity on November 1, 2008. The aggregate loss on the extinguishment of debt recorded in 2008 as a result of the tender offer for the AMFM Operating Inc. 8% senior notes was \$8.0 million.

On August 7, 2008, we announced that we commenced a cash tender offer and consent solicitation for the outstanding \$750.0 million principal amount of 7.65% senior notes due 2010. The tender offer and consent payment expired on September 9, 2008. The aggregate principal amount of 7.65% senior notes validly tendered and accepted for payment was \$363.9 million. We recorded a \$21.8 million loss in Other income (expense) net during the pre-merger period as a result of the tender.

We terminated our cross currency swaps on July 30, 2008 by paying the counterparty \$196.2 million from available cash on hand.

On January 15, 2008, we repaid our 4.625% senior notes at their maturity for \$500.0 million with proceeds from our bank credit facility. On June 15, 2008, we repaid our 6.625% senior notes at their maturity for \$125.0 million with available cash on hand.

Dividends

We have not paid cash dividends on the shares of our common stock since the merger and our ability to pay dividends is subject to restrictions should we seek to do so in the future. Our debt financing arrangements include restrictions on our ability to pay dividends.

Prior to the merger, we 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.

Capital Expenditures

Capital expenditures for the years ended December 31, 2010, 2009 and 2008 were as follows:

(In millions)

	Year Ended December 31, 2010				Total
	Radio Broadcasting	Americas Outdoor Advertising	International Outdoor Advertising	Corporate and Other	
2010 capital expenditures	\$ 35.5	\$ 96.7	\$ 98.6	\$ 10.7	\$ 241.5
2009 capital expenditures	\$ 41.9	\$ 84.4	\$ 91.5	\$ 6.0	\$ 223.8
2008 capital expenditures	\$ 61.5	\$ 175.8	\$ 182.5	\$ 10.7	\$ 430.5

Acquisitions

During 2009, our Americas outdoor segment paid \$5.0 million primarily for the acquisition of land and buildings.

We acquired FCC licenses in our radio 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.

Purchases of Additional Equity Interests

During 2009, our Americas outdoor segment purchased the remaining 15% interest in our consolidated subsidiary, Paneles Napsa S.A., for \$13.0 million and our International outdoor segment acquired an additional 5% interest in our consolidated subsidiary, Clear Channel Jolly Publicita SPA, for \$12.1 million.

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Certain Relationships with the Sponsors

CCMH is party to a management agreement with certain affiliates of the Sponsors and certain other parties pursuant to which such affiliates of the Sponsors will provide management and financial advisory services until 2018. These arrangements require management fees to be paid to such affiliates of the Sponsors for such services at a rate not greater than \$15.0 million per year, plus reimbursable expenses. For the three months ended March 31, 2011 and 2010, we recognized management fees of \$3.8 million in each period and reimbursable expenses of \$0.1 million and \$0.5 million, respectively.

During the years ended December 31, 2010 and 2009, we recognized management fees and reimbursable expenses of \$17.1 million and \$20.5 million, respectively. For the post-merger period of 2008, we recognized Sponsors' management fees and reimbursable expenses of \$6.3 million.

In connection with the merger, CCMH 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 escrow and other out-of-pocket expenses. This amount was allocated between merger expenses, deferred loan costs or included in the overall purchase price of the merger.

Commitments, Contingencies and Guarantees

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 resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. 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.

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. 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, 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 our senior secured credit facilities, receivables based facility, senior cash pay and senior toggle notes, other long-term debt outstanding, future minimum rental commitments under

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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, 2010 are as follows:

<i>(In thousands)</i> Contractual Obligations	Total	Payments due by Period			
		2011	2012-2013	2014-2015	Thereafter
Long-term Debt:					
Secured Debt	\$ 14,130,098	\$ 10,769	\$ 168,862	\$ 3,237,877	\$ 10,712,590
Senior Cash Pay and Senior Toggle Notes ⁽¹⁾	1,626,081				1,626,081
Legacy Notes	2,911,393	832,978	561,960	791,455	725,000
CCWH Notes	2,500,000				2,500,000
Other Long-term Debt	63,115	41,340	21,775		
Interest payments on long-term debt ⁽²⁾	6,338,227	1,200,334	2,343,946	1,857,669	936,278
Non-cancelable operating leases	2,809,418	369,012	608,558	506,523	1,325,325
Non-cancelable contracts	2,525,411	541,186	771,239	588,982	624,004
Employment/talent contracts	266,666	73,146	123,408	30,112	40,000
Capital expenditures	107,107	48,059	43,987	11,739	3,322
Unrecognized tax benefits ⁽³⁾	304,647	35,300			269,347
Other long-term obligations ⁽⁴⁾	143,169	2,366	9,541	3,476	127,786
Total ⁽⁵⁾	\$ 33,725,332	\$ 3,154,490	\$ 4,653,276	\$ 7,027,833	\$ 18,889,733

- (1) On July 16, 2010, we made the election to pay interest on the senior toggle notes entirely in cash, effective for the interest period commencing August 1, 2010. We are deemed to have made the cash interest election for future interest periods unless and until we elect otherwise. Assuming the cash interest election remains in effect for the term of the notes, we are contractually obligated to make a payment of \$57.4 million on August 1, 2013 which is included in Interest payments on long-term debt in the table above.
- (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 (after giving effect to the December 2009 prepayment of \$2.0 billion of term loans with proceeds from the issuance of CCWH Notes discussed elsewhere in this MD&A) and the interest rate is held constant over the remaining term.
- Interest payments related to the revolving credit facility assume the balance and interest rate as of December 31, 2010 is held constant over the remaining term.
- Interest payments on \$2.5 billion of the Term Loan B facility are effectively fixed at an interest rate of 4.4%, plus applicable margins, per annum, as a result of an aggregate \$2.5 billion interest rate swap agreement. On October 29, 2010, \$3.5 billion notional amount of interest rate swap agreements matured with the remaining interest rate swap agreement maturing in September 2013. Interest expense assumes the rate is fixed through maturity of the remaining swap, at which point the rate reverts back to the floating rate in effect at December 31, 2010.
- (3) The non-current portion of the unrecognized tax benefits is included in the Thereafter column as we cannot reasonably estimate the timing or amounts of additional cash payments, if any, at this time. For additional information, see the accompanying notes to our consolidated financial statements appearing elsewhere in this prospectus.

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- (4) Other long-term obligations consist of \$52.1 million related to asset retirement obligations recorded pursuant to ASC 410-20, which assumes the underlying assets will be removed at some period over the next 50 years. Also included are \$32.9 million of contract payments in our syndicated radio and media representation businesses and \$58.2 million of various other long-term obligations.
- (5) Excluded from the table is \$364.3 million related to various obligations with no specific contractual commitment or maturity, \$213.1 million of which relates to the fair value of our interest rate swap agreement.

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Seasonality

Typically, our Radio broadcasting, Americas outdoor and International outdoor segments experience their lowest financial performance in the first quarter of the calendar year, with International outdoor historically experiencing a loss from operations in that period. Our Radio broadcasting and Americas outdoor segments historically experience consistent performance for the remainder of the calendar year. Our International outdoor segment typically experiences its strongest performance in the second and fourth quarters of the calendar year. We expect this trend to continue in the future.

Market Risk

Equity Price Risk

The carrying value of our available-for-sale equity securities is affected by changes in their quoted market prices. We estimate that a 20% change in the market prices of these securities would have changed their carrying value and comprehensive loss at March 31, 2011 by \$14.8 million.

Interest Rate Risk

A significant amount of our long-term debt bears interest at variable rates. Accordingly, our earnings will be affected by changes in interest rates. At March 31, 2011 we had an interest rate swap agreement with a \$2.5 billion notional amount that effectively fixes interest rates on a portion of our floating rate debt at a rate of 4.4%, plus applicable margins, per annum. The fair value of this agreement at March 31, 2011 was a liability of \$191.8 million. At March 31, 2011, approximately 53% of our aggregate principal amount of long-term debt, including taking into consideration debt on which we have entered into a pay-fixed-rate-receive-floating-rate swap agreement, bears interest at floating rates.

Assuming the current level of borrowings and interest rate swap contracts and assuming a 30% change in LIBOR, our interest expense for the three months ended March 31, 2011 would have changed by approximately \$8.1 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, the preceding interest rate sensitivity 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.

Foreign Currency Exchange Rate Risk

We have operations in countries throughout the world. Foreign operations are measured in their local currencies. 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 U.S. dollar. Our foreign operations reported net income of approximately \$5.1 million for the three months ended March 31, 2011. We estimate a 10% increase in the value of the U.S. dollar relative to foreign currencies would have increased our net loss for the three months ended March 31, 2011 by approximately \$0.5 million and that a 10% decrease in the value of the U.S. dollar relative to foreign currencies would have decreased our net loss by a corresponding amount.

This analysis does not consider the implications that such fluctuations could have on the overall economic activity that could exist in such an environment in the U.S. or the foreign countries or on the results of operations of these foreign entities.

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Inflation is a factor in the economies in which we do business and we continue to seek ways to mitigate its effect. 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.

New Accounting Pronouncements

In December 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-29, *Disclosure of Supplementary Pro Forma Information for Business Combinations*. This ASU updates Topic 805, *Business Combinations*, to specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments of this ASU are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The Company adopted the provisions of ASU 2010-29 on January 1, 2011 without material impact to the Company's disclosures.

In December 2010, FASB issued ASU No. 2010-28, *When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts*. This ASU updates ASC Topic 350, *Intangibles - Goodwill and Other*, to amend the criteria for performing Step 2 of the goodwill impairment test for reporting units with zero or negative carrying amounts and requires performing Step 2 if qualitative factors indicate that it is more likely than not that a goodwill impairment exists. The ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. We do not currently have any reporting units with zero or negative carrying values.

In August 2010, the FASB issued ASU No. 2010-22, *Accounting for Various Topics - Technical Corrections to SEC Paragraphs*. This ASU amends various SEC paragraphs and became effective upon issuance. The adoption of ASU No. 2010-22 did not have a material impact on our financial position or results of operations.

In August 2010, the FASB issued ASU No. 2010-21, *Accounting for Technical Amendments to Various SEC Rules and Schedules*. This ASU amends various SEC paragraphs pursuant to the issuance of Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies and became effective upon issuance. We adopted the provisions of ASU 2010-21 upon issuance with no material impact to our financial position or results of operations.

In February 2010, the FASB issued ASU 2010-09, *Amendments to Certain Recognition and Disclosure Requirements*. ASU 2010-09 updates ASC Topic 855, *Subsequent Events*. ASU 2010-09 removes the requirement to disclose the date through which an entity has evaluated subsequent events. We adopted the provisions of ASU 2010-09 upon issuance with no material impact to our financial position or results of operations.

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements*. This update amends ASC Topic 820, *Fair Value Measurements and Disclosures*, to require new disclosures for significant transfers in and out of Level 1 and Level 2 fair value measurements, disaggregation regarding classes of assets and liabilities, valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for Level 2 or Level 3. These disclosures are effective for the interim and annual reporting periods beginning after December 15, 2009. Additional new disclosures regarding the purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010 beginning with the first interim period. We adopted certain of the relevant disclosure provisions of ASU 2010-06 on January 1, 2010 and adopted certain other provisions on January 1, 2011.

Table of Contents**Critical Accounting Estimates**

The preparation of our financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and 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, included elsewhere 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.

Allowance for Doubtful Accounts

We evaluate the collectability 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 agings were to improve or deteriorate resulting in a 10% change in our allowance, we estimated that our bad debt expense for the year ended December 31, 2010, would have changed by approximately \$7.5 million and our net loss for the same period would have changed by approximately \$4.6 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 amounts 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.

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 ASC 805-20-S99. Under the direct valuation method, the estimated fair value of the indefinite-lived assets was calculated at the market level as prescribed by ASC 350-30-35. 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

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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.

On October 1, 2010, we performed our annual impairment test in accordance with ASC 350-30-35 and recognized aggregate impairment charges of \$0.5 million and \$4.8 million related to FCC licenses and permits, respectively, in two of our markets.

In determining the fair value of our FCC licenses, the following key assumptions were used:

- (i) Market revenue growth, forecast and published by BIA Financial Network, Inc. (BIA), of 4.2% was used for the initial four-year period;
- (ii) 2% revenue growth was assumed beyond the initial four-year period;
- (iii) Revenue was grown proportionally over a build-up period, reaching market revenue forecast by year 3;
- (iv) Operating margins of 12.5% in the first year gradually climb to the industry average margin in year 3 of up to 30%, depending on market size by year 3; and
- (v) Assumed discount rates of 9% for the 13 largest markets and 9.5% for all other markets.

In determining the fair value of our billboard permits, the following key assumptions were used:

- (i) Industry revenue growth forecast at 7% was used for the initial four-year period;
- (ii) 3% revenue growth was assumed beyond the initial four-year period;
- (iii) Revenue was grown over a build-up period, reaching maturity by year 2;
- (iv) Operating margins gradually climb to the industry average margin of up to 51%, depending on market size, by year 3; and
- (v) Assumed discount rate of 10%.

While we believe we have made reasonable estimates and utilized appropriate assumptions to calculate the fair value of our indefinite-lived assets, 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 decline in the fair value of our indefinite-lived intangibles that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

(In thousands)

Description	Revenue growth rate	Profit margin	Discount rates
FCC licenses	\$ (335,390)	\$ (147,650)	\$ (458,595)
Billboard permits	\$ (548,200)	\$ (117,600)	\$ (554,900)

The estimated fair value of our FCC licenses and permits at October 1, 2010 was \$3.1 billion and \$1.9 billion, respectively, while the carrying value was \$2.4 billion and \$1.1 billion, respectively.

Table of Contents**Goodwill**

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. We test goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired. 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 are also estimated and discounted to their present value.

On October 1, 2010, we performed our annual impairment test in accordance with ASC 350-30-35 and recognized an impairment charge of \$2.1 million in one country. In determining the fair value of our reporting units, we used the following assumptions:

Expected cash flows underlying our business plans for the periods 2011 through 2015. Our cash flow assumptions are based on detailed, multi-year forecasts performed by each of our operating segments, and reflect the improved advertising outlook across our businesses.

Cash flows beyond 2015 are projected to grow at a perpetual growth rate, which we estimated at 2% for radio broadcasting and 3% for our Americas outdoor and International outdoor segments.

In order to risk adjust the cash flow projections in determining fair value, we utilized a discount rate of approximately 10.5% to 11% for each of our reporting units.

Based on our annual assessment using the assumptions described above, a hypothetical 25% reduction in the estimated fair value in each of our reporting units would not result in a material impairment condition.

While we believe we have made reasonable estimates and utilized appropriate assumptions to calculate the estimated 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 decline in the fair value of each of our reportable segments that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

(In thousands)

Reportable segment	Revenue growth rate	Profit margin	Discount rates
Radio Broadcasting	\$ (1,050,000)	\$ (270,000)	\$ (990,000)
Americas Outdoor	\$ (520,000)	\$ (130,000)	\$ (480,000)
International Outdoor	\$ (290,000)	\$ (170,000)	\$ (250,000)

Tax Accruals

The IRS and other taxing authorities routinely examine our tax returns filed as part of the consolidated tax returns filed by CCMH. From time to time, the IRS challenges certain of our tax positions. We believe our tax positions comply with applicable tax law and we would vigorously defend these positions if challenged. The final disposition of any positions challenged by the IRS could require us to make additional tax payments. We believe that we have adequately accrued for any foreseeable payments resulting from tax examinations and consequently do not anticipate any material impact upon their ultimate resolution.

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Our estimates of income taxes and the significant items giving rise to the deferred assets and liabilities are shown in the notes to our consolidated financial statements 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 ASC 740-10, which requires us to record reserves for estimates of probable settlements of Federal and state tax audits.

Litigation Accruals

We are currently involved in certain legal proceedings. Based on current assumptions, we have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. Future results of operations could be materially affected by changes in these assumptions or the effectiveness of our strategies related to these proceedings.

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.

Insurance Accruals

We are currently self-insured beyond certain retention amounts for various insurance coverages, including general liability and property and casualty. Accruals are recorded based on estimates of actual claims filed, historical payouts, existing insurance coverage and projected 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, 2010.

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, 2010, would have affected our net loss by approximately \$2.5 million for the year ended December 31, 2010.

Asset Retirement Obligations

ASC 410-20 requires us to estimate our obligation upon the termination or nonrenewal of a lease, to dismantle and remove our billboard structures from the leased land and to reclaim the site to its original condition.

Due to the high rate of lease renewals over a long period of time, our calculation assumes all related assets will be removed at some period over the next 50 years. An estimate of third-party cost information is used with respect to the dismantling of the structures and the reclamation of the site. The interest rate used to calculate the present value of such costs over the retirement period is based on an estimated risk-adjusted credit rate for the same period. If our assumption of the risk-adjusted credit rate used to discount current year additions to the asset retirement obligation decreased approximately 1%, our liability as of December 31, 2010 would not be materially impacted. Similarly, if our assumption of the risk-adjusted credit rate increased approximately 1%, our liability would not be materially impacted.

Share-based Compensation

Under the fair value recognition provisions of ASC 718-10, share-based compensation cost is measured at the grant date based on the fair value of the award. 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.

We do not have any equity incentive plans under which we grant stock awards to employees. Our employees receive equity awards from CCMH's or CCOH's equity incentive plans. Prior to the merger, we granted equity awards to our employees under our own equity incentive plan.

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BUSINESS

Our Business Segments

We are a diversified media company with three reportable business segments: Radio Broadcasting, or Radio; Americas Outdoor Advertising, or Americas outdoor; and International Outdoor Advertising, or International outdoor. Approximately half of our revenue is generated from our Radio Broadcasting segment. The remaining half is comprised of our Americas Outdoor Advertising business segment and our International Outdoor Advertising business segment, as well as Katz Media Group (Katz Media), a full-service media representation firm, and other support services and initiatives.

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 expenses 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.

For more information about our revenue, gross profit and assets by segment and our revenue and long-lived assets by geographic area, see Note 16 to our Consolidated Financial Statements elsewhere in this prospectus.

Radio Broadcasting

We are the largest radio broadcaster in the United States (based on revenues). As of December 31, 2010, we owned 892 domestic radio stations servicing approximately 150 U.S. markets, including 47 of the top 50 markets and 89 of the top 100 markets. 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 almost 120 million individuals based on Arbitron National Regional Database figures for the Spring 2010 ratings period. In addition to our radio broadcasting business, we operate Premiere Radio Networks, a national radio network that produces, distributes or represents approximately 90 syndicated radio programs, serves nearly 5,800 radio station affiliates and has over 213 million weekly listeners. Some of our more popular syndicated programs include Rush Limbaugh, Jim Rome, Steve Harvey, Ryan Seacrest and Delilah.

Strategy

Our radio broadcasting strategy centers on providing effective programming, offering a wide range of services, and contributing to the local communities in which we operate. 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 focuses on consistently improving the ongoing operations of our stations through effective programming, promotion, marketing, distribution, sales, and cost management.

Drive Local and National Advertising. We intend to drive growth in our radio business through effective programming, new and better solutions for large national advertisers and agencies, key relationships with advertisers and improvement of our national sales team. We seek to maximize revenue by closely managing on-air inventory of advertising time and adjusting prices to local market conditions. We operate price and yield 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 what we believe are optimal prices given market conditions.

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Continue to Enhance the Radio Listener Experience. We will continue to focus on enhancing the radio listener experience by offering a wide variety of compelling content. Our investments in radio programming over time have created a collection of leading on-air talent. For example, our Premiere Radio Network offers more than 90 syndicated radio programs and services for nearly 5,800 radio station affiliates across the United States. Our distribution platform allows us to attract top talent and more effectively utilize programming, sharing the best and most compelling content across many stations.

Deliver Content via New Distribution Technologies. We are continually expanding content choices for our listeners, including utilization of new distribution technologies such as HD radio, streaming audio, mobile and other distribution channels. Some examples of these initiatives are as follows:

HD Radio. HD radio enables crystal clear reception, 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 capabilities of HD radio will potentially permit us to participate in commercial download services.

Streaming Audio. We provide streaming audio via the Internet, mobile and other digital platforms and, accordingly, have increased listener reach and developed new listener applications as well as new advertising capabilities. We estimate that more than twelve million people visit Clear Channel Radio Online each month, with more than 750 stations streaming online. We rank among the top streaming networks in the U.S. with regards to Average Active Sessions (AAS), Session Starts (SS) and Average Time Spent Listening (ATSL) according to Ando Media. AAS and SS measure the level of activity while ATSL measures the ability to keep the audience engaged.

Mobile. We have pioneered mobile applications such as the iheartradio smart phone application, which allows listeners to use their smart phones to interact directly with stations, find titles/artists, request songs and download station wallpapers. iheartradio is often in the top ten for free music application downloads on both Blackberry and iPhone.

Sources of Revenue

Our Radio Broadcasting segment generated 49%, 49% and 48% of our revenue in 2010, 2009, and 2008, respectively. The primary source of revenue in our Radio Broadcasting segment is the sale of commercial 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 that extends for less than a one-year period. We also generate additional revenues from network compensation, the Internet, air traffic, events and other miscellaneous transactions. These other sources of revenue supplement our 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 ability to produce 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 one of our units, Katz Media, which specializes in soliciting radio advertising sales on a national level for Clear Channel Radio and other radio companies. National sales representatives such as Katz Media obtain advertising principally from advertising agencies located outside the station's market and receive commissions based on advertising sold (see Media Representation).

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

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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.

Competition

Our stations compete for listeners and advertising revenues directly with other radio stations within their respective markets, as well as with other advertising media, including satellite radio, broadcast and cable television, print media, outdoor advertising, direct mail, the Internet and other forms of advertisement. In addition, the radio broadcasting industry is subject to competition from services that use new media technologies that are being developed or have already been introduced, such as Internet-based media and satellite-based digital radio services. Such services reach national and regional audiences with multi-channel, multi-format, digital radio services.

Radio stations compete for listeners primarily on the basis of program content that appeals to a particular demographic group. By building a strong brand identity with a targeted listener base consisting of specific demographic groups in each of our markets, we are able to attract advertisers seeking to reach those listeners.

Radio Stations

As of December 31, 2010, we owned 260 AM and 632 FM domestic radio stations, of which 149 stations were in the 25 largest U.S. markets. Radio broadcasting is subject to the jurisdiction of the Federal Communications Commission (FCC) under the Communications Act of 1934, as amended (the Communications Act). The FCC grants us licenses in order to operate our radio stations.

The following table sets forth certain selected information with regard to our radio broadcasting stations.

Market	Arbitron Market Rank ⁽¹⁾	Number of Stations
New York, NY	1	5
Los Angeles, CA	2	8
Chicago, IL	3	7
San Francisco, CA	4	7
Dallas-Ft. Worth, TX	5	6
Houston-Galveston, TX	6	6
Atlanta, GA	7	6
Philadelphia, PA	8	6
Washington, DC	9	5
Boston, MA	10	4
Detroit, MI	11	7
Miami-Ft. Lauderdale-Hollywood, FL	12	7
Seattle-Tacoma, WA	13	7
Phoenix, AZ	15	8
Minneapolis-St. Paul, MN	16	7
San Diego, CA	17	7
Nassau-Suffolk (Long Island), NY	18	2
Denver-Boulder, CO	19	8
Tampa-St. Petersburg-Clearwater, FL	20	8
St. Louis, MO	21	6
Baltimore, MD	22	4
Portland, OR	23	7
Charlotte-Gastonia-Rock Hill, NC-SC	24	5

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Market	Arbitron Market Rank⁽¹⁾	Number of Stations
Pittsburgh, PA	25	6
Riverside-San Bernardino, CA	26	6
Sacramento, CA	27	6
Cincinnati, OH	28	6
Cleveland, OH	29	6
Salt Lake City-Ogden-Provo, UT	30	6
San Antonio, TX	31	7
Kansas City, KS	32	0
Las Vegas, NV	33	3
San Jose, CA	34	2
Orlando, FL	35	7
Columbus, OH	36	7
Austin, TX	37	5
Milwaukee-Racine, WI	38	6
Indianapolis, IN	39	3
Providence-Warwick-Pawtucket, RI	41	4
Raleigh-Durham, NC	42	4
Norfolk-Virginia Beach-Newport News, VA	43	4
Nashville, TN	44	5
Greensboro-Winston Salem-High Point, NC	45	5
Jacksonville, FL	46	6
Oklahoma City, OK	47	6
West Palm Beach-Boca Raton, FL	48	6
Memphis, TN	49	7
Hartford-New Britain-Middletown, CT	50	4
Various U.S. Cities	51-100	236
Various U.S. Cities	101-150	95
Various U.S. Cities	151-200	101
Various U.S. Cities	201-300	114
Various U.S. Cities	unranked	76
Total ^{(2) (3)}		892

- (1) Radio markets are ranked according to Arbitron Rankings as of Fall 2010.
- (2) Excluded from the 892 radio stations owned by us are two radio stations programmed pursuant to a local marketing agreement (FCC license not owned by us). Also excluded are radio stations in Australia and New Zealand. We own a 50% equity interest in the Australian Radio Network which has radio broadcasting operations in both of these markets.
- (3) 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 have divested certain stations in the past and will continue to divest these stations as required.

Radio Networks

In addition to radio stations, our Radio Broadcasting segment includes Premiere Radio Networks, a national radio network that produces, distributes or represents more than 90 syndicated radio programs and services for more than 5,800 radio station affiliates. Our broad distribution platform enables us to attract and retain top programming talent. Some of our more popular syndicated programs include Rush Limbaugh, Jim Rome, Steve Harvey, Ryan Seacrest and Delilah. We believe recruiting and retaining top talent is an important component of the success of our radio networks.

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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 a 50% equity interest in the Australian Radio Network, which has broadcasting operations in Australia and New Zealand and which we account for under the equity method of accounting.

Americas Outdoor Advertising

We are the largest outdoor advertising company in the Americas (based on revenue), which includes the United States, Canada and Latin America. Approximately 89% of our 2010 revenue in our Americas Outdoor Advertising segment was derived from the United States. We own or operate approximately 188,000 displays in our Americas segment and have operations in 49 of the 50 largest markets in the United States, including all of the 20 largest markets.

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

Strategy

We seek to capitalize on our Americas outdoor network and diversified product mix to maximize revenue. In addition, by sharing best practices among our business segments, we believe we can quickly and effectively replicate our successes in other markets in which we operate. Our outdoor strategy also focuses on leveraging our diversified product mix and long-standing presence in many of our existing markets, which provides us with the platform to launch new products and test new initiatives in a reliable and cost-effective manner.

Drive Outdoor Media Spending. Given the attractive industry fundamentals of outdoor media and our depth and breadth of relationships with both local and national advertisers, we believe we can drive outdoor advertising's share of total media spending, which represented only 4% of total dollars spent on advertising in the United States in 2010, by utilizing our dedicated national sales team to highlight the value of outdoor advertising relative to other media. We have made and continue to make significant 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. Also, we are working closely with clients, advertising agencies and other diversified media companies to develop more sophisticated systems that will provide improved audience metrics for outdoor advertising. For example, we have implemented the EYES ON audience measurement system which: (1) separately reports audiences for each of the nearly 400,000 units of inventory across the industry in the United States, (2) reports those audiences using the same demographics available and used by other media permitting reach and frequency measures, (3) provides the same audience measures across more than 200 markets, and (4) reports which advertisement is most likely to be seen. We believe that measurement systems such as EYES ON will further enhance the attractiveness of outdoor advertising for both existing clients and new advertisers and further foster outdoor media spending growth.

Continue to Deploy Digital Billboards. Digital outdoor advertising provides significant advantages over traditional outdoor media. Our electronic displays are linked through centralized computer systems to instantaneously and simultaneously change advertising copy on a large number of displays, allowing us to sell more slots to advertisers. The ability to change copy by time of day and quickly change messaging based on advertisers' needs creates additional flexibility for our customers. The advantages of digital allow us to penetrate new accounts and categories of advertisers as well as serve a broader set of needs for existing advertisers. We expect this trend to continue as we increase our quantity of digital inventory. As of March 31, 2011, we had deployed approximately 650 digital displays in 36 markets in the United States.

Table of Contents**Sources of Revenue**

Americas Outdoor Advertising generated 22%, 22% and 21% of our revenue in 2010, 2009 and 2008, 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. 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. Billboards comprise approximately two-thirds of our display revenues. The following table shows the approximate percentage of revenue derived from each category for our Americas Outdoor Advertising inventory:

	Year Ended December 31,		
	2010	2009	2008
Billboards			
Bulletins (1)	54%	52%	51%
Posters	13%	14%	15%
Street furniture displays	6%	5%	5%
Transit displays	15%	17%	17%
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 revenues 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 four weeks to one year.

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Posters. Posters are available in two sizes, 30-sheet and 8-sheet displays. The 30-sheet posters are approximately 11 feet high by 23 feet wide, and the 8-sheet posters are approximately 5 feet high by 11 feet wide. Advertising copy for 30-sheet posters is digitally printed on a single piece of polyethylene material that is then transported and secured to the poster surfaces. Advertising copy for 8-sheet posters is printed using silk screen, lithographic or digital process 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. Premiere displays, which consist of premiere panels and squares, 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, 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, are typically 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 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. Generally, these contracts have terms ranging up to nine years. Our client contracts for transit displays generally have terms ranging from four weeks to one year.

Other Inventory

The balance of our display inventory consists of spectaculars, wallscapes and mall displays. 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, Miracle Mile in Las Vegas and across from the Target Center in Minneapolis. Client contracts for spectaculars typically have terms of one year or longer. 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. 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.

Table of Contents**Competition**

The outdoor advertising industry in the Americas is fragmented, consisting of several larger companies involved in outdoor advertising, such as CBS Broadcasting, Inc. (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, direct mail, the Internet and other forms of advertisement. In addition, the outdoor advertising industry is subject to competition from services that use new media technologies that are being developed or have already been introduced, such as Internet-based media.

Outdoor companies compete primarily based on ability to reach consumers, which is driven by location of the display.

Advertising Inventory and Markets

As of December 31, 2010, we owned or operated approximately 188,000 displays in our Americas Outdoor Advertising segment. Our displays are located on owned land, leased land or land for which we have acquired permanent easements. The majority of the advertising structures on which our displays are mounted require permits. Permits are granted for the right to operate an advertising structure as long the structure is used in compliance with the laws and regulations of the applicable jurisdiction.

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 trademark of Nielsen Media Research, Inc.).

Market	DMA® Market Rank ⁽¹⁾	Number of Displays ⁽²⁾
New York, NY	1	2,607
Los Angeles, CA	2	9,984
Chicago, IL	3	11,709
Philadelphia, PA	4	5,285
Dallas-Ft. Worth, TX	5	17,571
San Francisco, CA	6	10,104
Boston, MA	7	2,924
Atlanta, GA	8	2,527
Washington, DC	9	3,202
Houston-Galveston, TX	10	3,036
Detroit, MI	11	587
Phoenix, AZ	12	9,151
Seattle-Tacoma, WA	13	6,233
Tampa-St. Petersburg-Clearwater, FL	14	2,319
Minneapolis-St. Paul, MN	15	1,893
Miami-Ft. Lauderdale-Hollywood, FL	16	5,313
Denver-Boulder, CO	17	1,156
Cleveland, OH	18	3,329
Orlando, FL	19	3,765
Sacramento, CA	20	2,610
St. Louis, MO	21	323
Portland, OR	22	1,141
Charlotte-Gastonia-Rock Hill, NC-SC	23	12
Pittsburgh, PA	24	93

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Market	DMA® Market Rank ⁽¹⁾	Number of Displays ⁽²⁾
Raleigh-Durham, NC	25	1,814
Baltimore, MD	26	1,909
Indianapolis, IN	27	3,243
San Diego, CA	28	756
Nashville, TN	29	732
Hartford-New Britain-Middletown, CT	30	667
Kansas City, KS	31	1,174
Salt Lake City-Ogden-Provo, UT	32	65
Cincinnati, OH	33	12
Columbus, OH	34	1,818
Milwaukee-Racine, WI	35	6,034
Greenville-Spartanburg, SC	36	91
San Antonio, TX	37	6,991
West Palm Beach-Boca Raton, FL	38	624
Harrisburg-Lebanon-Carlisle, PA	39	176
Grand Rapids, MI	41	290
Las Vegas, NV	42	1,176
Norfolk-Virginia Beach-Newport News, VA	43	379
Austin, TX	44	134
Oklahoma City, OK	45	49
Albuquerque, NM	46	1,180
Greensboro-Winston Salem-High Point, NC	47	751
Memphis, TN	48	1,708
Jacksonville, FL	49	956
Louisville, KY	50	159
Various U.S. Cities	51-100	14,393
Various U.S. Cities	101-150	3,890
Various U.S. Cities	151-200	2,119
Various U.S. Cities	201+	63
Non-U.S. Markets	N/A	27,897
Total		188,124

- (1) Americas Outdoor Advertising markets are ranked by designated market area (DMA®) regional ranking. DMA® is a registered trademark of Nielsen Media Research, Inc.
- (2) Included in transit displays in our Americas Outdoor Advertising markets is our airport advertising business which offers products such as traditional static wall displays, visitor information centers, and other digital products including LCD screens and touch screen kiosks. Our digital products provide multiple display opportunities unlike our traditional static wall displays. Each of the digital display opportunities is counted as a unique display in the table.

International Outdoor Advertising

Our International Outdoor Advertising business segment includes our operations in Asia, Australia and Europe, with approximately 37% of our 2010 revenue in this segment derived from France and the United Kingdom. As of December 31, 2010, we owned or operated approximately 634,000 displays in 29 countries. Our International outdoor assets consist of street furniture and transit displays, billboards, mall displays, Smartbike schemes, wallscapes and other spectaculars, which we own or operate under lease agreements. Our International business is focused on urban markets with dense populations.

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Strategy

Similar to our Americas outdoor advertising, we believe International outdoor advertising has attractive industry fundamentals including a broad audience reach and a highly cost effective media for advertisers as measured by cost per thousand persons reached compared to other traditional media. Our International strategy focuses on our competitive strengths to position the Company through the following strategies:

Promote Overall Outdoor Media Spending. Our strategy is to drive growth in outdoor advertising's share of total media spending and leverage such growth with our international scale and local reach. We are focusing on developing and implementing better and improved outdoor audience delivery measurement systems to provide advertisers with tools to determine how effectively their message is reaching the desired audience.

Capitalize on Product and Geographic Opportunities. We are also focused on growing our business internationally by working closely with our advertising customers and agencies in meeting their needs, and through new product offerings, optimization of our current display portfolio and selective investments targeting promising growth markets. We have continued to innovate and introduce new products in international markets based on local demands. Our core business is our street furniture business and that is where we plan to focus much of our investment. We plan to continue to evaluate municipal contracts that may come up for bid and will make prudent investments where we believe we can receive attractive returns. We will also continue to invest in markets such as China, Turkey and Poland, where we believe there is high growth potential.

Sources of Revenue

Our International Outdoor Advertising segment generated 25%, 26% and 27% of our revenue in 2010, 2009 and 2008, respectively. International outdoor 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,		
	2010	2009	2008
Billboards (1)	30%	32%	35%
Street furniture displays	42%	40%	38%
Transit displays	8%	8%	9%
Other (2)	20%	20%	18%
Total	100%	100%	100%

(1) Includes revenue from spectaculars and neon displays.

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

Our International Outdoor Advertising segment generates revenues worldwide from local, regional and national sales. Similar to the Americas, advertising rates generally are based on the gross ratings 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.

Table of Contents***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 8-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 Group SAS, our International neon subsidiary, is a global provider of neon signs with approximately 318 displays in more than 16 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, various types of kiosks, benches and other public structures. 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 bus shelters with or without advertising panels, information kiosks and public wastebaskets, 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. Client contracts are also available with 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 our 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 periods up to six months. 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, additional street furniture displays, or fees from the local municipalities. 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.

Competition

The international outdoor advertising industry is fragmented, consisting of several larger companies involved in outdoor advertising, such as JC Decaux and CBS, as well as numerous smaller and local companies

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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, direct mail, the Internet and other forms of advertisement. In addition, the international outdoor advertising industry is subject to competition from services that use new media technologies that are being developed or have already been introduced, such as Internet-based media.

Outdoor companies compete primarily based on ability to reach consumers, which is driven by location of the display.

Advertising Inventory and Markets

As of December 31, 2010, we owned or operated approximately 634,000 displays in our International segment. The following table sets forth certain selected information with regard to our International advertising inventory, which are listed in descending order according to 2010 revenue contribution. In 2010, approximately 37% of our revenue from our International Outdoor Advertising segment derived from France and the United Kingdom.

International Markets	Total Displays	International Markets	Total Displays
France	121,902	Holland	6,508
United Kingdom	56,512	Finland	14,947
China	70,869	Poland	7,262
Italy	52,422	Baltic States/Russia	14,489
Australia/New Zealand	19,603	Singapore	3,801
Spain	33,422	Romania	154
Sweden	106,888	Hungary	30
Switzerland	17,691	Germany	37
Belgium	24,070	Austria	12
Denmark	34,054	Portugal	12
Norway	23,849	Czech Republic	6
Turkey	15,350	United Arab Emirates	1
Ireland	9,874	Total International Displays	633,765
<i>Other</i>			

The other category includes our media representation firm as well as 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, 2010, Katz Media represents approximately 3,900 radio stations, approximately one-fifth of which are owned by us, as well as approximately 900 digital properties. Katz Media also represents approximately 600 television and digital multicast stations.

Katz Media generates revenue primarily through contractual commissions realized from the sale of national spot and online advertising. 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.

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Employees

As of January 21, 2011, we had approximately 15,036 domestic employees and 5,247 international employees, of which approximately 19,215 were in operations and approximately 1,068 were in corporate related activities. Approximately 398 of our employees in the United States and approximately 342 of our employees outside the United States 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.

Federal Regulation of Radio Broadcasting

General

Radio broadcasting is subject to the jurisdiction of the FCC under the Communications Act. The Communications Act permits the operation of a radio broadcast station only under a license issued by the FCC upon a finding that grant of the license would serve the public interest, convenience and necessity. Among other things, the Communications Act empowers the FCC to: issue, renew, revoke and modify broadcasting licenses; assign frequency bands for broadcasting; determine stations' frequencies, locations, power and other technical parameters; impose penalties for violation of its regulations, including monetary forfeitures and, in extreme cases, license revocation; impose annual regulatory and application processing fees; and adopt and implement regulations and policies affecting the ownership, program content, employment practices and many other aspects of the operation of broadcast stations.

License Assignments

The Communications Act prohibits the assignment of a license or the transfer of control of an FCC licensee without prior FCC approval. Applications for assignments or transfers that involve a substantial change in ownership or control are subject to a 30-day period for public comment, during which petitions to deny the application may be filed.

License Renewal

The FCC grants broadcast licenses for a term of up to eight years. The FCC will renew a license for an additional eight year term if, after consideration of the renewal application and any objections thereto, it finds that the station has served the public interest, convenience and necessity and that, with respect to the station seeking renewal, there have been no serious violations of either the Communications Act or the FCC's rules and regulations by the licensee and no other such violations which, taken together, constitute a pattern of abuse. The FCC may grant the license renewal application with or without conditions, including renewal for a term less than eight years. The vast majority of radio licenses are renewed by the FCC. While we cannot guarantee the grant of any future renewal application, all of our stations' licenses have historically been renewed.

Ownership Regulation

The Communications Act and FCC rules define the positions and interests of individuals and entities, known as attributable interests, that implicate FCC rules governing ownership of broadcast stations and other specified mass media entities. Under these rules, attributable interests generally include: officers and directors of a licensee or of its direct or indirect parent; general partners; limited partners and limited liability company members, unless properly insulated from management activities; a 5% or more direct or indirect voting stock interest in a corporate licensee or parent, except that, for a narrowly defined class of passive investors, the attribution threshold is a 20% or more voting stock interest; and combined equity and debt interests in excess of 33% of a licensee's total asset value, if the interest holder provides over 15% of the licensee station's total weekly programming, or has an attributable broadcast or newspaper interest in the same market (the

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EDP Rule). An entity that owns one or more radio stations in a market and programs more than 15% of the broadcast time, or sells more than 15% per week of the advertising time, on a radio station in the same market is generally deemed to have an attributable interest in that station.

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 generally are not subject to attribution unless such interests implicate the EDP Rule. 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 or daily newspaper that is inconsistent with the FCC's ownership rules.

The FCC is required to conduct periodic reviews of its media ownership rules. In 2003, the FCC, among other actions, modified the radio ownership rules and adopted new cross-media ownership limits. The U.S. Court of Appeals for the Third Circuit initially stayed implementation of the new rules. Later, it lifted the stay as to the radio ownership rules, allowing the modified rules to go into effect. It retained the stay on the cross-media rules and remanded them to the FCC for further justification (leaving in effect separate pre-existing FCC rules governing newspaper/broadcast and radio/television cross-ownership). In December 2007, the FCC adopted a decision that revised the newspaper-broadcast cross-ownership rule but made no changes to the radio ownership or radio-television cross-ownership rules. This decision, including the determination not to relax the radio ownership limits, is the subject of a request for reconsideration and various court appeals, including by us. The FCC began its next periodic review in 2010; the proceeding is currently pending. We cannot predict the outcome of the FCC's media ownership proceedings or their effects on our business in the future.

Irrespective of the FCC's radio ownership rules, the Antitrust Division of the DOJ and the FTC have the authority to determine that a particular transaction presents antitrust concerns. In particular, 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 DOJ has, in some cases, obtained consent decrees requiring radio station divestitures.

The current FCC ownership rules relevant to our business are summarized below.

Local Radio Ownership Rule. The maximum allowable number of radio stations that may be commonly owned in a market is based on the size of the market. In the largest radio markets, defined as those with 45 or more stations, one entity may have an attributable interest in up to eight stations, not more than five of which are in the same service (AM or FM). At the other end of the scale, in radio markets with 14 or fewer stations, one entity may have an attributable interest in up to five stations, of which no more than three are in the same service, so long as the entity does not have an interest in more than 50% of all stations in the market. To apply these ownership tiers, the FCC relies on Arbitron Metro Survey Areas, where they exist, and a signal contour-overlap methodology where they do not exist. An FCC rulemaking is pending to determine how to define radio markets for stations located outside Arbitron Metro Survey Areas.

Newspaper-Broadcast Cross-Ownership Rule. 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. In 2007, the FCC adopted a revised rule that would allow same-market newspaper/broadcast cross-ownership in certain limited circumstances. This rule is subject to a petition for reconsideration at the FCC and a pending judicial appeal.

Radio-Television Cross-Ownership Rule. 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, depending on the number of independent media voices in the market and on whether the television and radio components of the combination comply with the television and radio ownership limits, respectively.

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Alien Ownership Restrictions

The Communications Act restricts foreign entities or individuals from owning or voting more than 20% of the equity of a broadcast licensee directly and more than 25% indirectly (i.e. through a parent company). Since we serve as a holding company for FCC licensee subsidiaries, we are effectively restricted from having more than one-fourth of our stock owned or voted directly or indirectly by foreign entities or individuals.

Indecency Regulation

Federal law regulates the broadcast of obscene, indecent or profane material. Legislation enacted by Congress provides the FCC with authority to impose fines of up to \$325,000 per utterance with a cap of \$3.0 million for any violation arising from a single act. Several judicial appeals of FCC indecency enforcement actions are currently pending. In July 2010, the Second Circuit Court of Appeals issued a ruling in one of those appeals, in which it held the FCC's indecency standards to be unconstitutionally vague under the First Amendment, and in November 2010 denied a petition for rehearing of that decision. In January 2011, the Second Circuit vacated the agency decision at issue in another appeal, relying on its July 2010 and November 2010 decisions. The FCC has sought Supreme Court review of the November 2010 and January 2011 decisions. The outcome of these appeals, and of other pending indecency cases, will affect future FCC policies in this area. We have received, and may receive in the future, letters of inquiry and other notifications from the FCC concerning pending complaints that programming aired on our stations contains indecent or profane language. FCC action on these complaints will be directly impacted by the outcome of the pending indecency court appeals and subsequent FCC action in response thereto.

Equal Employment Opportunity

The FCC's rules require broadcasters to engage in broad recruitment efforts, 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. Broadcasters are subject to random audits regarding Equal Employment Opportunity rule compliance and could be sanctioned for noncompliance.

Digital Radio

The FCC has established rules for the provision of digital radio broadcasting and has allowed radio broadcasters to convert to a hybrid mode of digital/analog operation on their existing frequencies. Recently, the FCC approved an increase in the maximum allowable power for digital FM operations, which will improve the geographic coverage of digital FM signals. It is still considering whether to place limitations on subscription services offered by digital radio broadcasters or whether to apply new public interest requirements to this service. We have commenced digital broadcasts on more than 500 of our stations and cannot predict the impact of this service on our business.

Technical Rules

Numerous FCC rules govern the technical operating parameters of radio stations, including permissible operating frequency, power and antenna height and interference protections between stations. Changes to these rules could negatively affect the operation of our stations. For example, Congress has recently passed legislation that eliminates certain minimum distance separation requirements between full-power and low-power FM radio stations, and the FCC has recently adopted policies which, in certain circumstances, could make it more difficult for radio stations to relocate to increase their population coverage.

Other

Congress, the FCC and other government agencies may in the future adopt new laws, regulations and policies that could affect, directly or indirectly, the operation, profitability and ownership of our broadcast

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stations. In addition to the regulations noted above, such matters include, for example: proposals to impose spectrum use or other fees on FCC licensees; legislation that would provide for the payment of sound recording royalties to artists and musicians whose music is played on our stations; changes to the political broadcasting rules, including the adoption of proposals to provide free air time to candidates; restrictions on the advertising of certain products, such as beer and wine; frequency allocation, spectrum reallocations and changes in technical rules; and the adoption of significant new programming and operational requirements designed to increase local community-responsive programming and enhance public interest reporting requirements.

The foregoing is a brief summary of certain statutes and FCC regulations, policies and proposals thereunder. This does not comprehensively cover all current and proposed statutes, rules and policies affecting our business. Reference should be made to the Communications Act and other relevant statutes and the FCC's rules and proceedings for further information concerning the nature and extent of Federal regulation of broadcast stations. Finally, several 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.

Regulation of our Americas 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 Federal-Aid Primary, Interstate and National Highway Systems roads within the United States (controlled roads). 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 that regulate, among other things, construction, repair, maintenance, lighting, height, size, spacing and the placement and permitting of outdoor advertising structures. We are not aware of any state that 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. Local 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. Some local governments have initiated code enforcement and permit reviews of billboards within their jurisdiction challenging billboards located within their jurisdiction, and in some instances we have had to remove billboards as a result of such reviews.

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,

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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 (currently known as SAFETEA-LU), 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 regulations have a significant impact on the outdoor advertising industry and our business. International regulation of the outdoor advertising industry can vary by municipality, 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.

Legal Proceedings

We currently are involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued an 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. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on our financial condition or results of operations.

We and a subsidiary of ours are co-defendants with Live Nation (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 beginning in May 2006. 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 Central District of California. On

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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. In September 2009, the Court stayed the case pending the issuance of a decision by an en banc panel of the United States Court of Appeals for the Ninth Circuit in *Dukes v. Wal-Mart*, 509 F.3d 1168, which was expected to clarify the standard for class certification. On April 26, 2010, the Ninth Circuit issued its opinion in *Dukes*, and on October 13, 2010 the district court granted plaintiffs request to lift the stay and denied defendants motion to reconsider the decision to grant class certification. On January 4, 2011, the court denied our request for leave to appeal its refusal to reconsider class certification.

In the Master Separation and Distribution Agreement between us and Live Nation that was entered into in connection with the spin-off of Live Nation in December 2005, Live Nation 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. Pursuant to the Agreement, Live Nation also agreed to indemnify us with respect to all liabilities assumed by Live Nation, including those pertaining to the claims discussed above.

On or about July 12, 2006 and April 12, 2007, two of our operating businesses (L&C Outdoor Ltda. (L&C) and Publicidad Klimes Sao Paulo Ltda. (Klimes), respectively) in the Sao Paulo, Brazil market received notices of infraction from the state taxing authority, seeking to impose a value added tax (VAT) on such businesses, retroactively for the period from December 31, 2001 through January 31, 2006. The taxing authority contends that these businesses fall within the definition of communication services and as such are subject to the VAT.

L&C and Klimes have filed separate petitions to challenge the imposition of this tax. L&C s challenge was unsuccessful at the first administrative level, but successful at the second administrative level. The state taxing authority filed an appeal to the third and final administrative level, which required consideration by a full panel of 16 administrative law judges. On September 27, 2010, L&C received an unfavorable ruling at this final administrative level concluding that the VAT applied. L&C intends to appeal this ruling to the judicial level. L&C has filed a petition to have the case remanded to the second administrative level for consideration of the reasonableness of the amount of the penalty assessed against it. The amounts allegedly owed by L&C are approximately \$9.6 million in taxes, approximately \$19.2 million in penalties and approximately \$29.4 million in interest (as of March 31, 2011 at an exchange rate of 0.60). Based on our review of the law in and the outcome of similar cases in other Brazilian states, we have not accrued any costs related to these claims and believe the occurrence of loss is not probable.

Klimes s challenge was unsuccessful at the first administrative level, and denied at the second administrative level on or about September 24, 2009. On January 5, 2011, the administrative law judges at the third administrative level published a ruling that the VAT applies but reduced the penalty assessed by the taxing authority. With the penalty reduction, the amounts allegedly owed by Klimes are approximately \$10.9 million in taxes, approximately \$5.4 million in penalties and approximately \$18.2 million in interest (as of March 31, 2011 at an exchange rate of 0.60). In late February 2011, Klimes filed a writ of mandamus in the 13th lower public treasury court in São Paulo, State of São Paulo, appealing the administrative court s decision that the VAT applies. On that same day, Klimes filed a motion for an injunction barring the taxing authority from collecting the tax, penalty and interest while the appeal is pending. The court denied the motion in early April 2011. Klimes filed a motion for reconsideration with the court and also appealed that ruling to the São Paulo State Higher Court, which affirmed in late April 2011. On June 20, 2011, the 13th lower public treasury court in São Paulo reconsidered its prior ruling and granted Klimes an injunction suspending any collection effort by the taxing authority until a decision on the merits is obtained at the first judicial level. Based on our review of the law in and the outcome of similar cases in other Brazilian states, we have not accrued any costs related to these claims and believe the occurrence of loss is not probable.

Table of Contents**MANAGEMENT**

Clear Channel is a wholly-owned indirect subsidiary of CCMH. The following table sets forth information regarding the directors and executive officers of CCMH and Clear Channel, as of April 1, 2011.

Name	Age	Position
Directors:		
David C. Abrams	50	Director
Irving L. Azoff	63	Director
Steven W. Barnes	50	Director
Richard J. Bressler	53	Director
Charles A. Brizius	42	Director
John P. Connaughton	45	Director
Blair E. Hendrix	46	Director
Jonathon S. Jacobson	49	Director
Ian K. Loring	47	Director
Mark P. Mays	47	Chairman and Director
Randall T. Mays	45	Director and Vice Chairman
Scott M. Sperling	53	Director
Executive Officers:		
Thomas W. Casey	48	Office of the Chief Executive Officer, and Executive Vice President and Chief Financial Officer
Ronald H. Cooper	54	Chief Executive Officer Clear Channel Outdoor Americas
C. William Eccleshare	55	Chief Executive Officer Clear Channel Outdoor International
Scott D. Hamilton	41	Senior Vice President, Chief Accounting Officer and Assistant Secretary
John E. Hogan	54	President and Chief Executive Officer Clear Channel Radio
Robert H. Walls, Jr.	50	Office of the Chief Executive Officer, and Executive Vice President, General Counsel and Secretary

Directors

David C. Abrams is the managing partner of Abrams Capital, a Boston-based investment firm he founded in 1999. Abrams Capital manages in excess of \$3.8 billion in assets across a wide spectrum of investments. Mr. Abrams serves on the board of directors of Crown Castle International, Inc. and several private companies and also serves as a member of the Berklee College of Music Board of Trustees and as a Trustee of the Milton Academy. Mr. Abrams previously served on the board of directors USA Mobility, Inc. He received a B.A. from the University of Pennsylvania. Mr. Abrams has been one of CCMH's directors since July 30, 2008. Mr. Abrams also serves as a director of Clear Channel. Mr. Abrams was selected to serve as a director because of his experience in acquisitions and financings gained through his work at Abrams Capital and his strategic experience gained through serving on the boards of directors of public and private companies.

Irving L. Azoff has been a member of the Board of Directors of both CCMH and Clear Channel since September 27, 2010. He has served as Executive Chairman and a member of the board of directors of Live Nation Entertainment, Inc. (Live Nation) since January 2010 and has served as Chairman and CEO of Front Line Management Group Inc. (Front Line) since January 2005. Before joining Live Nation in 2010, Mr. Azoff was CEO of Ticketmaster Entertainment, Inc. since October 2008. In addition to his day to day responsibilities at Live Nation, Mr. Azoff is the personal manager of the Eagles, who he has managed since 1974, Christina Aguilera, Neil Diamond, Van Halen and Steely Dan. Mr. Azoff was selected to serve as a director because of his extensive experience in the entertainment industry.

Steven W. Barnes has been associated with Bain Capital since 1988 and has been a Managing Director since 2000. In addition to working for Bain Capital, he also held senior operating roles of several Bain Capital portfolio companies including Chief Executive Officer of Dade Behring, Inc., President of Executone Business

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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 LLP. Mr. Barnes presently serves on the boards of directors of public and private companies, including CRC Health Corporation and Ideal Standard. Mr. Barnes previously served as a member of the board of directors of Accellent Inc. He is also active in numerous community activities, including being chairman of the board of directors of Make-A-Wish Foundation of Massachusetts and a member of the Trust Board of Children's Hospital in Boston and a Trustee of Syracuse University. He received a B.S. from Syracuse University and is a Certified Public Accountant. Mr. Barnes has been one of CCMH's directors since May 2007. Mr. Barnes also serves as a director of Clear Channel. Mr. Barnes was selected to serve as a director because of his operational experience gained from his work as an executive of several large organizations and his experience in acquisitions and financing gained from his work at Bain Capital and PricewaterhouseCoopers LLP.

Richard J. Bressler is a Managing Director at THL. Prior to joining THL, Mr. Bressler was the Senior Executive Vice President and Chief Financial Officer of Viacom Inc. (Viacom) from May 2001 through 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. (Time Warner), 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 from March 1995 to June 1999. Prior to joining Time Inc. in 1988, Mr. Bressler was a partner with the accounting firm of Ernst & Young LLP since 1979. Mr. Bressler currently is a director of Clear Channel, Warner Music Group Corp., Gartner, Inc. and The Nielsen Company. In addition, Mr. Bressler is a board observer at Univision Communications, Inc., and a member of the J.P. Morgan Chase National Advisory Board. Mr. Bressler previously served as a member of the board of directors of American Media Operations, Inc. Mr. Bressler holds a B.B.A. from Adelphi University. Mr. Bressler has been one of CCMH's directors since May 2007 and also serves as a director of Clear Channel. Mr. Bressler was selected to serve as a director for his experience in and knowledge of the industry gained through his various positions with Viacom and Time Warner as well as his knowledge of finance and accounting gained from his experience at THL and Ernst & Young LLP.

Charles A. Brizius is a Managing Director of THL. Prior to joining THL, Mr. Brizius worked in the Corporate Finance Department at Morgan Stanley & Co. Incorporated (Morgan Stanley). 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 also currently is a director of Ariel Holdings Ltd. and Clear Channel. His prior directorships include Houghton Mifflin Company, Spectrum Brands, Inc. 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 Business School. 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. Mr. Brizius has been one of CCMH's directors since May 2007. Mr. Brizius was selected to serve as a director because of his knowledge of finance and his experience in strategic acquisitions gained through his positions with THL, Morgan Stanley and The Capital Group Companies, as well as his strategic experience gained from service on a variety of boards of directors.

John P. Connaughton has been a Managing Director of Bain Capital 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, Mr. Connaughton was a consultant at Bain & Company, Inc., where he advised Fortune 500 companies. Mr. Connaughton currently also serves as a director of Clear Channel, Warner Music Group Corp., SunGard Data Systems, Inc., Hospital Corporation of America (HCA), Quintiles Transnational Corp., Warner Chilcott plc, Air Medical Holdings, Inc. and CRC Health Corporation. Mr. Connaughton previously served as a member of the boards of directors of AMC Entertainment Inc., Stericycle Inc. and CMP Susquehanna Holdings Corp. 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 Business School. Mr. Connaughton has

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been one of CCMH's directors since May 2007. Mr. Connaughton was selected to serve as a director because of his knowledge of and experience in the industry gained from his various positions with Bain Capital and his service on various boards of directors.

Blair E. Hendrix is a Managing Director of Bain Capital and one of the leaders of the firm's operationally focused Portfolio Group. Mr. Hendrix joined Bain Capital in 2000. Prior to joining Bain Capital, Mr. Hendrix was Executive Vice President and Chief Operating Officer of DigiTrace Care Services, Inc. (now SleepMed), a national healthcare services company he co-founded. Earlier in his career, Mr. Hendrix was employed by Corporate Decisions, Inc. (now Oliver Wyman), a management consulting firm. Mr. Hendrix also serves as a director of Clear Channel, CCOH and Keystone Automotive Operations, Inc., and has previously served as a director of Innophos Holdings, Inc. and SMTC Corporation. Mr. Hendrix received a B.A. from Brown University, awarded with honors. Mr. Hendrix has been a member of the CCMH board of directors since August 2008. Mr. Hendrix was selected to serve as a director because of his operational knowledge gained through his experience with Bain Capital and in management consulting.

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 Capital Markets. 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 the Department of the Treasury on issues of significance to the investment industry. He is the Vice Chairman of the Board of Trustees 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 past member of the Board of Dean's Advisors at the Harvard Business School. Mr. Jacobson has been one of CCMH's directors since July 30, 2008 and also serves as a director of Clear Channel. Mr. Jacobson was selected to serve as a director because of his knowledge of finance and capital markets gained through his investment experience at Highfields and other investment funds as well as his work with the Federal Reserve and the Department of Treasury.

Ian K. Loring is a Managing Director at Bain Capital. 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., ProSeibenSat.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 Clear Channel, NXP Semiconductors N.V. and Warner Music Group Corp. Mr. Loring previously served as a member of the board of directors of SMTC Corporation. 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, 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 the Harvard Business School and a B.A. from Trinity College. Mr. Loring has been one of CCMH's directors since May 2007. Mr. Loring was selected as a director because of his knowledge of the industry gained through his experience at Bain Capital.

Mark P. Mays currently serves as the Chairman and a director of CCMH, Clear Channel and CCOH. He was appointed as CCMH's Chairman and Chief Executive Officer and a director in July 2008 and as CCMH's President in January 2010. He retired as CCMH's and Clear Channel's President and Chief Executive Officer and as CCOH's Chief Executive Officer on March 31, 2011, but continues to serve as an employee of CCMH and Clear Channel and as Chairman and a director of CCMH, Clear Channel and CCOH. CCMH has been actively searching for a replacement but, to date, has not identified a permanent successor. Mr. Mark P. Mays also served

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as President and Chief Operating Officer of Clear Channel, from February 1997 until his appointment as its President and Chief Executive Officer in October 2004. He relinquished his duties as President of Clear Channel in February 2006 until he was reappointed as President in January 2010. Mr. Mark P. Mays has been one of Clear Channel's directors since May 1998 and its Chairman since July 2008. Mr. Mark P. Mays is the son of L. Lowry Mays, CCMH's Chairman Emeritus, and the brother of Randall T. Mays, former President and Chief Financial Officer and current Vice Chairman and a director of CCMH and Clear Channel. Mr. Mark P. Mays was selected to serve as a director because of his service as Chief Executive Officer as well as his experience in the industry.

Randall T. Mays was appointed CCMH's Vice Chairman in January 2010 and has served as a member of the board of directors of CCMH since July 2008. Mr. Randall T. Mays previously served as President and Chief Financial Officer of CCMH since July 2008. Mr. 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 and as Chief Financial Officer in January 2010. Mr. Randall T. Mays was appointed Clear Channel's President in February 2006 and relinquished his duties as President upon transitioning to the role of Vice Chairman in January 2010. Mr. Randall T. Mays has been one of Clear Channel's directors since April 1999. Additionally, he served as a director for CCMH's publicly traded subsidiary, CCOH, until May 2011 and continues to serve as a director of Live Nation. Mr. Randall T. Mays is the son of L. Lowry Mays, CCMH's Chairman Emeritus, and the brother of Mark P. Mays, CCMH's Chairman and former President and Chief Executive Officer. Mr. Randall T. Mays was selected to serve as a director because of his operational knowledge of our Company as well as his experience in the industry.

Scott M. Sperling is Co-President of THL. Mr. Sperling's current directorships include Thermo Fisher Scientific Inc., Warner Music Group Corp. and Clear Channel, and his prior directorships include Fisher Scientific International Inc., Houghton Mifflin Company, Vertis, Inc. and several private companies. Prior to joining THL 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 also is a director of several charitable organizations including the Brigham & Women's / Faulkner Hospital Group, Chairman of The Citi Center for Performing Arts, The Harvard Business School's Board of Dean's Advisors and The Harvard Business School's Rock Center for Entrepreneurship. Mr. Sperling received an M.B.A. from the Harvard Business School and a B.S. from Purdue University. Mr. Sperling has been one of CCMH's directors since May 2007. Mr. Sperling was selected as a director because of his operational and strategic knowledge gained through his experience at THL and various directorships.

Executive Officers

Thomas W. Casey was appointed Executive Vice President and Chief Financial Officer of CCMH, Clear Channel and CCOH, effective as of January 4, 2010. On March 31, 2011, Mr. Casey was appointed to serve in the newly-created Office of the Chief Executive Officer of CCMH, Clear Channel and CCOH, in addition to his existing offices. Prior to January 4, 2010, Mr. Casey served as Executive Vice President and Chief Financial Officer of Washington Mutual, Inc. from November 2002 until October 2008. Washington Mutual, Inc. filed for protection under Chapter 11 of the United States Bankruptcy Code in September 2008. Prior to November 2002, Mr. Casey served as Vice President of General Electric Company and Senior Vice President and Chief Financial Officer of GE Financial Assurance since 1999.

Ronald H. Cooper has been an executive officer of ours serving as our Chief Executive Officer - Clear Channel Outdoor - Americas since February 17, 2011. He has served in the same capacity as an executive officer of Clear Channel Outdoor Holdings, Inc. since December 10, 2009. Previously, Mr. Cooper was the President and Chief Operating Officer of Adelphia Communications Corporation from 2003 until 2006. Prior thereto he served as the Chief Operating Officer of AT&T Broadband from 2001 to 2002 and as President and Chief Operating Officer of RELERA Data Centers & Solutions from 2000 to 2001.

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C. William Eccleshare has been an executive officer of ours serving as our Chief Executive Officer Clear Channel Outdoor International since February 17, 2011. He has served in the same capacity as an executive officer of Clear Channel Outdoor Holdings, Inc. since September 1, 2009. Previously, he was Chairman and CEO of BBDO Europe from 2005 to 2009. Prior thereto, he was Chairman and CEO of Young & Rubicam EMEA since 2002.

Scott D. Hamilton was appointed Senior Vice President, Chief Accounting Officer and Assistant Secretary of CCMH, Clear Channel and CCOH on April 26, 2010. Previously, Mr. Hamilton served as Controller and Chief Accounting Officer of Avaya Inc. (Avaya), a multinational telecommunications company, from October 2008 to April 2010. Prior thereto, Mr. Hamilton served in various accounting and finance positions at Avaya, beginning in October 2004. Prior thereto, Mr. Hamilton was employed by PricewaterhouseCoopers from September 1992 until September 2004.

John E. Hogan was appointed CCMH s President and Chief Executive Officer Clear Channel Radio on July 30, 2008, and prior thereto he served as the Senior Vice President and President and CEO of Radio for Clear Channel since August 2002.

Robert H. Walls, Jr. was appointed Executive Vice President, General Counsel and Secretary of CCMH, Clear Channel and CCOH on January 1, 2010. On March 31, 2011, Mr. Walls was appointed to serve in the newly-created Office of the Chief Executive Officer of CCMH, Clear Channel and CCOH, in addition to his existing offices. Mr. Walls was a founding partner of Post Oak Energy Capital, LP and served as Managing Director through December 31, 2009, and remains an advisor to and partner of Post Oak Energy Capital, LP. Prior thereto, Mr. Walls was Executive Vice President and General Counsel of Enron Corp., and a member of its Chief Executive Office since 2002. Prior thereto, he was Executive Vice President and General Counsel of Enron Global Assets and Services, Inc. and Deputy General Counsel of Enron Corp. Enron Corp. filed for protection under Chapter 11 of the United States Bankruptcy Code in December 2001.

Board of Directors

Clear Channel Capital and Clear Channel are wholly-owned indirect subsidiaries of CCMH. CCMH s board of directors, which consists of 12 members, is responsible for overseeing the direction of CCMH and for establishing broad corporate policies. However, in accordance with corporate legal principles, it is not involved in day-to-day operating details. Members of the board of directors of CCMH are kept informed of CCMH s business through discussions with the Office of the Chief Executive Officer, the Chief Financial Officer and other executive officers, by reviewing analyses and reports sent to them, by receiving updates from Board committees and by otherwise participating in Board and committee meetings.

Composition of the Board of Directors

Holders of CCMH s Class A common stock, voting as a separate class, are entitled to elect two members of the Board. However, since several entities controlled by Bain Capital and THL and their affiliates hold a majority of the outstanding capital stock and voting power of CCMH, the holders of CCMH s Class A common stock do not have the voting power to elect the remaining 10 members of the board. Pursuant to an amended and restated voting agreement (the Voting Agreement) entered into among B Triple Crown Finco, LLC, T Triple Crown Finco, LLC, BT Triple Crown Merger Co., Inc. (Merger Sub), CCMH, Highfields Capital I LP, Highfields Capital II LP, Highfields Capital III L.P. (collectively, with Highfields Capital I LP and Highfields Capital II LP, the Highfields Funds), and Highfields Capital Management LP on May 13, 2008, one of the members of the board who was to be elected by holders of CCMH s Class A common stock was selected by Highfields Capital Management LP, which member was named to the Nominating and Corporate Governance Committee of CCMH s Board and who the parties to the Voting Agreement agreed would be Jonathon S. Jacobson, and the other director was selected by the Nominating and Corporate Governance Committee after consultation with Highfields Capital Management LP, who the parties to the Voting Agreement agreed would be

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David C. Abrams. Until the date that the Highfields Funds own less than five percent of the Class A common stock of CCMH, CCMH will nominate two candidates for election by the holders of Class A common stock, of which one candidate (who initially was Mr. Jacobson) will be selected by Highfields Capital Management LP, and one candidate (who initially was Mr. Abrams) will be selected by the Nominating and Corporate Governance Committee after consultation with Highfields Capital Management LP. CCMH also has agreed that until the termination of the Voting Agreement and subject to the fiduciary duties of its Board, CCMH will cause at least one of the independent directors to be appointed to each of the primary standing committees of the board and if such independent director shall cease to serve as a director of CCMH or otherwise is unable to fulfill his or her duties on any such committee, CCMH shall cause the director to be succeeded by another independent director.

Pursuant to a stockholders agreement by and among CCMH, BT Triple Crown Merger Co., Inc., Clear Channel Capital IV, LLC, Clear Channel Capital V, L.P., L. Lowry Mays, Mark P. Mays, Randall T. Mays and the other Stockholders (as defined therein), dated as of July 29, 2008, CCMH is required to cause the composition of the board of directors of Clear Channel at all times to be the same as the composition of the board of directors of CCMH.

Board Committees

The three primary standing committees of the board of directors of CCMH are the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each committee has a written charter, which guides its operations. The written charters are available on CCMH's Internet website at www.ccmediaholdings.com.

The board of directors of CCMH also has an Operating Committee. The purpose of the Operating Committee is to actively engage with management on strategy and execution of corporate and financial plans and goals, as well as such other responsibilities and duties as may be established by the board from time to time.

Independence of Directors

The board of directors of CCMH has adopted the listing standards of the NASDAQ Stock Market LLC (NASDAQ) for determining the independence of its members. To be considered independent under NASDAQ rules, a director may not be employed by CCMH or engage in certain types of business dealings with CCMH. As required, the board has made a determination as to each independent director that no relationship exists which, in the opinion of the board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The board of directors of CCMH has affirmatively determined that David C. Abrams and Jonathon S. Jacobson are independent directors under the listing standards of NASDAQ. In making these determinations, the board reviewed and discussed information provided by the directors and by CCMH with regard to the directors' business and personal activities as they relate to CCMH and its affiliates. In the ordinary course of business during 2010, CCMH entered into purchase and sale transactions for products and services with certain entities affiliated with members of the board, as described below, and these transactions were considered by the board in making their independence determinations with respect to Messrs. Abrams and Jacobson:

Funds managed by Mr. Abrams owned approximately 13.2% of Arbitron Inc. as of the date of the determination by the board. During 2010, CCMH or its affiliates entered into a new contract with Arbitron Inc., pursuant to which CCMH and its affiliates paid approximately \$80.5 million for radio ratings information, software and market research. Mr. Abrams did not participate in the board's consideration of the contract. CCMH and its affiliates also received approximately \$182,000 from Arbitron Inc. during 2010. During 2010, CCMH and its affiliates also conducted a small amount of business (less than \$100,000) with other entities for which Mr. Abrams serves as a director.

Non-profit organizations for which Mr. Jacobson or an immediate family member serves as a director or trustee paid CCMH and its affiliates approximately \$132,000 for advertising during 2010.

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These payments are for ordinary course of business transactions and CCMH generally expects transactions of a similar nature to occur during 2011. In each case, the board concluded that the transaction or relationship did not impair the independence of the director.

Compensation Committee Interlocks and Insider Participation

There were no interlocks among any of the directors who served as members of our Compensation Committee and any of our executive officers during 2010 and as of the date of this prospectus. During 2010, no member of the Compensation Committee served as an executive officer of CCMH, and no member of the Compensation Committee had any relationship with CCMH requiring disclosure under the SEC's rules governing disclosure of transactions with related persons, other than, in the case of Messrs. Richard J. Bressler, Charles A. Brizius, John P. Connaughton and Blair E. Hendrix, the relationships with the Sponsors as disclosed under Certain Relationships and Related Party Transactions.

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COMPENSATION DISCUSSION AND ANALYSIS

The following compensation discussion and analysis contains statements regarding company and individual performance measures and other goals. These goals are disclosed in the limited context of CCMH's executive compensation program and should not be understood to be statements of management's expectations or estimates of results or other guidance. Further, the company performance measures used for purposes of executive compensation, as described more fully below, differ from segment results reported in our financial statements. Segment results are used to measure the overall financial performance of CCMH's segments, while the performance measures used for compensation purposes are used in connection with assessing the performance of executives. CCMH specifically cautions investors not to apply the following discussion to other contexts.

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 CCMH (the Merger Agreement). On July 30, 2008, upon the satisfaction of the conditions set forth in the Merger Agreement, CCMH acquired Clear Channel (the Merger). As a result of the Merger, Clear Channel became a wholly-owned subsidiary of CCMH, held indirectly through intermediate holding companies. Upon the consummation of the Merger, Clear Channel ceased to be a public company.

In the Merger, Clear Channel's shareholders had the option to elect to receive cash in the amount of \$36.00 for each pre-merger share of Clear Channel's outstanding common stock they owned or to exchange their pre-merger shares of Clear Channel on a one-for-one basis for shares of common stock in CCMH. Immediately following the Merger, former Clear Channel stockholders held approximately 25% (whether measured by voting power or economic interest) of the equity of CCMH.

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 CCMH. Immediately following the Merger, those shares represented, in the aggregate, approximately 72% (whether measured by voting power or economic interest) of the equity of CCMH. In connection with the Merger, certain members of Clear Channel's management rolled over restricted equity securities and in the money stock options exercisable for common stock of Clear Channel in exchange for equity securities of CCMH. Accordingly, the remaining approximately 3% of the equity of CCMH was held by Messrs. Mark P. Mays, Randall T. Mays, L. Lowry Mays and certain members of Clear Channel's management.

Upon the consummation of the Merger, a new Board of CCMH was constituted, the new Compensation Committee, the new Audit Committee and the new Nominating and Corporate Governance Committee were formed and certain members of Clear Channel's management entered into employment agreements with CCMH.

The named executive officers for fiscal year 2010 were as follows:

Mark P. Mays, who served as our Chairman, President and Chief Executive Officer (the Principal Executive Officer) until his retirement as our President and Chief Executive Officer on March 31, 2011 and now serves as an employee and our Chairman;

Thomas W. Casey, who became our Executive Vice President and Chief Financial Officer on January 4, 2010 (the Principal Financial Officer);

Randall T. Mays, who served as our President and Chief Financial Officer (the Principal Financial Officer) until he retired from those roles on January 4, 2010 and now serves as an employee and our Vice Chairman;

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John E. Hogan, who serves as the President and Chief Executive Officer of Clear Channel Radio (our radio broadcasting division);

Robert H. Walls, Jr., who became our Executive Vice President, General Counsel and Secretary on January 1, 2010; and

L. Lowry Mays, who serves as our Chairman Emeritus.

OVERVIEW AND OBJECTIVES OF CCMH'S COMPENSATION PROGRAM

CCMH believes that compensation of its named executive officers should be directly and materially linked to operating performance. The fundamental objective of CCMH's 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 CCMH competes for talent and which align the interests of CCMH's executives with the interests of CCMH's stockholders.

Overall, CCMH 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

align executive performance with stockholder interests.

CCMH 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 CCMH's performance and, for certain executives, individual performance;

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 Compensation Committee, along with the Subcommittee, typically determines total compensation, as well as the individual components of such compensation, of CCMH's 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 Compensation Committee and Subcommittee 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;

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the Chief Executive Officer's recommendations (other than for himself);

the value of previous equity awards;

internal pay equity considerations; and

broad trends in executive compensation generally.

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

ELEMENTS OF COMPENSATION

The Compensation Committee and the Subcommittee believe that a combination of various elements of compensation best serves the interests of CCMH and its stockholders. Having a variety of compensation elements enables CCMH to meet the requirements of the highly competitive environment in which CCMH 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 CCMH's financial performance, individual performance, or a combination of both. In conjunction with the annual incentive bonus awards, the Compensation Committee and the Subcommittee also may provide annual discretionary bonuses to our named executive officers, which also are based on Company 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, which benefits all of CCMH's stockholders.

CCMH's 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 CCMH and individual performance with respect to market competitiveness.

Administration. Base salaries for 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 and competitive pay practices. All decisions regarding increasing or decreasing an executive officer's base salary will be made within the scope of his respective employment agreement, if any. In the case of our named executive officers, each of their employment agreements contains a minimum level of base salary, as described below under "Executive Compensation Employment Agreements with the Named Executive Officers."

In reviewing base salaries, the Compensation Committee (including the members of the Subcommittee) 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 (plus any annual discretionary bonus), which is tied to CCMH's financial performance measures, individual performance, or a combination of both, as well as long-term incentive compensation.

Analysis. As a result of concerns regarding the continued impact of recent global economic conditions and their effect on the business and markets of CCMH, Messrs. Mark P. Mays and Randall T. Mays voluntarily reduced their base salaries by a significant amount during 2009. With improving economic conditions entering

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2010, their salaries reverted back to their previous levels for 2010. Mr. Mark P. Mays' base salary returned to his \$1,000,000 salary for 2010 from his reduced salary of \$500,000 in 2009. Pursuant to his amended and restated employment agreement entered into in December 2009, Mr. Randall T. Mays' base salary increased from his reduced salary of \$500,000 in 2009 to \$1,000,000 while he served as our Chief Financial Officer, and was reduced to \$500,000 after he ceased serving as our Chief Financial Officer on January 4, 2010.

We also hired two new named executive officers, Messrs. Casey and Walls, and amended and restated the employment agreement of another named executive officer, Mr. Hogan, during 2010. Under their employment agreements, Mr. Casey's annual base salary for 2010 is \$750,000 and Mr. Walls' annual base salary for 2010 is \$550,000. These individuals were offered base salaries consistent with market rates for their positions. Pursuant to his amended and restated employment agreement, Mr. John Hogan received an annual base salary increase in November 2010 from \$800,000 to \$1,000,000 in recognition of his continued contribution and value to the organization. Mr. Lowry Mays' base salary remained unchanged for 2010. For a more detailed description of the employment agreements for our named executive officers, please refer to Executive Compensation Employment Agreements with the Named Executive Officers.

Annual Incentive Bonus

Purpose. CCMH's 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. In conjunction with the annual incentive bonus awards, the Compensation Committee and the Subcommittee also may provide annual discretionary bonuses to our executive officers, which also are based on Company financial performance, individual performance or a combination of both.

Administration. The named executive officers and other key executives of CCMH participate in the Clear Channel 2008 Annual Incentive Plan (the Annual Incentive Plan).

On July 28, 2008, CCMH's sole stockholder at that time, Clear Channel Capital IV, LLC, approved the Annual Incentive Plan. The Annual Incentive Plan may be administered by the Compensation Committee or 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 CCMH 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. No single participant may receive more than \$15,000,000 in awards in any calendar year.

The performance goals for each named executive officer are set pursuant to an extensive annual operating plan developed by the Chief Executive Officer of CCMH in consultation with CCMH's Board, the Chief Financial Officer of CCMH and other senior executive officers of CCMH, within any parameters specified within each executive's employment agreement. The Chief Executive Officer of CCMH makes recommendations as to the compensation levels and performance goals of CCMH's named executive officers (other than his own) to the Compensation Committee or the Subcommittee for its review, consideration and approval. The Compensation Committee or the Subcommittee has complete discretion to accept, reject, or modify the recommendations of the Chief Executive Officer.

The 2010 annual incentive bonuses were based on the following performance goals (as further described below): (1) Mr. Mark P. Mays' performance goals were based upon achievement of a targeted OIBDAN on a company-wide basis, which we believe best reflects operating performance; (2) Mr. Thomas W. Casey's performance goals were based on achievement of a targeted OIBDAN on a company-wide basis and certain qualitative performance objectives, which were directly relevant to his position and responsibilities; (3) Mr. John E. Hogan's performance goals were based upon achievement of a targeted OIBDAN of the Radio division and

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certain qualitative performance objectives, which contribute to divisional performance; (4) Mr. Robert H. Walls Jr.'s performance goals were based upon achievement of a targeted OIBDAN on a company-wide basis and certain qualitative performance objectives, which were directly relevant to his position and responsibilities; and (5) Mr. L. Lowry Mays' performance goals were based on achievement of a targeted OIBDAN on a company-wide basis. Mr. Randall T. Mays did not participate in this plan for 2010 and did not receive a bonus for 2010. Messrs. Casey and Walls also received signing bonuses of \$500,000 each upon joining the Company in January 2010.

The 2010 annual incentive bonus was paid in cash in March of 2011, and is reflected in the Non-Equity Incentive Compensation Plan column of the Summary Compensation Table. 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 Compensation Committee or 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 involves four basic steps:

at the outset of the fiscal year:

set performance goals for the year for CCMH and the operating divisions;

set individual performance goals for each participant; and

set a target bonus for each participant; and

after the end of the fiscal year, measure actual performance against the predetermined goals of CCMH and the operating divisions and any individual performance goals to determine the bonus.

In addition, for 2010, the Compensation Committee and the Subcommittee awarded discretionary bonuses to certain executive officers under the Annual Incentive Plan, using a process similar to the annual incentive bonus award process described above. At the beginning of the performance period, the Compensation Committee and the Subcommittee established an incentive pool to be awarded for performance achieved above company-wide and operating division financial targets. After the end of the fiscal year, the Compensation Committee and the Subcommittee members determined, in their sole discretion, the amounts of this incentive pool (if any) to award to each executive officer based on their subjective review of each executive officer's overall performance. Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays were not included in the pool of eligible participants considered by the Compensation Committee and the Subcommittee to receive discretionary bonus awards for 2010. The discretionary bonus awards for 2010 were paid in cash in March of 2011, simultaneously with the annual incentive bonus awards for 2010, and are included in the Bonus column of the Summary Compensation Table.

Analysis. In determining whether the 2010 financial performance goals were met, the Compensation Committee (including the members of the Subcommittee) considered the financial results of CCMH from January 1, 2010 to December 31, 2010. For 2010, the performance-based goals applicable to the named executive officers are set forth below:

Mr. Mark P. Mays

As contemplated by his employment agreement, Mr. Mark P. Mays' 2010 performance-based goal consisted of achieving a targeted OIBDAN on a company-wide basis, which is linked to a targeted bonus that may be adjusted (upward or downward) based on the percentage of the targeted OIBDAN achieved, provided that at least 90% of the targeted OIBDAN must be achieved in order to receive a bonus. For purposes of his

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agreement, OIBDAN is the Company's reportable OIBDAN before restructuring charges, which is defined as consolidated net income (loss) adjusted to exclude the following items: non-cash compensation expense; income tax benefit (expense); other income (expense)-net; equity in earnings (loss) of nonconsolidated affiliates; gain (loss) on marketable securities; interest expense; other operating income (expense)-net; depreciation and amortization; impairment charges; restructuring charges and other items. The Compensation Committee (including the Subcommittee members) believes that in the current operating environment, OIBDAN is the best measure of Mr. Mark P. Mays' performance. Target OIBDAN is determined by the Compensation Committee or the Subcommittee in consultation with CCMH management. For a description of the target levels of OIBDAN necessary for Mr. Mark P. Mays to achieve the various bonus amounts for 2010, see Executive Compensation Employment Agreements with the Named Executive Officers. The 2010 achieved OIBDAN for purposes of Mr. Mays' bonus calculation was approximately \$1.7 billion, which resulted in an annual incentive bonus of \$2,653,784 for 2010.

Thomas W. Casey

Pursuant to his employment agreement, Mr. Thomas W. Casey's target bonus for 2010 was set at \$1,000,000, with 70% attributed to achieving a company-wide OIBDAN target of \$1.57 billion and 30% attributed to achieving the other qualitative performance objectives described below. His maximum bonus for 2010 was set at \$2,000,000. For purposes of calculating his bonus, OIBDAN was calculated in the manner described above for Mr. Mark P. Mays. Mr. Casey's individual qualitative performance objectives for 2010 consisted of: (1) developing and implementing a three-year plan on capital structure; (2) developing and implementing management processes regarding Business Reviews and Board Meetings; and (3) developing a three-year strategic plan. Our achieved OIBDAN for 2010 was approximately \$1.7 billion, which exceeded the OIBDAN target and, in connection with maximum achievement of his qualitative performance objectives described above, resulted in Mr. Casey receiving an annual incentive bonus of \$1,314,650. In addition, based on the subjective review of Mr. Casey's performance by the Compensation Committee and the Subcommittee members, Mr. Casey received an additional \$150,000 discretionary bonus for 2010 as part of the incentive pool funded based on above-target financial performance as described above, for an aggregate 2010 bonus of \$1,464,650.

John E. Hogan

Mr. John E. Hogan's target bonus for 2010 was set at \$1,200,000, with 75% attributed to achieving the target OIBDAN referenced below and 25% attributed to achieving the other qualitative performance objectives referenced below. His maximum bonus for 2010 was set at \$2,400,000. For purposes of calculating his bonus, OIBDAN was calculated in the manner described above for Mr. Mark P. Mays, but with respect to the Radio division. Mr. Hogan's individual qualitative performance objectives for 2010 consisted of: (1) achieving a targeted OIBDAN in the Radio division of approximately \$1.0 billion; (2) achieving certain cost savings initiatives; (3) achieving strategic initiatives; (4) achieving a plan to increase and maintain ratings; and (5) developing a three-year strategic plan. The 2010 Radio division OIBDAN for 2010 was approximately \$1.1 billion, which exceeded the OIBDAN target and, in connection with his performance against his qualitative performance objectives described above, resulted in Mr. Hogan receiving an annual incentive bonus of \$1,648,435. In addition, based on the subjective review of Mr. Hogan's performance by the Compensation Committee and the Subcommittee members, Mr. Hogan received an additional \$225,000 discretionary bonus for 2010 as part of the incentive pool funded based on above-target financial performance as described above, for an aggregate 2010 bonus of \$1,873,435.

Robert H. Walls, Jr.

Pursuant to his employment agreement, Mr. Robert H. Walls, Jr.'s target bonus for 2010 was set at \$1,000,000, with 50% attributed to achieving a company-wide OIBDAN target of \$1.57 billion and 50% attributed to achieving the other qualitative performance objectives described below. His maximum bonus was

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set at \$2,000,000. For purposes of calculating his bonus, OIBDAN was calculated in the manner described above for Mr. Mark P. Mays. Mr. Walls' individual qualitative performance objectives for 2010 consisted of: (1) maintaining or reducing normalized legal costs; (2) conducting an organizational assessment of the legal function and positioning legal as a high impact contributor to the organization; (3) developing and implementing a strategy to minimize the economic impact of public performance tax legislation; (4) implementing additional compliance and corporate governance policies and programs; and (5) providing assistance on the capital structure management process. Our achieved OIBDAN for 2010 was approximately \$1.7 billion, which exceeded the OIBDAN target and, in connection with maximum achievement of his qualitative performance objectives described above, resulted in Mr. Walls' receiving an annual incentive bonus of \$1,224,750. In addition, based on the subjective review of Mr. Walls' performance by the Compensation Committee and the Subcommittee members, Mr. Walls received an additional \$100,000 discretionary bonus for 2010 as part of the incentive pool funded based on above-target financial performance as described above, for an aggregate 2010 bonus of \$1,324,750.

L. Lowry Mays

Mr. L. Lowry Mays' performance-based goal for 2010 consisted of achieving a targeted amount of OIBDAN, on a company-wide basis, as described below. For purposes of calculating his bonus, OIBDAN was calculated in the manner described above for Mr. Mark P. Mays. In consultation with Mr. L. Lowry Mays, the Compensation Committee and Subcommittee decided that Mr. L. Lowry Mays' target bonus for 2010 would be \$300,000 (payable if the Company achieved a target OIBDAN of \$1.57 billion) and his maximum bonus would be \$600,000. In order to achieve a bonus in excess of his \$300,000 target, the Company would need to achieve a target OIBDAN of at least \$1.62 billion. Accordingly, because the Company achieved OIBDAN of approximately \$1.7 billion (exceeding the \$1.57 billion and \$1.62 billion targets mentioned above), the Compensation Committee and Subcommittee provided Mr. L. Lowry Mays with an annual incentive bonus in the amount of \$398,068, reflecting the mutually agreed upon formulaic payout based upon the Company's OIBDAN results.

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 executive officers over a multi-year period directly with the interests of stockholders of CCMH 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 executive officers and the overall goals of the compensation program described above. Long-term incentive compensation may be paid in cash, stock options and/or restricted stock. Additionally, CCMH may from time to time grant equity awards to executive officers that are not tied to predetermined performance goals. Equity ownership is important for purposes of incentive, retention and alignment with stockholders.

Administration. Our named executive officers participate in the 2008 Executive Incentive Plan (the "2008 Incentive Plan"), which allows for the issuance of incentive and non-statutory stock options, restricted stock and other equity awards. The 2008 Incentive Plan is administered by the Compensation Committee or the Subcommittee. See "Executive Compensation - Grants of Plan-Based Awards" for a more detailed description of the 2008 Incentive Plan. As of April 1, 2011, there were approximately 145 employees holding outstanding stock incentive awards under the 2008 Incentive Plan.

Stock Options. Long-term incentive compensation may be granted to our named executive officers in the form of stock options, with exercise prices of not less than fair market value of CCMH stock on the date of grant. CCMH typically defines fair market value as the closing price on the date of grant; however, in certain cases, the Subcommittee has determined an alternative fair market value in excess of the closing price on the date of grant, as described below. Vesting schedules are set by the Compensation Committee or the Subcommittee in their

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discretion and vary per named executive officer, as further described below. All vesting is contingent on continued employment, with rare exceptions made by the Compensation Committee or the Subcommittee. See Executive Compensation Potential Post-Employment Payments for a description of the treatment of the named executive officers' stock option awards upon termination or change in control. All decisions to award the named executive officers' stock options are in the sole discretion of the Compensation Committee or the Subcommittee.

Restricted Stock Awards. Long-term incentive compensation also may be granted to our named executive officers in the form of restricted stock awards. Vesting schedules are set by the Compensation Committee or 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 Compensation Committee or the Subcommittee. See Executive Compensation Potential Post-Employment Payments for a description of the treatment of the named executive officers' restricted stock awards upon termination or change in control. All decisions to award the named executive officers' restricted stock are in the sole discretion of the Compensation Committee or the Subcommittee.

Analysis. Restricted stock awards were not provided to named executive officers during 2010. Awards of stock options representing a total of 720,000 shares were made to our named executive officers in 2010. Pursuant to the terms of their employment agreements, Messrs. Casey and Walls each received stock option awards on December 31, 2010. The amount of stock option awards to Messrs. Casey and Walls was determined through the negotiation of their employment agreements. Mr. Casey's stock option grant vested 25% immediately, in recognition of his contributions to the Company during his first year of service. Mr. Hogan received a stock option award in December 2010, in conjunction with the other equity awards that were contemplated to occur at year end. The amount of stock option awards to Mr. Hogan in 2010 was based upon: (1) general performance; (2) internal pay equity relative to other key employees of CCMH; and (3) the value of equity awards granted in prior years.

As mentioned above, the Committee and Subcommittee typically consider internal pay equity when determining the amount of stock options to grant to our named executive officers. However, they do so broadly and do 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 CCMH. For further information about the stock options awarded during 2010, please refer to the Grants of Plan-Based Awards and the Employment Agreements with the Named Executive Officers sections appearing later under the Executive Compensation heading.

On February 18, 2011, we commenced an offer to exchange certain outstanding options to purchase shares of our Class A common stock, par value \$0.001 per share, granted under the 2008 Incentive Plan pursuant to either the Senior Management Option Agreement under the 2008 Incentive Plan or the Executive Option Agreement under the 2008 Incentive Plan that had a per share exercise price equal to \$36.00 and an expiration date on or prior to September 10, 2019 (the Eligible Options) for new options to purchase one-half of the number shares underlying the Eligible Options at an exercise price equal to \$10.00 (the Replacement Options) and different vesting schedule and performance conditions, pursuant to an Offer to Exchange dated as of February 18, 2011. Although we continue to believe that stock options are an important component of our compensation program, we believe that options with an exercise price equal to \$36.00 were perceived by their holders as having a reduced incentive and retention value due to the difference between the exercise prices and the then-current market price of our Class A common stock. As a result, we believed that the Eligible Options were not providing the incentives and retention value that our Board believes are necessary to our future success and growth in the value of our shares. Mr. Hogan, one of our named executive officers, was eligible to participate in and participated in the exchange program and exchanged options to purchase 162,445 shares of Class A common stock at an exercise price of \$36.00 per share for options to purchase 81,223 shares of Class A common stock at an exercise price of \$10.00 per share.

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Equity Award Grant Timing Practices

Employee New Hires/Promotions Grant Dates. Grants of stock options, if any, to newly-hired or newly promoted employees generally are made at the regularly scheduled meeting of the Compensation Committee or Subcommittee immediately following the hire or promotion. However, timing may vary as provided in a particular employee's employment agreement or to accommodate the Compensation Committee or the Subcommittee.

Initial Equity Award Grant Dates for Newly-Elected Independent Directors. Grants of stock options, if any, to newly-elected independent members of the Board would be made at the regularly scheduled meeting of the Board immediately following his or her election. If an independent member of the Board is appointed between regularly scheduled meetings, then grants of stock options, if any, would be made at the first meeting in attendance after such appointment, and the first meeting after election thereafter. However, due to the ownership structure of CCMH and the representation on the Board of designees of the Sponsors and two other large stockholders, CCMH historically has not provided compensation, including any stock option awards, to any members of the Board for their service as directors.

Timing of Equity Awards. CCMH 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 Compensation Committee or the Subcommittee, as applicable, prior to granting equity awards, the Compensation Committee or the Subcommittee will take the existence of such information under advisement and make an assessment in its business judgment regarding 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 CCMH may participate. CCMH also provides certain other perquisites to the named executive officers.

Security/Aircraft Benefits. 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 the Board of CCMH intend to continue the implementation of, numerous security measures for CCMH's operations and employees. As provided in their employment agreements and, for security purposes and at the direction of the Board of CCMH, Messrs. Mark P. Mays, Randall T. Mays, and L. Lowry Mays use company-owned aircraft for all business and personal air travel in accordance with Clear Channel policy. Under his employment agreement, Mr. Mark P. Mays also has a right of first refusal to purchase a specified company-owned aircraft if during the term of his agreement CCMH receives a bona fide offer to purchase the aircraft and, at the end of his employment term, to purchase the aircraft at fair market value. Under his employment agreement, Mr. L. Lowry Mays has the right to use company-provided aircraft for personal travel for a period of 10 years after the Merger, regardless of whether he remains an employee for that period of time. With the approval of Mr. Mark P. Mays, other executive officers and members of management are permitted limited personal use of company-owned aircraft.

Other Mays' Employment Agreement Benefits. Although Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays each are entitled under the terms of their respective employment agreements to the use of a company-owned automobile, only 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. In addition, CCMH pays

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for certain personal accounting and tax services for Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays. In connection with the June 2010 amendment and restatement of Mr. Mark P. Mays' employment agreement, based upon his announced intention to retire, his outstanding put option to require CCMH to purchase certain of his CCMH shares at \$36.00 per share (originally provided in connection with the Merger) was modified to provide that it would be exercisable for a 30-day period beginning August 15, 2010 with respect to a portion of the shares covered thereby, with the remainder continuing pursuant to the original terms of the put option.

Relocation and Legal Review Benefits. Since 2009, CCMH has recruited and hired several new executive officers, such as our Chief Financial Officer, Chief Accounting Officer and General Counsel, as well as other officers and key employees. As part of this process, the Compensation Committee considered the benefits that would be appropriate to provide to new personnel (including several of our new named executive officers) to facilitate and/or accelerate their relocation to CCMH's headquarters in San Antonio, Texas or another corporate location. Through the negotiation of their employment agreements, CCMH and its subsidiaries agreed to provide Messrs. Casey and Walls with certain relocation benefits, as described under "Executive Compensation Employment Agreements with the Named Executive Officers" below. After their experience recruiting and hiring several new executive officers and other key personnel since 2009, in October 2010 the Compensation Committee adopted a new company-wide tiered relocation policy reflecting these types of relocation benefits. The company-wide new relocation policy applies only in the case of a company-requested relocation and provides different levels of benefits based on the employee's level within the organization. In the case of Mr. Walls, pursuant to his employment agreement, the Company also reimbursed his legal fees incurred in connection with the negotiation of his employment agreement.

The Compensation Committee (including the members of the Subcommittee) 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 Compensation Committee and Subcommittee will consider these benefits. However, as these benefits and perquisites represent a relatively insignificant portion of the named executive officers' total compensation (or, in the case of benefits such as relocation benefits, are not intended to occur frequently for each named executive officer), it is unlikely that they will materially influence their 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 the Summary Compensation Table, as well as the All Other Compensation table included in footnote (d) to the Summary Compensation Table. For further information about other benefits provided to the named executive officers, please refer to "Executive Compensation Employment Agreements with the Named Executive Officers."

Severance Arrangements

Pursuant to their respective employment agreements, each of our named executive officers is entitled to certain payments and benefits in certain termination situations or upon a change in control. For further discussion of these payments and benefits, see "Executive Compensation Potential Post-Employment Payments" set forth below.

Roles and Responsibilities

Role of the Compensation Committee and the Subcommittee. The Compensation Committee and the Subcommittee, as applicable, are primarily responsible for conducting reviews of CCMH's executive compensation policies and strategies and overseeing and evaluating CCMH's overall compensation structure and programs. As described above under "The Board of Directors Committees of the Board," their responsibilities include, but are not limited to:

evaluating and approving goals and objectives relevant to the compensation of the Chief Executive Officer 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;

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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; 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 Compensation Committee by the Chief Executive Officer.

Role of Chief Executive Officer. The Chief Executive Officer provides reviews and recommendations for the Compensation Committee's and the Subcommittee's consideration regarding CCMH's executive compensation programs, policies and governance. His 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 CCMH's 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.

As described above under "The Board of Directors' Committees of the Board," the Compensation Committee and the Board have the ability to delegate to the Subcommittee certain responsibilities, including responsibilities in administering performance awards under the Annual Incentive Plan. These delegated duties may 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.

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 2010, CCMH 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, following the Merger, CCMH was not required to register its Class A common stock and, on December 31, 2010, CCMH would not have been subject to the reporting obligations of Section 12 of the Securities Exchange Act, had CCMH not voluntarily registered its Class A common stock by filing a registration statement on Form 8-A on July 30, 2008. In the event that CCMH subsequently becomes a publicly held corporation within the meaning of Section 162(m), the Compensation Committee will consider the anticipated tax treatment to CCMH and to senior executives covered by these rules of various payments and benefits. In that event, the Compensation Committee may 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

CCMH accounts for stock-based payments, including awards under the 2008 Executive Incentive Plan, in accordance with the requirements of ASC 718 (formerly Statement of Financial Accounting Standards No. 123(R)).

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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"), an indirect subsidiary of CCMH. Under the terms of the agreement, Clear Channel Management Services, Inc. provides, among other things, executive officer services to CCOH. For 2010, these executive officer services were charged to CCOH based on CCOH's 2009 OIBDAN as a percentage of Clear Channel's total 2009 OIBDAN. For 2010, CCOH was allocated 41% of certain personnel costs for each of Messrs. Mark P. Mays and Thomas W. Casey. CCMH and CCOH considered these allocations to be a reflection of the utilization of services provided. Please refer to footnote (f) to the Summary Compensation Table for the allocations for 2010, 2009 and 2008. For additional information regarding the Corporate Services Agreement, see "Certain Relationships and Related Party Transactions - Corporate Services Agreement."

Table of Contents**EXECUTIVE COMPENSATION**

The Summary Compensation Table below provides compensation information for the years ended December 31, 2010, 2009 and 2008 for the principal executive officer (PEO), principal financial officers (PFO) serving during 2010 and each of the three next most highly compensated executive officers of CCMH for services rendered in all capacities (collectively, the named executive officers). All data presented below for the period from January 1, 2008 through July 30, 2008 represents compensation paid by Clear Channel.

SUMMARY COMPENSATION TABLE**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Bonus ^(a) (\$)	Stock Awards ^(b) (\$)	Option Awards ^(b) (\$)	Non-Equity Incentive Plan	All Other	Total (\$)
						Compensation ^(c) (\$)	Compensation ^(d) (\$)	
Mark P. Mays Chairman (PEO) ^(e)	2010	1,006,907 ^{(f)(g)}		5,970,000		2,653,784 ^(f)	1,419,058	11,049,749
	2009	549,171 ^{(f)(g)}				236,670 ^(f)	107,491	893,332
	2008	912,976 ^{(f)(g)}		20,000,016	23,635,424 ^(h)	4,500,000 ^(f)	260,695	49,309,111
Thomas W. Casey Executive Vice President and Chief Financial Officer (PFO) ⁽ⁱ⁾	2010	750,000 ^(f)	650,000 ^(f)		1,169,350	1,314,650 ^(f)	1,150,391	5,034,391
Randall T. Mays Vice Chairman (former PFO) ⁽ⁱ⁾	2010	500,000					158,237	658,237
	2009	531,250 ^(f)				236,670 ^(f)	162,491	930,411
	2008	875,000 ^(f)		20,000,016	23,635,424 ^(h)	4,500,000 ^(f)	340,811	49,351,251
John E. Hogan President and Chief Executive Officer Clear Channel Radio	2010	825,758	225,000		831,385	1,648,435	51,203	3,581,781
	2009	775,000				350,000	8,850	1,133,850
	2008	772,917			1,154,977 ^(k)	232,000	65,502	2,225,396
Robert H. Walls, Jr. Executive Vice President, General Counsel & Secretary ^(l)	2010	547,917	600,000		489,050	1,224,750	123,331	2,985,048
L. Lowry Mays Chairman Emeritus ^(m)	2010	250,000				398,068	222,862	870,930
	2009	287,083					163,809	450,892
	2008	695,000				452,500	187,550	1,335,050

(a) The amounts reflect cash payments for 2010 as discretionary bonus awards under CCMH's 2008 Incentive Plan and, in the case of Messrs. Casey and Walls, a \$500,000 signing bonus that each of Messrs. Casey and Walls received upon joining CCMH. See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus.

(b) The amounts shown in the Stock Awards column for 2008 reflect the full grant date fair value of time-vesting restricted stock of CCMH awarded to the named executive officers in 2008, computed in accordance with the requirements of ASC Topic 718, but excluding any impact of estimated forfeiture rates as required by SEC regulations. CCMH did not award restricted stock to the named executive officers in 2010 or 2009. For time-vesting restricted stock awards, the grant date fair value is based on the closing price of our Class A common stock on the date of grant.

The amount shown in the Stock Awards column for Mr. Mark P. Mays for 2010 reflects the incremental fair value of Mr. Mark P. Mays' outstanding put option to require CCMH to purchase certain of his outstanding CCMH shares, the terms of which put option were modified on June 23, 2010 under his amended and restated employment agreement. For a description of the modification, see Employment Agreements with the Named Executive Officers below.

The amounts shown in the Option Awards column for 2010 and 2008 reflect the full grant date fair value of time-vesting CCMH stock options awarded to the named executive officers in 2010 and 2008, respectively, computed in accordance with the requirements of ASC Topic 718, but excluding any impact of

estimated forfeiture rates as required by SEC regulations. CCMH did not award stock options to the named executive officers in 2009.

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The fair value of each CCMH stock option awarded to the named executive officers in 2010 was estimated, based on several assumptions, on the date of grant using a Black-Scholes option valuation model. The fair value and assumptions used for the stock option awards to Messrs. Casey, Hogan and Walls in 2010 are shown below:

	Casey	Hogan and Walls
Fair value per share of options granted	\$ 4.6774	\$ 4.8905
Fair value assumptions:		
Expected volatility	0.58	0.58
Expected life, in years	5.75	6.26
Risk-free interest rate	2.30%	2.47%
Dividend yield	0.00%	0.00%

For further discussion of the assumptions made in valuation, see also Note 13-Shareholders' Equity to our Consolidated Financial Statements located elsewhere in this prospectus.

(c) The amounts reflect cash payments for the respective fiscal year as annual incentive bonus awards under CCMH's 2008 Annual Incentive Plan pursuant to pre-established performance goals. For discussion of the 2010 pre-established performance goals and payments, see Compensation Discussion and Analysis - Elements of Compensation - Annual Incentive Bonus.

(d) As described below, for 2010 the All Other Compensation column reflects:

amounts we contributed under our 401(k) plan as a matching contribution for the benefit of the named executive officers;
 club membership dues paid by us;
 personal use of company aircraft by the named executive officers;
 a company-purchased automobile;
 personal accounting and tax services;
 relocation expenses for named executive officers who joined us during 2010;
 tax gross-ups on relocation expenses for those named executive officers who joined us during 2010;
 fees for legal review in connection with Mr. Walls' entry into an employment agreement with us; and
 in the case of Mr. Mark P. Mays, the amount (\$7,200,000) that we paid to repurchase 200,000 shares from him pursuant to a put option under his amended and restated employment agreement, reduced by the portion of that amount (\$5,970,000) already reflected in the Stock Awards column.

	M. Mays	Casey	R. Mays	Hogan	Walls	L. Mays
401(k) plan match	\$ 6,125		\$ 6,125	\$ 6,125		\$ 6,125
Club dues	5,707					2,760
Aircraft usage	161,443		136,967	45,078		126,955
Automobile purchase						64,088
Accounting/tax services	15,783		15,145			22,934
Relocation expenses		986,579			\$ 67,096	
Relocation tax gross-up		163,812			19,020	
Legal review fees					37,215	
Share repurchase	1,230,000					
Total	\$ 1,419,058	\$ 1,150,391	\$ 158,237	\$ 51,203	\$ 123,331	\$ 222,862

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's management and Board of Directors implemented, and CCMH's management and Board intends to continue the implementation of, numerous security measures for CCMH's operations and employees.

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For security purposes and at the direction of the Board of CCMH, Messrs. Mark P. Mays, Randall T. Mays and L. Lowry Mays utilize company-owned aircraft for all business and personal air travel. Mr. Hogan also has used the company-owned aircraft for personal air travel, pursuant to the Company's Aircraft Policy.

The value of personal airplane usage reported above is based on CCMH's direct operating costs. This methodology calculates 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. 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 the All Other Compensation column is based upon CCMH's actual costs.

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For a description of the relocation expenses and related tax gross-ups, see Employment Agreements with the Named Executive Officers below.

- (e) The summary compensation information presented above for Mr. Mark P. Mays reflects his service as our Chairman and Chief Executive Officer during 2010, 2009 and for the 2008 period since the closing of the Merger on July 30, 2008, and as our President during 2010, as well as his service as a director of Clear Media Limited, as described in footnote (g) below. For the 2008 period before July 30, 2008, it reflects his service as Chief Executive Officer of Clear Channel. Mr. Mark P. Mays retired as our President and Chief Executive Officer on March 31, 2011 but continues to serve as an employee and as our Chairman.
- (f) As described above under Compensation Discussion and Analysis Corporate Services Agreement, Clear Channel Management Services, Inc. provides, among other things, executive officer services to CCOH. The Salary, Bonus, Non-Equity Incentive Plan Compensation and All Other Compensation columns presented above reflect 100% of the amounts for each of Messrs. Mark P. Mays, Thomas W. Casey and Randall T. Mays. However, pursuant to the Corporate Services Agreement, CCOH was allocated 41% of the amounts reflected in the Salary (other than the amounts described in footnote (g) below with respect to Mr. Mark P. Mays service as a director of Clear Media Limited), Bonus and Non-Equity Incentive Plan Compensation columns and 41% of certain of the amounts reflected in the All Other Compensation column for 2010, 2009 and 2008 for each of Messrs. Mark P. Mays and Thomas W. Casey and for 2009 and 2008 for Mr. Randall T. Mays, as shown below. Amounts previously reported in the Summary Compensation Table for Messrs. Mark P. Mays and Randall T. Mays for 2009 and 2008 have been revised to reflect 100% of the amounts.

	Salary Allocated to CCOH		
	2010	2009	2008
Mark P. Mays	\$ 410,000	\$ 218,496	\$ 366,950
Thomas W. Casey	307,500		
Randall T. Mays		217,813	358,750

	Bonus and Non-Equity Incentive Plan Compensation Allocated to CCOH		
	2010	2009	2008
Mark P. Mays	\$ 1,088,051	\$ 97,035	\$ 1,845,000
Thomas W. Casey	805,507		
Randall T. Mays		97,035	1,845,000

	All Other Compensation Allocated to CCOH		
	2010	2009	2008
Mark P. Mays	\$ 11,322	\$ 10,176	\$ 18,330
Thomas W. Casey	471,660		
Randall T. Mays		8,062	15,768

- (g) The amounts in the Salary column for Mr. Mark P. Mays include his base salary paid by us, as well as \$6,907, \$16,254 and \$17,976 paid in 2010, 2009 and 2008, respectively, by our majority-owned subsidiary, Clear Media Limited, for the periods during which Mr. Mark P. Mays served as a director of Clear Media Limited. Clear Media Limited is listed on the Hong Kong Stock Exchange. The amounts paid by Clear Media Limited have been converted from Hong Kong dollars to U.S. dollars using the average exchange rate of HK\$1=\$0.1287, HK\$1=\$0.1290 and HK\$1=\$0.1284 for the years ended December 31, 2010, 2009 and 2008, respectively. Amounts previously reported in the Salary column for Mr. Mark P. Mays have been revised to include these amounts paid by Clear Media Limited.
- (h) The amounts in the table reflect the full grant date fair market value of time-vesting stock options awarded by CCMH, as described in footnote (b) above. In addition, in connection with the closing of the Merger during 2008 each of Messrs. Mark P. Mays and Randall T. Mays was awarded stock options to purchase 1,041,666 shares of CCMH's Class A common stock that contain performance-based vesting conditions. Assuming that all of the performance-based vesting conditions will be achieved, the grant date fair value of the performance-based stock options would have been \$21,286,445 for each of Messrs. Mark P. Mays and Randall T. Mays. However, on the grant date, the actual fair value of these options was \$0 based on the probable outcome of the performance-based vesting conditions and, accordingly, no amount is reflected for these performance-based options in the Option Awards column.

Of the 1,041,666 performance-based stock options awarded to Mr. Mark P. Mays in 2008, 50% were cancelled on March 31, 2011 in connection with his retirement as our President and Chief Executive Officer and the remainder continue pursuant to the terms of the stock option agreements. Similarly, 50% of

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the 1,041,667 time-vesting stock options to purchase CCMH Class A common stock awarded to Mr. Mays in connection with the closing of the Merger in 2008 were cancelled on March 31, 2011 in connection with his retirement as our President and Chief Executive Officer and the remainder continue pursuant to the terms of the stock option agreements. Of the

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identical performance-based vesting and time-vesting stock options to purchase CCMH's Class A common stock awarded to Mr. Randall T. Mays in connection with the closing of the Merger in 2008, 83% of them were cancelled and 17% of them vested on December 22, 2009 in connection with his January 4, 2010 change in position from our Chief Financial Officer to our Vice Chairman.

- (i) Thomas W. Casey became our Executive Vice President and Chief Financial Officer on January 4, 2010. The summary compensation information presented above for Mr. Casey reflects his service in that capacity since January 4, 2010.
- (j) Randall T. Mays served as our President and Chief Financial Officer until January 4, 2010. The summary compensation information presented above for Mr. Randall T. Mays reflects compensation paid to him in that capacity until January 4, 2010 and in his capacity as an employee and as our Vice Chairman for the remainder of 2010.
- (k) The amount in the table reflects the full grant date fair market value of time-vesting stock options awarded by CCMH, as described in footnote (b) above. In addition, during 2008 Mr. Hogan received stock options to purchase 108,297 shares of CCMH's Class A common stock that contain performance-based vesting conditions. Assuming that all of the performance-based vesting conditions will be achieved, the grant date fair value would have been \$2,213,049. However, on the grant date, the actual fair value of these options was \$0 based on the probable outcome of the performance-based vesting conditions, and, accordingly, no amount is reflected for these performance-based options in the Option Awards column.

The 108,297 performance-based stock options awarded to Mr. Hogan in 2008 were cancelled on March 21, 2011 in exchange for a grant of 54,149 new performance-based stock options pursuant to an Offer to Exchange dated February 18, 2011. Similarly, the 54,148 time-vesting stock options to purchase CCMH Class A common stock awarded to Mr. Hogan in 2008 were cancelled on March 21, 2011 in exchange for a grant of 27,074 new time-vesting stock options pursuant to the Offer to Exchange. See Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation.

- (l) Robert H. Walls, Jr. became our Executive Vice President, General Counsel and Secretary on January 1, 2010. The summary compensation information presented above for Mr. Walls reflects his service in that capacity since January 1, 2010.
- (m) L. Lowry Mays served as our Chairman until July 30, 2008. The summary compensation information presented above for Mr. L. Lowry Mays reflects compensation paid to him in that capacity until July 30, 2008 and in his capacity as our Chairman Emeritus for the remainder of 2008 and for 2009 and 2010.

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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, which descriptions are incorporated herein by reference. For further discussion of the amounts of salary and bonus and other forms of compensation, see Compensation Discussion and Analysis above.

Certain elements of the compensation of the named executive officers are determined based on their respective employment agreements. In connection with the Merger and effective as of the consummation of the Merger, CCMH 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. Messrs. Mark P. Mays and Randall T. Mays entered into amendments to their respective employment agreements on January 20, 2009, and entered into further amended and restated employment agreements and amendments to their respective option agreements on June 23, 2010 and December 22, 2009, respectively. These agreements collectively are referred to as 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: (1) assign certain intellectual property rights to Clear Channel; (2) refrain from competing against Clear Channel for a period of six months following termination of employment (12 months in the case of L. Lowry Mays); and (3) refrain 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 the Mays executives 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 (1) an undertaking to reimburse Clear Channel for such expenses with respect to which they are not entitled to indemnification and (2) 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 Merger, Mr. Mark P. Mays was employed by CCMH and Clear Channel as the Chief Executive Officer of each entity, and entered into an employment agreement with a term ending July 31, 2013. In June 2010, Mr. Mark P. Mays announced his intention to retire as our President and Chief Executive Officer and, in connection with that announcement, entered into an amended and restated employment agreement on June 23, 2010. The new agreement provides for a term through July 31, 2013, which will be extended thereafter only by written agreement of the parties. Upon the consummation of the Merger, the parties agreed that Mr. Mark P. Mays would receive an annual base salary of not less than \$895,000. Pursuant to the January 2009 amendment to his employment agreement, Mr. Mark P. Mays voluntarily reduced his base salary to \$500,000 for 2009, which increased to not less than \$1,000,000 per year thereafter. Pursuant to his June 2010 amended and restated employment agreement, Mr. Mark P. Mays also will 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 and for additional taxes that may be payable by Mr. Mark P. Mays under Section 409A of the Internal Revenue Code). In addition, during the term of his agreement, Mr. Mark P. Mays is entitled, at Company expense to use

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Company-provided aircraft for personal travel, in accordance with the Company's Aircraft Benefit Policy. Mr. Mark P. Mays also has a right of first refusal to purchase a specified Company-owned aircraft during the term of his agreement if the Company receives a bona fide offer to purchase the aircraft and, at the end of his employment term, to purchase the aircraft at fair market value.

Pursuant to his amended and restated employment agreement, for 2010, Mr. Mark P. Mays is entitled to receive an annual bonus of between \$0 and \$4,000,000 based on the percentage of target OIBDAN that is achieved, as set forth in the table below.

Achieved OIBDAN/Target OIBDAN (expressed as a percentage)	Performance Bonus
90% or less	\$0
100%	\$2,000,000
120% or more	\$4,000,000

For purposes of calculating Mr. Mark P. Mays' 2010 bonus under his amended and restated employment agreement, OIBDAN is the Company's reportable OIBDAN before restructuring charges, which is defined as consolidated net income (loss) adjusted to exclude the following items: non-cash compensation expense; income tax benefit (expense); other income (expense)-net; equity in earnings (loss) of nonconsolidated affiliates; gain (loss) on marketable securities; interest expense; other operating income (expense)-net; depreciation and amortization; impairment charges; restructuring charges and other items. For purposes of this calculation only, Target OIBDAN to achieve 100% bonus for 2010 was \$1.57 billion and Target OIBDAN to achieve a greater than 100% bonus for 2010 was \$1.62 billion, with Mr. Mark P. Mays receiving a bonus of \$2 million for Achieved OIBDAN between \$1.57 and \$1.62 billion. For 2010, the Company achieved OIBDAN of approximately \$1.7 billion and, as a result, Mr. Mark P. Mays received an annual incentive bonus of \$2,653,784. See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus. For any year after 2010, Mr. Mark P. Mays' performance bonus will be determined solely at the discretion of the Board, but shall not be less than \$500,000 for any year (prorated if employment is terminated for any reason).

Pursuant to his original employment agreement with CCMH, upon the consummation of the Merger, Mr. Mark P. Mays received an equity incentive award of options to purchase 2,083,333 shares of CCMH stock (subject to performance and time vesting requirements) and was issued restricted shares of CCMH's Class A common stock with a value equal to \$20 million (subject to time vesting requirements). Under certain circumstances, he also had a put option to require CCMH to purchase up to 555,556 of his shares at either \$36 or the price on the date he notifies CCMH that he is exercising the put option, with the price varying depending on the circumstances triggering the ability to exercise the put option. Pursuant to the June 2010 amendments made to Mr. Mark P. Mays' employment and option agreements: (1) the put option with respect to 200,000 shares became exercisable for a 30-day period beginning August 15, 2010, with the put option for the other 355,556 shares remaining subject to the original terms; and (2) upon his cessation of service as our Chief Executive Officer on March 31, 2011, one-half of his time-vesting options and one-half of his performance-vesting options granted on July 30, 2008 were cancelled, with all remaining stock options continuing pursuant to their original conditions for the remainder of the original 10-year term of the options.

Thomas W. Casey

On December 15, 2009, Mr. Thomas W. Casey entered into an employment agreement with Clear Channel. Pursuant to his agreement, Mr. Casey will serve as Chief Financial Officer until his agreement is terminated by either party as permitted in the agreement.

Under his agreement, Mr. Casey will receive compensation consisting of a base salary, incentive awards and other benefits and perquisites. Mr. Casey's current annual base salary is \$750,000 and he will be eligible for additional annual raises commensurate with company policy. No later than March 15 of each calendar year,

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Mr. Casey is eligible to receive a performance bonus. For 2010 and each year thereafter (subject to annual increases as may be approved by Clear Channel), Mr. Casey's target bonus will be \$1,000,000, with bonus criteria being 70% company financial performance-based and 30% MBO-based. For 2010, Mr. Casey received a bonus of \$1,464,650 (including a discretionary bonus of \$150,000). See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus. Mr. Casey also received a \$500,000 signing bonus, half of which he would have been required to reimburse if he terminated his employment with the company within the first twelve months or the company terminated his employment for cause during that period. He is entitled to participate in all employee welfare benefit plans in which other similarly situated employees may participate.

Mr. Casey also received certain relocation benefits in connection with his relocation to San Antonio, Texas, including a \$15,000 relocation allowance, \$21,678 to reimburse him for duplicate housing expenses, \$82,901 for travel, temporary living and miscellaneous relocation expenses and \$19,372 for closing costs related to the purchase of his new home. We also engaged a third party relocation company, which purchased Mr. Casey's home in Washington, with the purchase price based on appraisals obtained by the relocation company. In addition, we paid Mr. Casey \$270,000 to compensate him for losses to him on the sale of his Washington home (after the first 10% of any such losses) and \$163,812 to compensate him for taxes resulting from these relocation benefits. We bore the costs associated with the relocation company's purchase and subsequent resale of Mr. Casey's Washington home, as well as the costs of maintaining the home during the resale process and the loss to the relocation company on the resale of Mr. Casey's Washington home, paying the relocation company an aggregate amount of \$577,628 for these items.

Additionally, pursuant to his employment agreement, on December 31, 2010, Mr. Casey was granted a stock option to purchase 250,000 shares of CCMH's Class A common stock. See Grants of Plan-Based Awards below. If the option spread (the fair market value minus the exercise price) is less than \$5,000,000 on December 31, 2013, as long as Mr. Casey is employed by Clear Channel on that date, he will receive a grant of restricted stock units on December 31, 2013 with a fair market value equal to \$5,000,000 minus the option spread. Any restricted stock units so awarded would vest on December 31, 2014 as long as Mr. Casey is employed by Clear Channel on that date.

Under the employment agreement, Mr. Casey is required to protect the secrecy of Clear Channel's confidential information and to assign certain intellectual property rights to Clear Channel. He also is prohibited by the agreement from engaging in certain activities that compete with Clear Channel for 18 months after his employment terminates, and he is prohibited from soliciting employees for employment or clients for advertising sales which compete with Clear Channel for 18 months after termination of employment. Clear Channel agreed to defend and indemnify Mr. Casey for acts committed in the course and scope of his employment.

Randall T. Mays

Upon the consummation of the Merger, Mr. Randall T. Mays was employed by CCMH and Clear Channel as the President and Chief Financial Officer of each entity. Upon ceasing to serve as President and Chief Financial Officer on January 4, 2010, Mr. Randall T. Mays became Vice Chairman of CCMH. Mr. Randall T. Mays' employment agreement provides for a term through July 31, 2013 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 Merger, the parties agreed that Mr. Randall T. Mays would receive an annual base salary of not less than \$875,000. Pursuant to the January 2009 amendment to his employment agreement, Mr. Randall T. Mays voluntarily reduced his base salary to \$500,000 for 2009. Pursuant to his December 2009 amended and restated employment agreement, he received an annual base salary of \$1,000,000 while he served as Chief Financial Officer (until January 4, 2010) and receives an annual base salary of \$500,000 thereafter. Mr. Randall T. Mays also will receive benefits and perquisites consistent with his previous arrangement with Clear Channel (including personal use of company-owned aircraft and gross-up payments for

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excise taxes that may be payable by Mr. Randall T. Mays in connection with any payments made in connection with the Merger and for additional taxes that may be payable by Mr. Randall T. Mays under Section 409A of the Internal Revenue Code). Pursuant to the December 2009 amended and restated employment agreement, Mr. Randall T. Mays is entitled to receive an annual bonus, to be determined at the discretion of the Board of CCMH. For 2010, Mr. Randall T. Mays did not receive a bonus. See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus.

Pursuant to his original employment agreement with CCMH, upon the consummation of the Merger, Mr. Randall T. Mays received an equity incentive award of options to purchase 2,083,333 shares of CCMH stock (subject to vesting requirements) and was issued restricted shares of CCMH's Class A common stock with a value equal to \$20 million (subject to vesting requirements). Pursuant to the December 2009 amendments made to Mr. Randall T. Mays' employment and option agreements, two-thirds of his time-vesting and all of his performance-vesting options were cancelled and vesting of his remaining options was accelerated.

John E. Hogan

Effective June 29, 2008, subject to the consummation of the Merger, Mr. John E. Hogan entered into an employment agreement with Clear Channel Broadcasting, Inc. (CCB), a wholly-owned subsidiary of CCMH, with such employment agreement amending and restating in its entirety his previous employment agreement with CCB. On November 15, 2010, Mr. Hogan entered into a new amended and restated employment agreement. Pursuant to his agreement, Mr. Hogan will serve as President and Chief Executive Officer of the Radio division of Clear Channel through December 31, 2013, with automatic extensions from year to year thereafter unless either party gives prior notice of non-renewal.

Under his agreement, Mr. Hogan will receive compensation consisting of a base salary, incentive awards and other benefits and perquisites. Pursuant to his November 2010 amended and restated employment agreement with CCB, Mr. Hogan's current annual base salary is \$1,000,000 and he will be eligible for additional annual raises commensurate with company policy. No later than March 15 of each calendar year, Mr. Hogan is eligible to receive a performance bonus. For 2010, Mr. Hogan received a bonus of \$1,873,435 (including a discretionary bonus of \$225,000). See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus. Mr. Hogan also is 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. He also was entitled to reimbursement of his legal expenses in connection with the negotiation of his November 2010 amended and restated employment agreement.

Under the employment agreement, Mr. Hogan is required to protect the secrecy of CCB's confidential information and to assign certain intellectual property rights to CCB. Mr. 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. Hogan's employment with CCB has terminated, upon receiving written permission from the Board of Directors of CCB, Mr. 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. Hogan also is prohibited from using CCB's confidential information at any time following the termination of his employment in competing, directly or indirectly, with CCB.

Mr. 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).

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Robert H. Walls, Jr.

Effective January 1, 2010, Mr. Robert H. Walls, Jr. entered into an employment agreement with Clear Channel Management Services, Inc. (CCMS), an indirect subsidiary of CCMH. Pursuant to his agreement, Mr. Walls will serve as Executive Vice President, General Counsel and Secretary until his agreement is terminated by either party as permitted in the agreement.

Under his agreement, Mr. Walls receives compensation consisting of a base salary, incentive awards and other benefits and perquisites. Mr. Walls' current annual base salary is \$550,000 and he will be eligible for additional annual raises commensurate with company policy. No later than March 15 of each calendar year, Mr. Walls is eligible to receive a performance bonus. For 2010, Mr. Walls' target bonus was \$1,000,000, with the criteria being 50% EBITDA-based and 50% MBO-based. For purposes of his agreement, (1) EBITDA-based means performance criteria selected by the Board with respect to the annual bonus and with target performance determined on the same basis as determined for other similarly situated employees of CCMS and its affiliates and (2) MBO-based means the subjective performance criteria agreed to on an annual basis between the Chief Executive Officer and Mr. Walls at about the same time as established for other similarly situated employees. For 2010, Mr. Walls received a bonus of \$1,324,750 (including a discretionary bonus of \$100,000). See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus. For 2011, Mr. Walls' target bonus will be no less than 100% of his base salary for 2011, with the criteria being 50% EBITDA-based and 50% MBO-based. For 2012 and thereafter, Mr. Walls' target bonus will be no less than his base salary for the year to which the bonus relates and the criteria will be set by management in consultation with Mr. Walls. Mr. Walls also received a \$500,000 signing bonus, a prorated portion of which he would have been required to reimburse if he terminated his employment with the company without good reason within the first twelve months or the company terminated his employment for cause during that period. He is entitled to participate in all employee benefit plans and perquisites in which other similarly situated employees may participate.

Mr. Walls also received certain other benefits, including reimbursement of legal expenses in connection with the negotiation of his employment agreement and certain relocation benefits in connection with his relocation to San Antonio, Texas, such as reimbursement of living expenses and commuting expenses until September 1, 2010, reimbursement of taxes associated with the relocation benefits as well as other relocation benefits in accordance with company policy.

Additionally, pursuant to his employment agreement, on December 31, 2010, Mr. Walls was granted a stock option to purchase 100,000 shares of CCMH's Class A common stock. See Grants of Plan-Based Awards below.

Under the employment agreement, Mr. Walls is required to protect the secrecy of confidential information of CCMS and its affiliates and to assign certain intellectual property rights. He also is prohibited by the agreement from engaging in certain activities that compete with CCMS and its affiliates for 12 months after his employment terminates, and he is prohibited from soliciting employees for employment for 12 months after termination of employment. CCMS agreed to defend and indemnify Mr. Walls for acts committed in the course and scope of his employment.

L. Lowry Mays

Upon the consummation of the Merger, L. Lowry Mays was employed by CCMH 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 the use of company-owned aircraft for personal travel, in accordance with Clear Channel's policy as in effect on November 16, 2006, for ten

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years from the date of the closing of the Merger, regardless of whether he remains employed by CCMH. Mr. L. Lowry Mays also is eligible to receive an annual bonus in an amount to be determined by the Board of CCMH, in its sole discretion. In 2010, Mr. L. Lowry Mays received a bonus of \$398,068 for 2010. See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus.

GRANTS OF PLAN-BASED AWARDS

2008 Executive Incentive Plan

CCMH grants equity incentive awards to named executive officers and other eligible participants under the 2008 Executive Incentive Plan adopted in connection with, and prior to, the consummation of the Merger. The 2008 Executive Incentive Plan is intended to advance the interests of CCMH 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, CCMH or its affiliates who are in a position to make a significant contribution to the success of CCMH and its affiliates.

The 2008 Executive Incentive Plan allows for the issuance of restricted stock, restricted stock units, incentive and non-statutory stock options, cash awards and stock appreciation rights to eligible participants, who include the key employees of CCMH and its subsidiaries in the case of incentive stock options, and the key employees and directors of, and consultants and advisors to, CCMH or any of its affiliates in the case of other awards.

The 2008 Executive Incentive Plan is administered by the Compensation Committee or the Subcommittee. The Compensation Committee or 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 Executive Incentive Plan. The Compensation Committee or the Subcommittee also will make all other determinations and interpretations necessary to carry out the purposes of the 2008 Executive Incentive Plan. For a description of the treatment of awards upon a participant's termination of employment or change in control, see Potential Post-Employment Payments.

Certain key participants who receive equity awards under the 2008 Executive Incentive Plan are subject to additional restrictions on their ability to transfer the shares they receive pursuant to awards granted under the 2008 Executive Incentive Plan. In addition, all participants in the 2008 Executive Incentive Plan would be required to enter into a lock up or similar agreement with respect to the shares they receive pursuant to awards granted under the 2008 Executive Incentive Plan in connection with a public offering of CCMH's shares on terms and conditions requested by CCMH or its underwriters.

2008 Annual Incentive Plan

As discussed above, the named executive officers also are eligible to receive awards under the 2008 Annual Incentive Plan. See Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus for a more detailed description of the 2008 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, 2010.

Grants of Plan-Based Awards During 2010

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards ^(a) (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)				
Mark P. Mays	N/A ^(b) 06/23/10 ^(c)		2,000,000	4,000,000	200,000		5,970,000	
Thomas W. Casey	N/A ^(b) 12/31/10 ^(d)		1,000,000	2,000,000		250,000	10.00	1,169,350
Randall T. Mays								
John E. Hogan	N/A ^(b) 12/31/10 ^(d)		1,200,000	2,400,000		170,000	10.00	831,385
Robert H. Walls, Jr.	N/A ^(b) 12/31/10 ^(d)		1,000,000	2,000,000		100,000	10.00	489,050
L. Lowry Mays	N/A ^(b)		300,000	600,000				

- (a) Reflects the full grant date fair value computed in accordance with the requirements of ASC Topic 718, but excluding any impact of estimated forfeiture rates as required by SEC regulations. For assumptions made in the valuation, see footnote (b) to the Summary Compensation Table above and Note 13-Shareholders' Equity to our Consolidated Financial Statements located elsewhere in this prospectus.
- (b) Each of Messrs. Mark P. Mays, Thomas W. Casey, John E. Hogan, Robert H. Walls, Jr. and L. Lowry Mays was granted a cash incentive award under the 2008 Annual Incentive Plan based on the achievement of pre-established performance goals. For further discussion of their 2010 cash incentive awards, see Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus.
- (c) On June 23, 2010, Mark P. Mays's outstanding put option to require CCMH to purchase certain of his outstanding shares was modified as part of his amended and restated employment agreement. The grant date fair shown in the table above reflects the incremental fair value of the put option upon modification.
- (d) On December 31, 2010, each of Messrs. Casey, Hogan and Walls were granted stock options to purchase shares of CCMH's Class A common stock under the 2008 Executive Incentive Plan. In the case of Mr. Casey, the options vested 25% on the grant date and 25% annually thereafter beginning on the first anniversary of the grant date. In the case of Messrs. Hogan and Walls, the options will vest 25% annually beginning on the first anniversary of the grant date. The per share exercise price of these options was determined by the Subcommittee to be the higher of \$10.00 or the closing price on the date of grant. The closing price on the date of grant was \$9.00. As a result, the exercise price per share is \$10.00 for these options. For further discussion of these stock option awards, see Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation.

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The following table sets forth certain information concerning outstanding equity awards of the named executive officers at December 31, 2010.

Outstanding Equity Awards at December 31, 2010

Name	Number of Securities Underlying Unexercised Options		Option Awards Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Stock Awards Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ^(a) (\$)
	(#) Exercisable	(#) Unexercisable	(#)				
Mark P. Mays	2,851 ^(b)			35.06	02/19/13		
	8,324 ^(b)			9.80	02/19/13		
	3,298 ^(c)			30.31	01/12/15		
	46,554 ^(c)			9.80	01/12/15		
	5,601 ^(c)			9.80	02/16/15		
	100,000 ^(d)			18.00	11/11/15		
	37,500 ^(e)			29.03	05/23/17		
		12,500 ^(e)		36.00	07/30/18		
		1,041,667 ^(f)	1,041,666 ^(g)			359,834 ^(h)	3,238,506
						4,167 ⁽ⁱ⁾	58,505
Thomas W. Casey	62,500 ^(j)	187,500 ^(j)		10.00	12/31/20		
Randall T. Mays	2,851 ^(b)			35.06	02/19/13		
	8,324 ^(b)			9.80	02/19/13		
	3,298 ^(c)			30.31	01/12/15		
	46,554 ^(c)			9.80	01/12/15		
	5,601 ^(c)			9.80	02/16/15		
	100,000 ^(k)			18.00	11/11/15		
	50,000 ^(k)			29.03	05/23/17		
347,222 ^(l)			36.00	07/30/18			
						359,834 ^(h)	3,238,506
John E. Hogan	21,659 ^(m)	32,489 ⁽ⁿ⁾	108,297 ^(o)	36.00	07/30/18		
		170,000 ^(p)		10.00	12/31/20		
						7,500 ^(q)	67,500
Robert H. Walls, Jr.		100,000 ^(p)		10.00	12/31/20		
L. Lowry Mays	8,426 ^(r)			9.80	02/19/13		
	47,270 ^(s)			9.80	01/12/15		
	5,601 ^(t)			9.80	02/16/15		
	40,840 ^(u)			9.80	12/22/15		
						13,250 ^(q)	119,250

(a) This value is based upon the closing sale price of CCMH's Class A common stock on December 31, 2010 of \$9.00.

(b) Options to purchase CCMH's Class A common stock became exercisable on February 19, 2008.

(c) Options to purchase CCMH's Class A common stock became exercisable on July 30, 2008.

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- (d) Options to purchase CCOH Class A common stock became exercisable on November 11, 2010.
- (e) These options to purchase CCOH Class A common stock vest in four equal annual installments beginning May 23, 2008.
- (f) As a result of Mr. Mark P. Mays' retirement as our President and Chief Executive Officer, half of these stock options to purchase CCMH's Class A common stock were cancelled on March 31, 2011. Of the remaining stock options (representing 520,834 shares of CCMH's Class A common stock), options representing 130,208 shares will vest and become exercisable on May 13, 2011, options representing 130,208 shares will vest and become exercisable on May 13, 2012 and options representing 260,418 shares will vest and become exercisable on May 13, 2013.

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- (g) As a result of Mr. Mark P. Mays' retirement as our President and Chief Executive Officer, half of these stock options to purchase CCMH's Class A common stock were cancelled on March 31, 2011. The remaining options will vest only if certain predetermined performance and market targets are met. Of the remaining stock options (representing 520,834 shares of CCMH's Class A common stock), options representing 260,417 shares will vest fully upon the Sponsors' receiving a 200% return on their investment in CCMH in the form of cash returns and options representing an additional 260,417 shares will vest fully upon the Sponsors' receiving a 250% return on their investment in CCMH in the form of cash returns.

- (h) Restricted stock awards representing 26,500 shares of CCMH's Class A common stock will vest on May 22, 2011 and restricted stock awards representing 333,334 shares of CCMH's Class A common stock will vest in three equal annual installments as follows: 111,111 shares will vest on July 30, 2011; 111,111 shares will vest on July 30, 2012; and 111,112 shares will vest on July 30, 2013.

- (i) Restricted stock awards representing 4,167 shares of CCOH's Class A common stock will vest on May 23, 2011.

- (j) Options representing 62,500 shares of CCMH's Class A common stock vested on December 31, 2010. The remaining options vest and become exercisable in three equal annual installments, beginning on December 31, 2011.

- (k) These options to purchase CCOH's Class A common stock vested and became exercisable on December 22, 2009 in connection with the amendments made to Mr. Randall T. Mays' employment agreement.

- (l) These options to purchase CCMH's Class A common stock vested and became exercisable on December 22, 2009 in connection with the amendments made to Mr. Randall T. Mays' employment agreement.

- (m) These options to purchase 21,659 shares of CCMH's Class A common stock became exercisable in two equal annual installments on July 30, 2009 and July 30, 2010. These options representing 21,659 shares, together with the unvested options described in footnote (n) below representing 32,489 shares, were cancelled on March 21, 2011 in exchange for a grant of new time-vesting stock options representing 27,074 shares pursuant to the Offer to Exchange described in Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation. The new time-vesting stock options will vest in four equal installments, beginning on February 17, 2012.

- (n) These options to purchase 32,489 shares of CCMH's Class A common stock would have vested in three equal annual installments, beginning on July 30, 2011. These options representing 32,489 shares, together with the vested options described in footnote (m) above representing 21,659 shares, were cancelled on March 21, 2011 in exchange for a grant of new time-vesting stock options representing 27,074 shares pursuant to the Offer to Exchange described in Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation. The new time-vesting stock options will vest in four equal installments, beginning on February 17, 2012.

- (o) These options to purchase 108,297 shares of CCMH's Class A common stock would have vested only if certain predetermined performance and market targets were met. As awarded on July 30, 2008, (1) stock options representing 54,148 shares of CCMH's Class A common stock would have been available to vest in five equal annual installments beginning on July 30, 2009 and would only have vested if the Sponsors received at least 200% return on their investment in CCMH in the form of cash returns by such dates and (2) stock options representing an additional 54,149 shares of CCMH's Class A common stock would have been available to vest in five equal annual installments beginning on July 30, 2009 and would only have vested if the Sponsors received at least a 250% return on their investment in CCMH in the form of cash returns by such time.

These options representing 108,297 shares were cancelled on March 21, 2011 in exchange for a grant of new performance-based vesting stock options representing 54,149 shares pursuant to the Offer to Exchange described in Compensation Discussion and Analysis Elements of Compensation Long-Term Incentive Compensation. Under the new award, (1) stock options representing 27,074 shares of CCMH's Class A common stock will be available to vest in four equal annual installments beginning on February 17, 2012 and will only vest if the Sponsors receive at least a 50% return on their investment in CCMH in the form of cash returns by such time and (2) stock options representing 27,075 shares of CCMH's Class A common stock will be available to vest in four equal annual installments beginning on February 17, 2012 and will only vest if the Sponsors receive at least a 200% return on their investment in CCMH in the form of cash returns by such time.

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- (p) Options to purchase CCMH s Class A common stock will vest and become exercisable in four equal annual installments, beginning on December 31, 2011.
- (q) Restricted stock awards representing shares of CCMH s Class A common stock will vest on May 22, 2011.
- (r) Options to purchase CCMH s Class A common stock became exercisable on February 19, 2003.
- (s) Options to purchase CCMH s Class A common stock became exercisable on January 12, 2005.
- (t) Options to purchase CCMH s Class A common stock became exercisable on February 16, 2005.
- (u) Options to purchase CCMH s Class A common stock became exercisable on December 22, 2005.

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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, 2010.

Option Exercises and Stock Vested During 2010

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting(a) (#)	Value Realized on Vesting(b) (\$)
Mark P. Mays(c)			137,611	987,222
Thomas W. Casey				
Randall T. Mays			137,611	987,222
John E. Hogan			7,500	75,000
Robert H. Walls, Jr.				
L. Lowry Mays			13,250	132,500

- (a) Represents the gross number of shares acquired upon vesting of restricted stock, without taking into account any shares withheld to satisfy applicable tax obligations.
- (b) Represents the value of the vested restricted stock, calculated by multiplying (1) the number of vested shares of restricted stock by (2) the closing price on the vesting date or, if the vesting date is not a trading day, the previous trading day.
- (c) On August 23, 2010, Mark P. Mays tendered 200,000 shares of CCMH Class A common stock to CCMH for purchase at \$36.00 per share pursuant to a put option under his amended and restated employment agreement. See footnote (d) to the Summary Compensation Table above.

PENSION BENEFITS

Neither CCMH nor Clear Channel has any pension plans applicable to the named executive officers.

NONQUALIFIED DEFINED CONTRIBUTION AND OTHER NONQUALIFIED DEFERRED COMPENSATION PLANS

CCMH offers a non-qualified deferred compensation plan for its highly compensated executives, under which its 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 CCMH's sole discretion and CCMH retains ownership of all assets until distributed. Participants in the plan have the opportunity to allocate their deferrals and any CCMH matching credits among different investment options, the performance of which is used to determine the amounts to be paid to participants under the plan.

Payments under the plan must begin upon separation from service, death, disability or change in control; however, key employees generally must wait six months after separation from service for distributions to begin. Payments will be made in accordance with the participant's elections if the participant reaches retirement under the plan (age 65, or age 55 and 10 years of service) and has an account balance of \$25,000 or more. If a participant terminates and does not meet both of these criteria, the participant's account balance will be distributed on the 1st of the month on or following 60 days after termination. Distributions due to financial hardship (as determined by the Compensation Committee) are permitted, but other unscheduled withdrawals are not allowed. In the event of a change in control, all deferral account balances will be distributed in a lump sum as soon as administratively feasible.

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The following table sets forth certain information for the named executive officers with respect to the nonqualified deferred compensation plan for the year ended December 31, 2010.

Nonqualified Deferred Compensation

Name	Executive Contributions in 2010 ^(a) (\$)	Registrant Contributions in 2010 (\$)	Aggregate Earnings in 2010 (\$)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at December 31, 2010 ^(b) (\$)
Mark P. Mays					
Thomas W. Casey					
Randall T. Mays					
John E. Hogan	35,000		17,250		216,674
Robert H. Walls, Jr.					
L. Lowry Mays					

(a) All executive contributions during 2010 are included in the Non-Equity Incentive Plan Compensation column for 2010 in the Summary Compensation Table.

(b) Of the \$216,674 shown in the Aggregate Balance at December 31, 2010 column, \$167,992 was reported for Mr. Hogan in the Summary Compensation Table for 2010 and prior years.

POTENTIAL POST-EMPLOYMENT PAYMENTS

The following narrative and table describe the potential payments or benefits upon termination, change in control or other post-employment scenarios for each of our named executive officers, using an assumed December 31, 2010 trigger event for each scenario. In addition, for Mr. Mark P. Mays, the narrative below describes the actual modifications to his outstanding equity awards in connection with his March 31, 2011 retirement as our President and Chief Executive Officer. Mr. Mays remains an employee and the Chairman of our Board.

Mark P. Mays

Termination by CCMH for Cause, by Mr. Mays without Good Reason or Upon Expiration of Term. Mr. Mark P. Mays' amended and restated employment agreement provides for the following payments and benefits upon termination by us for Cause, by Mr. Mark P. Mays without Good Reason or due to the expiration of the term of his agreement.

Under the agreement, Cause is defined as Mr. Mark P. Mays: (1) willful or intentional material misconduct that causes material and demonstrable injury, monetarily or otherwise, to CCMH, the Sponsors or any of their respective affiliates; (2) 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 CCMH; (3) committing any act of fraud, embezzlement, or theft against CCMH or its affiliates, that causes material and demonstrable injury, monetarily or otherwise, to CCMH; or (4) breach of any of the restrictive covenants in the employment agreement that causes material and demonstrable injury, monetarily or otherwise, to CCMH.

The term Good Reason includes, subject to certain exceptions: (1) a reduction in Mr. Mark P. Mays' base pay or a breach of the section of the agreement providing for reimbursement of expenses; (2) a substantial diminution of his title, duties and responsibilities; (3) a failure to provide him with the use of a company-provided aircraft for personal travel; or (4) a transfer of his primary workplace outside the city limits of San Antonio, Texas. An isolated, insubstantial and inadvertent action that is not taken in bad faith and which is remedied by CCMH within 10 business days after receipt of notice thereof from Mr. Mark P. Mays will not constitute Good Reason.

If Mr. Mark P. Mays is terminated by CCMH for Cause, he resigns without Good Reason or the term of his agreement expires, he will receive a lump-sum cash payment equal to his base salary, bonus and unused

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vacation accrued but unpaid through the date of termination. If the term of Mr. Mark P. Mays' agreement expires, he also has the right to purchase a specified Company-owned aircraft at fair market value.

In addition, if Mr. Mark P. Mays is terminated by CCMH for Cause, he resigns without Good Reason or the term of his agreement expires, all of his stock options would continue pursuant to their original conditions for the remainder of their original 10-year term. Any remaining unvested restricted stock would be forfeited.

Termination by CCMH without Cause, by Mr. Mays for Good Reason or Upon Change in Control. If Mr. Mark P. Mays is terminated by CCMH without Cause or if Mr. Mark P. Mays resigns for Good Reason: (1) he will receive a lump-sum cash payment equal to his base salary, bonus and unused vacation accrued but unpaid through the date of termination; (2) if termination is before he receives his bonus for 2010, he will be eligible to receive his 2010 bonus as if he was employed through December 31, 2010; (3) provided he signs and returns a release of claims in the time period required, (a) he will receive a lump sum cash payment equal to \$4,500,000 and (b) CCMH will maintain in full force and effect, for the continued benefit of him and his eligible dependents for a period of three years following the date of termination, the medical and hospitalization insurance programs in which he 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 he or his dependents cannot continue to participate in our programs providing such benefits, CCMH will arrange to provide him 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 is capped at \$50,000, even if the cap is reached before the end of the three-year period.

Furthermore, in the event that Mr. Mark P. Mays' employment is terminated by CCMH without Cause or by him for Good Reason, Mr. Mark P. Mays would be entitled to require CCMH to purchase all or a portion of 355,556 shares of the CCMH restricted stock granted to him in connection with the closing of the Merger at a price equal to \$36.00 per share. In addition, all of his CCMH stock options granted to him in connection with the Merger would vest and remain exercisable for the remainder of their original 10-year term, any remaining unvested CCMH restricted stock would vest, his unvested CCOH stock options would be cancelled and any vested CCOH stock options would remain exercisable for 90 days after termination. Any unvested CCOH restricted stock would be forfeited.

Mr. Mark P. Mays' employment agreement does not provide for payments or benefits upon a change in control. Accordingly, if he were terminated without Cause after a change in control, Mr. Mark P. Mays would be entitled to the benefits described for a termination without Cause. Any unvested stock options and restricted stock would vest upon change in control, with or without termination.

Termination due to Disability. During any period in which he fails to perform his duties under his employment agreement as a result of incapacity due to physical or mental illness, Mr. Mark P. Mays 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, he 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, he has not returned to the substantial performance of his duties on a full-time basis, CCMH will have the right to terminate his employment for disability. In the event his employment is terminated for disability, CCMH will pay to him his base salary, bonus and unused vacation accrued but unpaid through the date of termination.

Furthermore, Mr. Mark P. Mays would be entitled to require CCMH to purchase all or a portion of 355,556 shares of the CCMH restricted stock granted to him in connection with the closing of the Merger at a price equal to \$36.00 per share. In addition, any of his CCMH stock options granted to him in connection with the Merger that would have vested on the next anniversary would vest as if he were employed on that date and remain exercisable for the remainder of their original 10-year term, and any remaining unvested CCMH

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restricted stock would vest. Any CCOH stock options would continue to vest and remain exercisable for the shorter of five years or the remainder of the original 10-year term. Any remaining unvested CCOH restricted stock would continue to vest as if he remained employed.

Termination due to Death. If Mr. Mark P. Mays' employment is terminated by his death, CCMH will pay in a lump sum to his beneficiary, legal representatives, or estate, as the case may be, his base salary, bonus and unused vacation accrued but unpaid through the date of his death. Furthermore, his beneficiary, legal representatives, or estate, as the case may be, would be entitled to require CCMH to purchase all or a portion of 355,556 shares of the CCMH restricted stock granted to him in connection with the closing of the Merger at a price equal to \$36.00 per share. In addition, any of his CCMH stock options granted to him in connection with the Merger that would have vested on the next anniversary would vest as if he were employed on that date and remain exercisable for the remainder of their original 10-year term, and any remaining unvested CCMH restricted stock would vest. Any unvested CCOH stock options would vest and be exercisable for the shorter of one year or the remainder of the original 10-year term, and any remaining unvested CCOH restricted stock would vest.

Gross-Up. If it is determined that any payment, award, benefit or distribution pursuant to the employment agreement or otherwise would be subject to (1) an additional tax under Section 409A of the Code or (2) an excise tax under Section 4999 of the Code as a result of the Merger, CCMH also is obligated to pay to Mr. Mark P. Mays a tax gross-up payment to cover any taxes, interest or penalties imposed by those sections of the Code.

March 31, 2011 Retirement as President and Chief Executive Officer. On March 31, 2011, Mr. Mark P. Mays retired as our President and Chief Executive Officer. He remains an employee and our Chairman. Pursuant to his amended and restated employment agreement, upon his cessation of service as our Chief Executive Officer on March 31, 2011, one-half of his time-vesting options and one-half of his performance-vesting options granted on July 30, 2008 were cancelled, with all remaining stock options continuing pursuant to their original conditions for the remainder of their original 10-year term.

Thomas W. Casey

Termination by Clear Channel for Cause or by Mr. Casey without Good Reason. Mr. Casey's employment agreement provides for the following payments and benefits upon termination by Clear Channel for Cause or by Mr. Casey without Good Reason.

Under the agreement, Cause is defined as Mr. Casey's: (1) willful and continued failure to perform substantially his duties with us (other than due to disability or following his notice to us of termination for Good Reason), after a demand for substantial performance is delivered by our Board or the Compensation Committee specifically identifying the manner in which he has not performed; (2) willful material misconduct that causes material and demonstrable injury, monetarily or otherwise, to Clear Channel; (3) willful disregard or violation of published company policies and procedures or codes of ethics; (4) fraud, dishonesty, breach of fiduciary duty, misappropriations, embezzlement or gross misfeasance of duty; or (5) conviction of, or plea of *nolo contendere* to, a felony or other crime involving moral turpitude. In the case of (1), (2) or (3), unless the action by its nature is not curable or is a recurrence of a previously cured act with respect to which Mr. Casey has previously been provided notice, those acts will not constitute Cause unless the Board provides Mr. Casey with notice specifying (a) the conduct qualifying for Cause, (b) reasonable action that would remedy it and (c) a reasonable time (not less than 30 days) within which Mr. Casey can take the remedial action, and Mr. Casey fails to take the remedial action within the specified time.

The term Good Reason includes, subject to certain exceptions: (1) Clear Channel's repeated failure to comply with a material term of the agreement after written notice from Mr. Casey specifying the failure; (2) a substantial and unusual increase in responsibilities and authority without an offer of additional reasonable

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compensation; or (3) a substantial and unusual reduction in responsibilities or authority. To terminate for Good Reason, Mr. Casey must provide Clear Channel with 30 days notice, after which Clear Channel has 30 days to cure.

If Mr. Casey is terminated for Cause, he will receive a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination. If Mr. Casey resigns without Good Reason, he would receive his base salary for the 90-day notice period and any accrued but unpaid base salary and prior year bonus. If he is terminated for Cause or if he resigns without Good Reason, his stock options would be cancelled.

Termination by Clear Channel without Cause, by Mr. Casey for Good Reason or Upon Change in Control. If Mr. Casey is terminated by Clear Channel without Cause or if Mr. Casey resigns for Good Reason: (1) he will receive a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination; (2) provided he signs and returns a release of claims in the time period required, (a) he will receive a lump sum cash payment equal to any earned but unpaid bonus with respect to the year prior to his termination, (b) a prorated annual bonus with respect to the days he was employed in the year that includes the termination, calculated as if he had remained employed through the normal payment date, had 100% of his bonus opportunity been based on Clear Channel's financial performance criteria and based on Clear Channel's actual performance against those criteria as of the end of the performance period, (c) an equity value preservation payment equal to \$1,250,000 for a termination that occurs in 2010 (with amounts varying for terminations occurring in other years), and (d) a severance payment paid over 18 months in an amount equal to 1.5 times the sum of (i) his annual base salary at the termination date and (ii) his target bonus for the year that includes the termination. However, if Mr. Casey violates the non-compete provisions of his agreement during the 18-month period above, Clear Channel may cease the severance payment referred to in (d) above.

Furthermore, in the event that Mr. Casey's employment is terminated by Clear Channel without Cause, his vested stock options would continue to be exercisable for the shorter of 90 days or the remaining 10-year term of the options. Mr. Casey's employment agreement does not provide for payments or benefits upon a change in control. Accordingly, if he were terminated without Cause after a change in control, Mr. Casey would be entitled to the benefits described for a termination without Cause. Mr. Casey's unvested stock options would vest upon a change in control, with or without termination.

Termination due to Disability. If Mr. Casey is unable to perform the essential functions of his full-time position for more than 180 days in any 12 month period, Clear Channel may terminate his employment. If Mr. Casey's employment is terminated: (1) he will receive a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination; (2) provided he signs and returns a release of claims in the time period required, (a) he will receive a lump sum cash payment equal to any earned but unpaid bonus with respect to the year prior to his termination and (b) a prorated annual bonus with respect to the days he was employed in the year that includes the termination, calculated as if he had remained employed through the normal payment date, had 100% of his bonus opportunity been based on Clear Channel financial performance criteria and based on Clear Channel's actual performance against those criteria as of the end of the performance period. Furthermore, Mr. Casey's vested stock options would continue to be exercisable for the shorter of one year or the remaining 10-year term of the options.

Termination due to Death. If Mr. Casey's employment is terminated by his death, Clear Channel will pay in a lump sum to his designee or, if no designee, to his estate, his accrued but unpaid base salary and any earned but unpaid bonus with respect to the year prior to the termination. Furthermore, Mr. Casey's vested stock options would continue to be exercisable for the shorter of one year or the remaining 10-year term of the options.

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Randall T. Mays

Termination by CCMH for Cause or by Mr. Mays without Good Reason. Mr. Randall T. Mays amended and restated employment agreement provides for the following payments and benefits upon termination by us for Cause or by Mr. Randall T. Mays without Good Reason.

Under the employment agreement, Cause is defined as Mr. Randall T. Mays : (1) conviction of, or plea of *nolo contendere* to, a felony that causes material and demonstrable injury, monetarily or otherwise, to CCMH; (2) committing any act of fraud, embezzlement, or other act of dishonesty against CCMH or its affiliates, that causes material and demonstrable injury, monetarily or otherwise, to CCMH; or (3) breach of any of the restrictive covenants in the employment agreement that causes material and demonstrable injury, monetarily or otherwise, to CCMH.

The term Good Reason includes, subject to certain exceptions: (1) a reduction in Mr. Randall T. Mays base salary; (2) failure to provide him with the use of a company-provided aircraft for personal travel; (3) transfer of his primary workplace outside the city limits of San Antonio, Texas; or (4) Mr. Mark P. Mays ceasing to serve as Chief Executive Officer of CCMH. An isolated, insubstantial and inadvertent reduction in his base salary that is not taken in bad faith and which is remedied by CCMH within 10 business days after receipt of notice thereof from Mr. Randall T. Mays will not constitute Good Reason. An insubstantial and inadvertent failure to provide him with the aircraft benefit that is not done in bad faith and is not reported also will not constitute Good Reason.

If Mr. Randall T. Mays employment is terminated by CCMH for Cause or by him other than for Good Reason, he will receive a lump sum cash payment equal to his base salary (with base salary, for this purpose, not being less than \$1,000,000) and unused vacation accrued and unpaid through the date of termination. Any remaining unvested restricted stock would be forfeited.

Termination by CCMH without Cause, by Mr. Mays for Good Reason or Upon Change in Control. If Mr. Randall T. Mays is terminated by CCMH without Cause or he resigns for Good Reason: (1) he will receive a lump sum cash payment equal to his base salary (with base salary, for this purpose, not being less than \$1,000,000) and unused vacation accrued and unpaid through the date of termination; and (2) he will continue to receive his base salary (with base salary, for this purpose, not being less than \$1,000,000) for the remainder of the original term of his agreement. In addition, CCMH will maintain in full force and effect, for the continued benefit of him and his eligible dependents for the remainder of the original term of his agreement, the medical and hospitalization insurance programs in which he 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 he or his dependents cannot continue to participate in our programs providing such benefits, CCMH will arrange to provide him 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 is capped at \$50,000, even if the cap is reached before the end of the original term of his agreement. Mr. Randall T. Mays also is entitled to continued personal use of the company-provided aircraft for the remainder of the original term of the agreement.

Furthermore, in the event that Mr. Randall T. Mays employment is terminated by CCMH without Cause or by him for Good Reason, any remaining unvested restricted stock would vest. Mr. Randall T. Mays employment agreement does not provide for payments or benefits upon a change in control. Accordingly, if he were terminated without Cause after a change in control, Mr. Randall T. Mays would be entitled to the benefits described for a termination without Cause. Any unvested restricted stock would vest upon change in control, with or without termination.

Termination due to Disability. During any period in which he fails to perform his duties under his employment agreement as a result of incapacity due to physical or mental illness, Mr. Randall T. Mays will

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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, he 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, he has not returned to the substantial performance of his duties on a full-time basis, CCMH will have the right to terminate his employment for disability. In the event his employment is terminated for disability, CCMH will pay to him a lump sum cash payment equal to his base salary (with base salary, for this purpose, not being less than \$1,000,000) and unused vacation accrued and unpaid through the date of termination. Furthermore, any remaining unvested restricted stock would vest.

Termination due to Death. If Mr. Randall T. Mays' employment is terminated by his death, CCMH will pay in a lump sum to his beneficiary, legal representatives, or estate, as the case may be, his base salary (with base salary, for this purpose, not being less than \$1,000,000) and unused vacation accrued and unpaid through the date of termination. Furthermore, any remaining unvested restricted stock would vest.

Gross-Up. If it is determined that any payment, award, benefit or distribution pursuant to the employment agreement or otherwise would be subject to (1) an additional tax under Section 409A of the Code or (2) an excise tax under Section 4999 of the Code as a result of the Merger, CCMH also is obligated to pay to Mr. Randall T. Mays a tax gross-up payment to cover any taxes, interest or penalties imposed by those sections of the Code.

John E. Hogan

Termination by CCB for Cause or by Mr. John E. Hogan without Good Cause. Mr. Hogan's employment agreement provides for the following payments and benefits upon termination by CCB for Cause or by Mr. Hogan without Good Cause.

A termination for Cause must be for one or more of the following reasons: (1) conduct by Mr. 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 any of its affiliates, or other willful misconduct as determined in the sole reasonable discretion of CCB; (2) continued, willful and deliberate non-performance by Mr. Hogan of his duties under his employment agreement (other than by reason of Mr. 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; (3) Mr. 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; (4) a criminal or civil conviction of Mr. Hogan, a plea of *nolo contendere* by Mr. Hogan, or other conduct by Mr. 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; (5) a material breach by Mr. Hogan of any of the provisions of his employment agreement; or (6) a material violation by Mr. Hogan of CCB's employment policies.

The term Good Cause includes: (1) a repeated willful failure of CCB to comply with a material term of the employment agreement following notice by Mr. Hogan of the failure; (2) a substantial and unusual change in Mr. Hogan's position, material duties, responsibilities or authority without an offer of additional reasonable compensation; or (3) a substantial and unusual reduction in Mr. Hogan's material duties, responsibility or authority. To terminate for Good Reason, Mr. Hogan must provide CCB with 30 days notice, after which CCB has 30 days to cure.

If Mr. Hogan's employment is terminated by CCB for Cause, CCB will pay in a lump sum to Mr. Hogan his accrued and unpaid base salary. Furthermore, his stock options would be cancelled and any unvested restricted stock would be forfeited.

Termination by CCB without Cause, by Mr. Hogan for Good Cause, Upon Non-Renewal of the Agreement or Upon Change in Control. If Mr. Hogan's employment with CCB is terminated by CCB without

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Cause, by CCB giving notice of non-renewal or by Mr. Hogan for Good Cause : (1) CCB will pay Mr. Hogan his accrued and unpaid base salary; (2) provided he signs and returns a release of claims in the time period required, CCB will pay Mr. Hogan (a) over a period of three years, an amount equal to three times his average annualized salary for the current and prior full year of employment, (b) a lump sum cash payment equal to the difference between (i) two times the sum of (x) his average annualized salary for the current and prior full year of employment plus (y) 120% of his average annualized salary for the current and prior full year of employment, and (ii) three times his average annualized salary for the current and prior full year of employment, and (c) an outplacement cash lump sum benefit equal to \$20,000. In addition, provided Mr. Hogan signs and returns a release of claims in the time period required: (1) he and his dependents will be allowed to participate in CCB's health benefit plans under which they were covered as of the date of termination for a period of three years, provided that he pays the applicable COBRA premium, which CCB will reimburse; and (2) he will have access to secretarial services, at CCB's expense, for a period of six months after termination of employment. In addition, if his employment is terminated by CCB without cause, by CCB giving notice of non-renewal or by Mr. Hogan for Good Cause, he will be paid a pro rata performance bonus if such bonus otherwise would have been earned if employment had not been terminated.

If Mr. Hogan gives notice of non-renewal of his employment agreement, CCB will pay Mr. Hogan: (1) his accrued and unpaid base salary and (2) provided he signs and returns a release of claims in the time period required, his then current base salary for one year, payable during the one-year term of Mr. Hogan's non-compete obligations.

Furthermore, if Mr. Hogan is terminated for without Cause, his vested options would continue to be exercisable for the shorter of 90 days or the remaining 10-year term of the options and any unvested restricted stock would be forfeited. If he terminated his employment for Good Cause or by Non-Renewal of his agreement, his stock options would be cancelled and any unvested restricted stock would be forfeited. Mr. Hogan's employment agreement does not provide for payments or benefits upon a change in control. Accordingly, if he were terminated without Cause after a change in control, Mr. Hogan would be entitled to the benefits described for a termination without Cause. In addition, any unvested restricted stock would vest upon a change in control, with or without termination. If he is terminated without Cause within 12 months after a change in control, his stock options would vest, except that tranches 2 and 3 of his stock options granted on July 30, 2008 would only vest if the applicable return to investors is achieved on the change in control.

Termination due to Disability. If Mr. Hogan is unable to perform the essential functions of his full-time position for more than 180 days in any 12 month period, CCB may terminate his employment. If Mr. Hogan's employment is terminated, he will receive: (1) a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination and (2) a prorated annual bonus with respect to the days he was employed in the year that includes the termination, calculated as if he had remained employed through the normal payment date, had 100% of his bonus opportunity and based on CCB's actual performance against those criteria as of the end of the performance period. Furthermore, Mr. Hogan's vested stock options would continue to be exercisable for the shorter of one year or the remaining 10-year term of the options and any unvested restricted stock would continue to vest as if he remained employed.

Termination due to Death. If Mr. Hogan's employment is terminated by his death, CCB will pay in a lump sum to his designee or, if no designee, to his estate, his accrued but unpaid base salary and prorated bonus, if any. Furthermore, Mr. Hogan's vested stock options would continue to be exercisable for the shorter of one year or the remaining 10-year term of the options and any unvested restricted stock would vest.

Termination under Key Man Provision. If Mr. Hogan terminates his employment within 180 days after the November 15, 2010 effective date of his employment agreement or within 180 days after the appointment of a new Chief Executive Officer who succeeds Mr. Mark P. Mays in that role, CCB will pay Mr. Hogan: (1) his accrued but unpaid base salary through the date of termination and (2) provided he signs and returns a release of claims in the time period required, over a period of three years, an amount equal to three times his average annualized base salary for the current and prior full year of employment.

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Robert H. Walls, Jr.

Termination by CCMS for Cause or by Mr. Walls without Good Cause. Mr. Walls' employment agreement provides for the following payments and benefits upon termination by CCMS for Cause or by Mr. Walls without Good Cause.

Under the agreement, Cause is defined as Mr. Walls': (1) willful and material misconduct that causes material and demonstrable injury, monetarily or otherwise, to CCMS or its affiliates; (2) willful and material nonperformance of his duties (other than due to disability), willful and material failure to follow lawful directives consistent with his obligations under the agreement or other willful and material breach of the agreement, in each case after written notice specifying the failure; (3) conviction of, or plea of *nolo contendere* to, a felony or misdemeanor involving moral turpitude; (4) fraud, embezzlement, theft or other act of dishonesty that causes material and demonstrable injury, monetarily or otherwise, to CCMS or its affiliates. In the case of (1) or (2), unless the action by its nature is not curable or is a recurrence of a previously cured act with respect to which Mr. Walls has previously been provided notice, those acts will not constitute Cause unless Mr. Walls is provided with ten days to cure after written notice and has an opportunity to address the Board upon his written request during the cure period.

The term Good Cause includes, subject to certain exceptions: (1) CCMS' material breach of the agreement after written notice from Mr. Walls specifying the failure; (2) a material diminution in Mr. Walls' base compensation; (3) a material diminution in his authority, duties or responsibilities; (4) a material diminution in the authority, duties or responsibilities of the Chief Executive Officer; or (5) a change in the place of Mr. Walls' performance of more than 50 miles. To terminate for Good Cause, Mr. Walls must provide CCMS with 30 days notice, after which CCMS has 30 days to cure.

If Mr. Walls is terminated for Cause, he will receive a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination. If Mr. Walls resigns without Good Cause, he would receive his base salary for the 60-day notice period and any accrued but unpaid base salary and prior year bonus. If he is terminated with Cause or if he resigns without Good Cause, his stock options would be cancelled.

Termination by CCMS without Cause, by Mr. Walls for Good Cause or Upon Change in Control. If Mr. Walls is terminated by CCMS without Cause or if Mr. Walls resigns for Good Cause: (1) he will receive a lump-sum cash payment equal to his accrued but unpaid base salary and prior year bonus; (2) provided he signs and returns a release of claims in the time period required, he will receive a lump sum cash payment equal to (a) 1.5 times the sum of his annual rate of base salary on the date of termination plus his target bonus for the year of termination and (b) a prorated annual bonus with respect to the days he was employed in the year that includes the termination. However, if Mr. Walls violates the non-compete provisions of his agreement, he will forfeit a pro rata portion of the amount described in (a) above for the amount of time remaining under the non-compete provisions.

Furthermore, in the event that Mr. Walls' employment is terminated by CCMS without Cause, his vested stock options would continue to be exercisable for the shorter of 90 days or the remaining 10-year term of the options. Mr. Walls' employment agreement does not provide for payments or benefits upon a change in control. Accordingly, if he were terminated without Cause after a change in control, Mr. Walls would be entitled to the benefits described for a termination without Cause. Mr. Walls' unvested stock options would vest upon change in control, with or without termination.

Termination due to Disability. If Mr. Walls is unable to perform the essential functions of his full-time position for more than 180 days in any 12 month period, CCMS may terminate his employment. If Mr. Walls' employment is terminated, he will receive: (1) a lump-sum cash payment equal to his accrued but unpaid base salary through the date of termination; (2) provided he signs and returns a release of claims in the time period required, (a) a lump sum cash payment equal to any earned but unpaid bonus with respect to the year prior to his

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termination and (b) a prorated annual bonus with respect to the days he was employed in the year that includes the termination. Furthermore, Mr. Walls' s vested stock options would continue to be exercisable for the shorter of one year or the remaining 10-year term of the options.

Termination due to Death. If Mr. Walls' s employment is terminated by his death, CCMH will pay in a lump sum to his designee or, if no designee, to his estate, (1) his accrued but unpaid base salary and any earned but unpaid bonus with respect to the year prior to the termination and (2) a prorated annual bonus with respect to the days he was employed in the year that includes the termination. Furthermore, Mr. Walls' s vested stock options would continue to be exercisable for the shorter of one year or the remaining 10-year term of the options.

Limitation on Benefits. To the extent that any of the payments and benefits under the agreement or otherwise would be subject to an excise tax under Section 4999 of the Code, then the payments will be payable either in full or as to such lesser amounts as would result in no portion of the payments being subject to an excise tax, whichever amount results in Mr. Walls' receiving the greatest after-tax amount.

L. Lowry Mays

Under Mr. L. Lowry Mays' amended and restated employment agreement dated as of July 28, 2008, CCMH may terminate Mr. L. Lowry Mays employment only for Extraordinary Cause or due to his death during the initial five-year term of his agreement. Subsequent to the initial five year term, CCMH may terminate his employment with or without Extraordinary Cause.

During the Initial Term Termination by CCMH for Extraordinary Cause or due to Death or by Mr. Mays. Mr. L. Lowry Mays' employment agreement provides for the following payments and benefits upon termination by us for Extraordinary Cause, due to Mr. L. Lowry Mays' death or by Mr. L. Lowry Mays for any reason during the initial term.

Extraordinary Cause is defined as his: (1) willful misconduct that causes material and demonstrable injury to CCMH or (2) conviction of a felony or other crime involving moral turpitude.

If Mr. L. Lowry Mays' employment is terminated by CCMH for Extraordinary Cause, by him for any reason, or due to his death during the initial term, CCMH will pay him his base salary, bonus and his accrued and unpaid vacation through the date of termination. The bonus will be the bonus that he would have earned if he were employed for the full year, prorated with respect to the number of days he was employed. Any remaining unvested restricted stock would vest upon termination due to death or upon his disability or resignation or upon a change in control (with or without termination in the case of change in control).

After the Initial Term Termination by CCMH without Extraordinary Cause or due to Disability or Death. If Mr. L. Lowry Mays is terminated by CCMH without Extraordinary Cause after the end of the initial term, he will receive: (1) 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 he would have earned had he remained employed for the full year in which the termination occurs) and accrued and unpaid vacation through the date of termination; and (2) provided he signs and returns a release of claims in the time period required, a lump-sum cash payment equal to the base salary and bonus to which he would otherwise have been entitled had he remained employed for the remainder of the then current one-year term.

In addition, if Mr. L. Lowry Mays is terminated by CCMH without Extraordinary Cause after the end of the initial term, CCMH will maintain in full force and effect, for the continued benefit of him and his eligible dependents for a period of five years following the date of termination, the medical and hospitalization insurance programs in which Mr. L. Lowry Mays 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 or his dependents cannot continue to participate in CCMH' s

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programs providing such benefits, CCMH will arrange to provide him and his dependents with the economic equivalent of such benefits which they otherwise would have been entitled to receive under such plans and programs. CCMH also will 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 benefits gross-up payment). The aggregate value of these continued benefits and the benefits gross-up payments are capped at \$3,000,000, even if the cap is reached prior to the end of the five-year period.

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, CCMH will have the right to terminate his employment for disability after the initial five-year term. In the event Mr. L. Lowry Mays employment is terminated for disability after the initial five-year term, CCMH will pay to him his base salary, bonus and accrued and unpaid vacation through the date of termination. If Mr. L. Lowry Mays employment is terminated by his death, CCMH will pay in a lump sum to his beneficiary, legal representatives, or estate, as the case may be; his base salary, bonus and accrued and unpaid vacation through the date of his death. Any remaining unvested restricted stock would vest upon termination due to death or upon his disability.

Other Benefits. Mr. L. Lowry Mays is entitled to continued personal use of the company-provided aircraft for ten years after July 30, 2008, regardless of whether he remains employed by CCMH.

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The following table describes the potential payments or benefits upon termination, other post-employment scenarios or change in control for each of the named executive officers. The amounts in the table below show only the value of amounts payable or benefits due to enhancements in connection with each scenario, and do not reflect amounts otherwise payable or benefits otherwise due as a result of employment. In addition, the table does not include amounts payable pursuant to plans that are available generally to all salaried employees. The actual amounts to be paid out can only be determined at the time of such executive officer's separation from CCMH.

Potential Payments Upon Termination or Change in Control^(a)

Name	Benefit	Termination with Cause	Termination without Cause	Termination due to Disability	Termination due to Death	Retirement or Resignation	Change in Control
Mark P. Mays ^(b)	Cash payment	\$ 2,653,784 ^(c)	\$ 7,153,784 ^(d)	\$ 2,653,784 ^(c)	\$ 2,653,784 ^(c)	\$ 2,653,784 ^(c)	
	Value of Benefits ^(e)		33,635				
	Vesting of equity awards ^(f)				58,505		\$ 3,297,011
	Repurchase of Restricted stock ^(g)		12,800,016	12,800,016	12,800,016		
	Other ^(h)		3,218,768				
	TOTAL	\$ 2,653,784	\$ 23,206,203	\$ 15,453,800	\$ 15,512,305	\$ 2,653,784	\$ 3,297,011
Thomas W. Casey ^(b)	Cash payment		\$ 5,324,500 ⁽ⁱ⁾	\$ 1,449,500 ⁽ⁱ⁾		\$ 184,932 ^(k)	
	TOTAL		\$ 5,324,500	\$ 1,449,500		\$ 184,932	
Randall T. Mays	Cash payment		\$ 2,583,333 ^(l)				
	Value of Benefits ^(e)		28,963				
	Vesting of equity awards ^(f)		3,238,506	\$ 3,238,506	\$ 3,238,506		\$ 3,238,506
	TOTAL		\$ 5,850,802	\$ 3,238,506	\$ 3,238,506		\$ 3,238,506
John E. Hogan ^(m)	Cash payment		\$ 3,953,325 ⁽ⁿ⁾	\$ 1,829,880 ^(o)	\$ 1,873,435 ^(p)	\$ 2,662,500 ^(q)	
	Value of Benefits ^(e)		59,458				
	Vesting of equity awards ^(f)				67,500		\$ 67,500
	TOTAL		\$ 4,012,783	\$ 1,829,880	\$ 1,940,935	\$ 2,662,500	\$ 67,500
Robert H. Walls, Jr.	Cash payment		\$ 3,649,750 ^(r)	\$ 1,324,750 ^(s)	\$ 1,324,750 ^(s)	\$ 90,411 ^(t)	
	TOTAL		\$ 3,649,750	\$ 1,324,750	\$ 1,324,750	\$ 90,411	
L. Lowry Mays	Cash payment	\$ 398,068 ^(u)	\$ 2,121,922 ^(v)	\$ 2,121,922 ^(v)	\$ 398,068 ^(u)		
	Value of Benefits ^(e)		18,492	18,492			
	Vesting of equity awards ^(f)			119,250	119,250	\$ 119,250	\$ 119,250
	Other ^(w)		450,784	450,784			
	TOTAL	\$ 398,068	\$ 2,591,198	\$ 2,710,448	\$ 517,318	\$ 119,250	\$ 119,250

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- (a) Amounts reflected in the table were calculated assuming the triggering event occurred on December 31, 2010.
- (b) Amounts reflected in the table represent the entire portion of post-employment payments. Pursuant to the Corporate Services Agreement, a percentage of payments made to Messrs. Mark P. Mays and Thomas W. Casey upon termination or change in control, other than Vesting of Equity Awards payments, would be allocated to CCOH. For 2010, this allocation is based on CCOH's 2009 OIBDAN as a percentage of Clear Channel's 2009 OIBDAN. Accordingly, 41% of any payments to Messrs. Mark P. Mays or Thomas W. Casey upon termination or change in control in 2010, other than Vesting of Equity Awards payments, would have been allocated to CCOH. For a further discussion of the Corporate Services Agreement, please refer to Compensation Discussion and Analysis Corporate Services Agreement or Certain Relationships and Related Party Transactions Corporate Services Agreement.
- (c) Represents Mark P. Mays' prorated annual bonus for the year ended December 31, 2010, as provided in his amended and restated employment agreement.
- (d) Represents a lump sum payment of \$4,500,000 and the prorated annual bonus for Mark P. Mays for the year ended December 31, 2010, as provided in his amended and restated employment agreement.
- (e) The values associated with the continued provision of health benefits are based on the 2011 premiums for medical insurance multiplied by the amount of time the executive is entitled to those benefits pursuant to his employment agreement.

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- (f) Amounts reflect the value of unvested CCMH equity awards held by the respective named executive officers on December 31, 2010 that would be subject to accelerated vesting. This value is based upon the closing sale price of CCMH's Class A common stock on December 31, 2010 of \$9.00, but it excludes (1) stock options where the exercise price exceeds the closing sale price of CCMH's Class A common stock on December 31, 2010 and (2) in the case of Mr. Mark P. Mays' termination without Cause, due to disability or due to death, unvested CCMH restricted stock, the value of which is encompassed within the amount shown in the Repurchase of Restricted Stock row. Also, in the case of Mr. Mark P. Mays, the amounts reflect the value of his unvested CCOH equity awards on December 31, 2010, based upon the closing sale price of CCOH's Class A common stock on December 31, 2010 of \$14.04 and excluding any stock options where the exercise price exceeds the closing sale price of CCOH's Class A common stock on December 31, 2010. The value of vested equity awards is not included in this table.
- (g) Represents the value of Mr. Mark P. Mays' outstanding put option to require CCMH to purchase 355,556 shares of his CCMH's Class A common stock at \$36.00 per share.
- (h) Represents the excise tax gross up payment due to Mr. Mark P. Mays under the terms of his amended and restated employment agreement. If Mr. Mark P. Mays were terminated by the Company without Cause on December 31, 2010, portions of the benefits he would receive in connection with the termination, along with benefits he received at the time of the Merger, may constitute excess parachute payments under Section 280G of the Code, entitling Mr. Mark P. Mays to a gross-up under the terms of his amended and restated employment agreement.
- (i) Represents (1) 1.5 times the sum of Mr. Casey's base salary and annual bonus target, (2) \$1,250,000 payable for equity value preservation and (3) a prorated annual bonus for the year ended December 31, 2010 based on company performance pursuant to Mr. Casey's employment agreement.
- (j) Represents the prorated annual bonus for the year ended December 31, 2010 for Mr. Casey based on company performance pursuant to his employment agreement.
- (k) Represents base salary during the required 90 day notice period under Mr. Casey's employment agreement.
- (l) Represents the remaining annual base salary due to Mr. Randall T. Mays for the remaining two years and seven months of the term of his amended and restated employment agreement.
- (m) In addition to the amounts reflected in this table, if Mr. Hogan were to provide notice of non-renewal of his employment agreement, Mr. Hogan would be entitled to receive his then current base salary for one year during the one-year period of his non-compete obligations. His current salary is \$1,000,000. The amounts reflected in this table for Mr. Hogan do not include amounts payable to him under the non-qualified deferred compensation plan because those amounts are disclosed in the Nonqualified Deferred Compensation table above.
- (n) Reflects (1) three times the average of Mr. Hogan's annualized base salary for 2010 and 2009, (2) a lump sum payment of \$1,242,500, (3) an outplacement allowance of \$20,000 pursuant to his Amended and Restated Employment Agreement and (4) the continuation of secretarial services for six months, to which he would be entitled upon termination by CCB without cause or CCB's non-renewal of Mr. Hogan's amended and restated employment agreement at the end of its term.
- (o) Reflects a prorated annual bonus based upon CCB performance for the year ended December 31, 2010 pursuant to Mr. Hogan's amended and restated employment agreement.
- (p) Reflects a prorated annual bonus based upon CCB and individual performance for the year ended December 31, 2010 pursuant to Mr. Hogan's amended and restated employment agreement.
- (q) Represents a lump sum payment to which Mr. Hogan is entitled upon a termination pursuant to the key man provision of his amended and restated employment agreement. The lump sum payment is equal to three times the average of Mr. Hogan's annualized base salary for 2010 and 2009 pursuant to his amended and restated employment agreement.
- (r) Represents the amount payable to Mr. Walls pursuant to his employment agreement, which includes 1.5 times the sum of his base salary and annual bonus target and a prorated annual bonus for the year ended December 31, 2010.
- (s) Represents the prorated annual bonus for the year ended December 31, 2010 for Mr. Walls pursuant to his employment agreement.
- (t) Represents base salary during the required 60 day notice period under Mr. Walls' employment agreement.
- (u) Represents the prorated annual bonus for the year ended December 31, 2010 for Mr. L. Lowry Mays pursuant to his amended and restated employment agreement.
- (v) Represents Mr. L. Lowry Mays' prorated annual bonus for the year ended December 31, 2010 plus the remaining annual base salary, annual bonus and vacation due to Mr. L. Lowry Mays for the remaining two years and seven months of the term of his amended and restated employment agreement. For purposes of calculating his remaining annual bonus, he was assumed to earn an amount equal to his 2010 annual bonus for the remaining term of his amended and restated employment agreement.
- (w) Under the terms of his amended and restated employment agreement, Mr. L. Lowry Mays' employment may be terminated by CCMH only for Extraordinary Cause during the initial five-year term of his agreement. Under his agreement, Mr. L. Lowry Mays is entitled to certain perquisites such as club dues, personal accounting and tax assistance and the use of a company-provided automobile. In addition, he is entitled to the use of company-owned aircraft for personal travel, in accordance with Clear Channel's policy as in effect on November 16, 2006, for ten years from the date of the closing of the Merger, regardless of whether he remains employed by CCMH. See the All Other Compensation Table in footnote (d) to the Summary Compensation Table for the amounts related to Mr. L. Lowry Mays' club dues, personal accounting and tax assistance, company-provided automobile and personal use of company-owned aircraft during 2010. For purposes of this table, these amounts were projected to continue for the duration of Mr. L. Lowry Mays' amended and restated employment agreement. The actual cost of these perquisites will fluctuate over time.

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RELATIONSHIP OF COMPENSATION POLICIES AND PROGRAMS TO RISK MANAGEMENT

In consultation with the Compensation Committee, management conducted an assessment of whether CCMH's compensation policies and practices encourage excessive or inappropriate risk taking by our employees, including employees other than our named executive officers. This assessment included discussions with members of the corporate Human Resources, Legal, Finance, Internal Audit departments, as well as personnel in the business units, and a review of corporate and operational compensation arrangements. The assessment analyzed the risk characteristics of our business and the design and structure of our incentive plans and policies. Although a significant portion of our executive compensation program is performance-based, the Compensation Committee has focused on aligning CCMH's compensation policies with the long-term interests of CCMH and avoiding rewards or incentive structures that could create unnecessary risks to CCMH.

Management reported its findings to the Compensation Committee, which agreed with management's assessment that our plans and policies do not encourage excessive or inappropriate risk taking and determined such policies or practices are not reasonably likely to have a material adverse effect on CCMH.

DIRECTOR COMPENSATION

The directors of CCMH are reimbursed for their expenses associated with their service as directors of CCMH, but currently do not receive compensation for their service as directors of CCMH. For information regarding service as directors of our majority-owned subsidiary, Clear Media Limited, see footnote (g) to the Summary Compensation Table.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Except as otherwise stated, the table below sets forth information concerning the beneficial ownership of CCMH's common stock as of April 1, 2011 for: (1) each director currently serving on the board; (2) each of the named executive officers disclosed in the CCMH proxy statement; (3) the directors and executive officers as a group; and (4) each person known to CCMH to beneficially own more than 5% of CCMH's outstanding shares of common stock. At the close of business on April 1, 2011, there were 23,631,231 shares of CCMH's Class A common stock, 555,556 shares of CCMH's Class B common stock and 58,967,502 shares of CCMH's Class C common stock outstanding. In addition, information concerning the beneficial ownership of common stock of our indirect subsidiary, CCOH, by: (1) each director currently serving on the board; (2) each of the named executive officers; and (3) the directors and executive officers as a group is set forth in the footnotes to the table below. At the close of business on April 1, 2011, there were 40,876,781 shares of CCOH's Class A common stock outstanding and 315,000,000 shares of CCOH's Class B common stock outstanding. Except as otherwise noted, each stockholder has sole voting and investment power with respect to the shares beneficially owned.

All of CCMH's outstanding shares of Class B common stock are held by Clear Channel Capital IV, LLC ("CC IV") and all of CCMH's outstanding shares of Class C common stock are held by Clear Channel Capital V, L.P. ("CC V"), each of which ultimately is controlled jointly by the Sponsors. These shares represent in the aggregate approximately 72% (whether measured by voting power or economic interest) of the equity of CCMH.

Subject to certain limitations set forth in the Third Amended and Restated Certificate of Incorporation of CCMH, each share of Class B common stock and 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. Each holder of shares of Class B common stock is 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 and the number of shares of Class C common stock outstanding as of the record date by (b) the number of shares of Class B common stock outstanding as of the record date. Except as otherwise required by law, the holders of outstanding shares of Class C common stock are not entitled to any votes upon any proposals presented to stockholders of CCMH. Each share of common stock is entitled to share on a pro rata basis in any distributions by CCMH.

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Name and Address of Beneficial Owner (a)	Amount and Nature of Beneficial Ownership			Percentage of Outstanding Common Stock on an As-Converted Basis (b)
	Number of Shares of Class A Common Stock	Number of Shares of Class B Common Stock	Number of Shares of Class C Common Stock	
Holder of More than 5%:				
Bain Capital Investors, LLC				
and Related Investment Funds		555,556(c)	58,967,502(d)	71.58%
Thomas H. Lee Partners, L.P.				
and Related Investment Entities		555,556(e)	58,967,502(f)	71.58%
Highfields Capital Management LP				
and managed investment funds(g)	9,950,510			11.97%
FMR LLC and related investment funds(h)	4,287,500			5.16%
Marathon Asset Management LLP and affiliates(i)	3,110,065			3.74%
Abrams Capital Management, L.P. and affiliates(j)	2,495,506			3.00%
Named Executive Officers, Executive Officers and Directors:				
David C. Abrams(j)	2,495,506			3.00%
Irving L. Azoff				
Steven W. Barnes(k)				
Richard J. Bressler(l)				
Charles A. Brizius(l)				
Thomas W. Casey(m)	62,500			*
John P. Connaughton(k)				
Blair E. Hendrix(k)				
John E. Hogan(n)	18,534			*
Jonathon S. Jacobson(g)				
Ian K. Loring(k)				
Mark P. Mays(o)	694,153			*
Randall T. Mays(p)	1,111,431			1.33%
L. Lowry Mays(q)	715,240			*
Scott M. Sperling(l)				
Robert H. Walls, Jr.				
All directors and executive officers as a group (18 individuals) (r)	4,423,374			5.27%

* Means less than 1%.

- (a) Unless otherwise indicated, the address for all beneficial owners is c/o CC Media Holdings, Inc., 200 East Basse Road, San Antonio, Texas 78209.
- (b) Percentage of ownership calculated in accordance with Rule 13d-3(d) (1) under the Securities Exchange Act.
- (c) Represents the 555,556 shares of Class B common stock of CCMH owned by CC IV, which represents 100% of the outstanding shares of our Class B common stock. 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 Securities 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.
- (d) Represents the 58,967,502 shares of Class C common stock of CCMH owned by CC V, which represents 100% of the outstanding shares of our Class C common stock. 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

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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.

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- (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 Securities 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.
- (e) Represents the 555,556 shares of CCMH s Class B common stock owned by CC IV, which represents 100% of the outstanding shares of our Class B common stock. 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 Securities 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.
- (f) Represents the 58,967,502 shares of CCMH s Class C common stock owned by CC V, which represents 100% of the outstanding shares of our Class C common stock. 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 Securities 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.
- (g) As reported on a Schedule 13G/A filed with respect to CCMH s Class A common stock on February 14, 2011, Highfields Capital Management LP (Highfields Capital Management) is the investment manager to each of 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 except to the extent of its pecuniary interest therein. 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 Highfields I, Highfields II and Highfields III. Mr. Jacobson disclaims beneficial ownership of any securities owned beneficially or of record by any other person or persons except to the extent of his pecuniary interest therein. Mr. Jacobson has indicated that a portion or all of the securities described herein to which he has disclaimed beneficial ownership may be held in margin accounts from time to time. The business address of Mr. Jacobson, Highfields Capital Management, Highfields GP, Highfields Associates, Highfields I and Highfields II is c/o Highfields Capital Management, LP, 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. The shares of CCMH s Class A common stock reported on the Schedule 13G/A represent 42.11% of the shares of CCMH s Class A common stock.
- (h) As reported on Schedule 13G/A filed with respect to CCMH s Class A common stock 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 Securities 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

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beneficial owner of and had sole dispositive power over 4,287,500 shares of CCMH's 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. 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. The shares of CCMH's Class A common stock reported on the Schedule 13G/A represent 18.14% of the shares of CCMH's Class A common stock.

- (i) As reported on Schedule 13G filed with respect to CCMH's Class A common stock on February 3, 2011. The shares of CCMH's Class A common stock reported in the Schedule 13G may be deemed to be beneficially owned by one or more of the following persons: M.A.M. Investments Ltd., a Jersey corporation (M.A.M.), Marathon Asset Management (Services) Ltd, a UK Corporation (Marathon Ltd), Marathon Asset Management LLP, a limited liability partnership incorporated under the laws of England and Wales (Marathon LLP), William James Arah, Jeremy John Hosking and Neil Mark Ostrer. Marathon Limited, an owner of Marathon LLP, is a wholly owned subsidiary of MAM and as such shares with MAM the voting and dispositive power as to all of the shares beneficially owned by Marathon Ltd. Messrs. Arah, Hosking and Ostrer are directors and indirect owners of Marathon Ltd and owners and Executive Committee members of Marathon LLP. The business address of MAM, Marathon Ltd and Marathon LLP is Orion House, 5 Upper St. Martin's Lane, London WC2H 9EA, United Kingdom. The shares of CCMH's Class A common stock reported on the Schedule 13G represent 13.16% of the shares of CCMH's Class A common stock.
- (j) As reported on Schedule 13G/A filed with respect to CCMH's Class A common stock on February 11, 2011. The CCMH shares reported in the Schedule 13G/A for Abrams Capital Partners II, L.P. (ACP II) represent shares beneficially owned by ACP II. Shares reported in the Schedule 13G/A for Abrams Capital, LLC (Abrams Capital) represent shares beneficially owned by ACP II and other private investment funds for which Abrams Capital serves as general partner. Shares reported in the Schedule 13G/A for Abrams Capital Management, L.P. (Abrams CM LP) and Abrams Capital Management, LLC (Abrams CM LLC) represent the above-referenced shares beneficially owned by Abrams Capital and shares beneficially owned by other private investment funds for which Abrams CM LP serves as investment manager. Abrams Capital Management, LLC is the general partner of Abrams CM LP. The CCMH shares reported in the Schedule 13G/A for Mr. Abrams represent the above referenced CCMH shares reported for Abrams Capital and Abrams CM LLC. Mr. Abrams is the managing member of Abrams Capital and Abrams CM LLC. The business address of each reporting person is c/o Abrams Capital Management, L.P., 222 Berkley Street, 22nd Floor, Boston, Massachusetts 02116. The shares of CCMH's Class A common stock reported on the Schedule 13G/A represent 10.56% of the shares of CCMH's Class A common stock.

As reported on Schedule 13G/A filed with respect to CCOH's Class A common stock on February 11, 2011, ACP II and affiliates beneficially owned 3,317,090 shares of CCOH's Class A common stock, which represented 8.11% of CCOH's Class A common stock and less than 1% of CCOH's Class A common stock assuming all shares of CCOH's Class B common stock are converted to shares of CCOH's Class A common stock. Shares reported in the Schedule 13G/A for Abrams Capital represent shares beneficially owned by ACP II and other private investment funds for which Abrams Capital serves as general partner. Shares reported in the Schedule 13G/A for Abrams CM LP and Abrams CM LLC represent the above-referenced shares beneficially owned by Abrams Capital and shares beneficially owned by another private investment fund for which Abrams CM LP serves as investment manager. Shares reported in the Schedule 13G/A for Mr. Abrams with respect to CCOH shares represent the above referenced CCOH shares reported for Abrams Capital and Abrams CM LLC.

- (k) Steven W. Barnes, John P. 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 (c) and (d) above, may be deemed to share voting and dispositive power with respect to all of the shares of CCMH's Class B common stock held by CC IV and all of the shares of CCMH's 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 Securities 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.
- (l) Richard J. Bressler, Charles A. Brizius and Scott M. Sperling are managing directors of THLA and limited partners of THLP and, by virtue of this and the relationships described in footnotes (e) and (f) above, may be deemed to share voting and dispositive power with respect to all of the shares of CCMH's Class B common stock held by CC IV and all of the shares of CCMH's Class C common stock held by CC V. Each of Messrs. Bressler, Brizius and Sperling 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 Securities Exchange Act, except to the extent of his pecuniary interest therein. The business address of each of Messrs. Bressler, Brizius and Sperling is c/o Thomas H. Lee Partners, L.P., 100 Federal Street, Boston, Massachusetts 02110.
- (m) Includes vested stock options representing 62,500 shares of CCMH's Class A common stock held by Mr. Casey. These holdings represent less than 1% of CCMH's Class A common stock.
- (n) Includes 7,500 shares of unvested restricted CCMH Class A common stock held by Mr. Hogan. These holdings represent less than 1% of CCMH's Class A common stock.
- (o) Includes vested stock options and stock options that will vest within 60 days after April 1, 2011 collectively representing 196,836 shares of CCMH's Class A common stock held by Mr. Mark P. Mays, 359,834 shares of unvested restricted Class A common stock of CCMH

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held by Mr. Mark P. Mays and 29,970 shares of CCMH s Class A common stock held by trusts of which Mr. Mark P. Mays is the trustee. These holdings represent 2.91% of CCMH s Class A common stock.

As of April 1, 2011, Mr. Mark P. Mays also held 11,398 shares of CCOH s Class A common stock, 4,167 shares of unvested restricted Class A common stock of CCOH and stock options to purchase 150,000 shares of CCOH s Class A common stock that are vested or that will vest within 60 days after April 1, 2011. These holdings represented less than 1% of CCOH s Class A common stock and less than 1% of CCOH s Class A common stock assuming all shares of CCOH s Class B common are converted to shares of CCOH s Class A common stock.

- (p) Includes vested stock options representing 413,850 shares of CCMH s Class A common stock held by Mr. Randall T. Mays, 359,834 shares of unvested restricted Class A common stock of CCMH held by Mr. Randall T. Mays and 102,168 shares of CCMH s Class A common stock held by RTM Partners, Ltd. Mr. Randall T. Mays controls the sole general partner of RTM Partners, Ltd. These holdings represent 4.62% of CCMH s Class A common stock.

As of April 1, 2011, Mr. Randall T. Mays also held 16,667 shares of CCOH s Class A common stock and stock options to purchase 150,000 shares of CCOH s Class A common stock that are vested. These holdings represented less than 1% of CCOH s Class A common stock and less than 1% of CCOH s Class A common stock assuming all shares of CCOH s Class B common stock are converted to shares of CCOH s Class A common stock.

- (q) Includes vested stock options representing 102,137 shares of CCMH s Class A common stock held by Mr. L. Lowry Mays, 13,250 shares of unvested restricted Class A common stock of CCMH held by Mr. L. Lowry Mays and 542,112 shares of CCMH s Class A common stock held by LLM Partners, Ltd. Mr. L. Lowry Mays shares control of the sole general partner of LLM Partners, Ltd. These holdings represent 3.01% of CCMH s Class A common stock.
- (r) Includes: (1) 2,495,506 shares of CCMH s Class A common stock beneficially owned by Abrams Capital Management, L.P. and affiliates (Mr. Abrams is one of our directors and the managing member of Abrams Capital and Abrams CM LLC); (2) vested stock options and stock options that will vest within 60 days after April 1, 2011 collectively representing 714,436 shares of CCMH s Class A common stock held by such persons; (3) 727,168 shares of unvested restricted Class A common stock of CCMH held by such persons; (4) 29,970 shares of CCMH s Class A common stock held by a trust of which a reporting person is the trustee; and (5) 102,168 shares of CCMH s Class A common stock held by RTM Partners, Ltd. These holdings represent 18.17% of CCMH s Class A common stock.

As of April 1, 2011, all of CCMH s directors and executive officers as a group also were the beneficial owners of CCOH s Class A common stock as follows: (1) 53,772 shares of CCOH s Class A common stock held by such persons; (2) 4,167 shares of unvested restricted Class A common stock of CCOH held by such persons; (3) stock options to purchase 402,680 shares of CCOH s Class A common stock that are vested or that will vest within 60 days after April 1, 2011; and (4) 3,317,090 shares of CCOH s Class A common stock beneficially owned by Abrams Capital Management, L.P. and affiliates. These holdings represented 9.44% of CCOH s Class A common stock and 1.09% of CCOH s Class A common stock assuming all shares of CCOH s Class B common stock are converted to shares of CCOH s Class A common stock.

Table of Contents**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS****The Merger and the Management Agreement**

In connection with the Merger, we became party to a management agreement with the Sponsors, CCMH and certain other parties thereto, pursuant to which the Sponsors provide management and financial advisory services to CCMH and its wholly-owned subsidiaries until 2018, at a rate not greater than \$15.0 million per year, plus expenses. We paid the Sponsors an aggregate of \$17.1 million in management fees and expenses in the year ended December 31, 2010.

Stockholders Agreements

We are party to a stockholders agreement with CCMH, CC IV, CC V, Mark P. Mays, Randall T. Mays and L. Lowry Mays. The stockholders agreement, among other things: (1) specifies how the parties vote in elections to the board of directors of CCMH; (2) restricts the transfer of shares subject to the agreement; (3) 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 CCMH; (4) gives the parties the right to subscribe for their pro rata share of proposed future issuances of equity securities by CCMH or its subsidiaries to the Sponsors or their affiliates; (5) requires the parties to agree to customary lock-up agreements in connection with underwritten public offerings; and (6) provides the parties with customary demand and piggy-back registration rights. CCMH, CC IV and CC V also entered into a separate agreement with Mark P. Mays, Randall T. Mays and L. Lowry Mays that set forth terms and conditions under which certain of their shares of our common stock would be repurchased by us following the termination of their employment (through the exercise of a call option by us or a put option by Mark P. Mays, Randall T. Mays and L. Lowry Mays, as applicable). Any shares of our 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

The Sponsors, CCMH and Clear Channel are party to an agreement under which CCMH agreed that neither it nor any of its subsidiaries will enter into or effect any affiliate transaction between CCMH 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 CCMH or a majority of the then-outstanding shares of our Class A common stock (excluding for purposes of such calculation from both (1) the votes cast and (2) 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 CCMH 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)). That agreement expires upon the earlier of (1) an underwritten public offering and sale of our common stock which results in aggregate proceeds in excess of \$250 million to us and after which our common stock is listed on NASDAQ's National Market System or another national securities exchange (a qualified public offering) and (2) the consummation of a certain transaction resulting in a change of control (as defined in the agreement and summarized below) of CCMH.

The following are not deemed to be affiliate transactions for purposes of the affiliate transaction agreement: (1) any commercial transaction between CCMH 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; (2) 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 CCMH 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

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applicable thereto) comparable to those consummated within an offering made to unaffiliated third parties; (3) the payment by CCMH 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; (4) 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 CCMH are made whole for the portion of such fees paid by CCMH that would otherwise be proportionate to their share holdings; and (5) any transaction to which a principal investor or an affiliate thereof is a party in its capacity as a stockholder of CCMH that is offered generally to other stockholders of CCMH (including the holders of shares of Class A common stock) on comparable or more favorable terms.

A change of control of CCMH will be deemed to have occurred upon the occurrence of any of the following: (1) any consolidation or merger of CCMH with or into any other corporation or other entity, or any other corporate reorganization or transaction (including the acquisition of stock of CCMH), in which the direct and indirect stockholders of CCMH 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 CCMH 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 CCMH or other surviving entity immediately after such consolidation, merger, reorganization, or transaction, excluding any bona fide primary or secondary public offering; (2) any stock sale or other transaction or series of related transactions, after giving effect to which in excess of 50% of CCMH's 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 Securities Exchange Act), other than the principal investors and their respective affiliates, excluding any bona fide primary or secondary public offering; or (3) a sale, lease, or other disposition of all or substantially all of the assets of CCMH.

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, the agreement may not be terminated, amended, supplemented, or otherwise modified without the prior written approval of either (1) a majority of the independent directors of CCMH elected by the holders of Class A common stock of CCMH or (2) a majority of the then-outstanding public shares.

Corporate Services Agreement

CCMS has entered into a Corporate Services Agreement with CCOH to provide CCOH certain administrative and support services and other assistance. Pursuant to the Corporate Services Agreement, as long as Clear Channel continues to own greater than 50% of the total voting power of CCOH's common stock, CCMS will provide CCOH with such services and other assistance, which CCOH must accept. These include, among other things, the following:

treasury, payroll and other financial related services;

executive officer services;

human resources and employee benefits;

legal and related services;

information systems, network and related services;

investment services;

corporate services; and

procurement and sourcing support.

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The charges for the corporate services generally are intended to allow CCMS to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses, generally without profit. The allocation of cost is based on various measures depending on the service provided, which measures include relative revenue, employee headcount or number of users of a service.

Under the Corporate Services Agreement, CCMS and CCOH each have the right to purchase goods or services, use intellectual property licensed from third parties and realize other benefits and rights under the other party's agreements with third-party vendors to the extent allowed by such vendor agreements. The agreement also provides for the lease or sublease of certain facilities used in the operation of our respective businesses and for access to each other's computing and telecommunications systems to the extent necessary to perform or receive the corporate services.

The Corporate Services Agreement provides that certain executive officers of Clear Channel will be made available to CCOH, and CCOH will be obligated to utilize, those executive officers to serve as CCOH's executive officers, including the chief executive officer, the chief financial officer and the chief accounting officer. The Corporate Services Agreement may be terminated by mutual agreement or, after the date Clear Channel owns shares of CCOH's common stock representing less than 50% of the total voting power of CCOH's common stock, upon six months written notice by CCOH. CCMS charges an allocable portion of the compensation and benefits costs of such persons based on a ratio of CCOH's financial performance to the financial performance of Clear Channel. The compensation and benefits costs allocated to CCOH include such executives' base salary, bonus and other standard employee benefits, but exclude equity based compensation. See Compensation Discussion and Analysis Corporate Services Agreement and footnote (f) to the Summary Compensation Table for additional information regarding the allocations. For the year ended December 31, 2010, charges for the corporate and executive services provided to CCOH under the Corporate Services Agreement totaled \$38.1 million.

Policy on Review, Approval or Ratification of Transactions with Related Persons

We have adopted formal written policies and procedures for the review, approval, or ratification of certain related party transactions involving us and one of our executive officers, directors or nominees for director, or owner of more than 5% of any class of CCMH's voting securities, and which may be required to be reported under the SEC disclosure rules. Such transactions must be pre-approved by the Audit Committee of our board of directors (other than the directors involved, if any) or by a majority of disinterested directors, except that no such pre-approval shall be required for an agreement, or series of related agreements, providing solely for advertising or associated promotional events that is made on our standard terms and conditions (as reflected in our standard form of advertising agreement and standard rate sheet) where the aggregate amount to be paid to us is less than \$10 million. The primary consideration with respect to the approval of related party transactions is the overall fairness of the terms of the transaction to us.

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DESCRIPTION OF OTHER INDEBTEDNESS

Senior Secured Credit Facilities

Overview

As of March 31, 2011, we had a total of \$13,251 million outstanding under our senior secured credit facilities.

Our senior secured credit facilities currently consist of:

a \$1,087 million term loan A facility which matures in July 2014;

a \$8,736 million term loan B facility which matures in July 2016;

a \$671 million term loan C asset sale facility, subject to reduction as described below, which matures in January 2016;

two delayed draw term loan facilities, of which \$569 million and \$408 million was drawn as of March 31, 2011, respectively, and which mature in January 2016; and

a \$1,928 million revolving credit facility, including a letter of credit sub-facility and a swingline loan sub-facility, of which \$1,781 million was drawn as of March 31, 2011, which matures in July 2014.

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 Adjusted EBITDA (as calculated in the manner provided in our senior secured credit facilities documentation), over (y) \$1.5 billion, plus (c) the aggregate amount of certain principal prepayments made in respect of the term loans under our senior secured credit facilities. 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 future borrowings under the revolving credit facility portion of 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 were, together with certain other sources of funds, used to finance the Merger and provide financing for working capital and general corporate purposes. Future 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.

We are the primary borrower under our senior secured credit facilities, except that certain of our domestic restricted subsidiaries are co-borrowers under a portion of the term loan facilities. We also have the ability to designate one or more of our foreign restricted subsidiaries in certain jurisdictions as borrowers under the revolving credit facility, subject to certain conditions and sublimits and have so designated certain subsidiaries in the Netherlands and the United Kingdom.

The intercompany payable balance reflected in the notes to the consolidated financial statements of Clear Channel Capital includes approximately \$7.3 billion of designated amounts of borrowings under the Credit Agreement by certain Guarantor Subsidiaries that are Co-Borrowers and primary obligors thereunder with respect to these amounts. These amounts were incurred by the Co-Borrowers at the time of the closing of the Merger, but were funded and will be repaid through accounts of the Subsidiary Issuer. The intercompany

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receivables balance includes the amount of such borrowings, which are required to be repaid to the lenders under the Credit Agreement by the Guarantor Subsidiaries as Co-Borrowers and primary obligors thereunder.

Interest Rate and Fees

Borrowings under our senior secured credit facilities will 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; 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.

The margin percentages are subject to adjustment 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 currently 0.50% per annum, but subject to adjustment based on our leverage ratio. The delayed draw term facilities are fully drawn, therefore there currently are no commitment fees associated with any unused commitments thereunder.

Prepayments

Our senior secured credit facilities require us to prepay outstanding term loans, subject to certain exceptions, with:

50% (which percentage may be reduced to 25% and to 0% based upon our leverage ratio) of our annual excess cash flow (as calculated in accordance with our 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% of the net cash proceeds of sales or other dispositions of specified assets being marketed for sale (including casualty and condemnation events), subject to certain exceptions;

100% (which percentage may 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 of assets other than specified assets being marketed for sale, subject to reinvestment rights and certain other exceptions; and

100% of the net cash proceeds of (i) any incurrence of certain debt, other than debt permitted under our senior secured credit facilities. (ii) certain securitization financing and (iii) certain issuances of Permitted Additional Notes (as defined in the 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

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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, after giving effect to the December 2009 prepayment of \$2.0 billion of term loans with proceeds from the issuance of CCWH Notes and the February 2011 prepayment of \$500 million of revolving credit facility and term loans with the proceeds from the issuance of \$1,000 million aggregate principal amount of outstanding notes in February 2011, as follows.

The term loan A facility amortizes in quarterly installments commencing on the fourth interest payment date after the fourth anniversary of the closing date of the Merger, in annual amounts equal to 1.6% of the original funded principal amount of such facility in year five, 10% thereafter, with the balance being payable on the final maturity date (July 2014) of such term loans;

The term loan B facility and the delayed draw facilities will be payable in full on the final maturity date (January 2016) of such term loans; and

The term loan C asset sale facility amortizes in quarterly installments on the second interest payment date after the fourth anniversary of the closing date of the Merger, in annual amounts equal to 1.9% of the original funded principal amount of such facilities in year five and 1% thereafter, with the balance being payable on the final maturity date (January 2016) 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, including prior liens permitted by the indenture governing the legacy notes, and other exceptions, by:

a lien on our capital stock;

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 legacy notes;

certain specified assets of ours and the guarantors that do not constitute principal property (as defined in the indenture governing our legacy notes), including certain specified assets being marketed for sale;

certain specified assets of ours and the guarantors that constitute principal property (as defined in the indenture governing our legacy notes) securing obligations under our 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 legacy notes; and

a lien on the accounts receivable and related assets securing our receivables based credit facility that is junior in priority to the lien securing our obligations under such credit facility.

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The obligations of any of our foreign subsidiaries 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.

Certain Covenants and Events of Default

Our senior secured credit facilities require us to comply on a quarterly basis with a maximum consolidated secured net debt to Adjusted EBITDA (as calculated in accordance with our senior secured credit facilities) ratio. This financial covenant will become more restrictive over time. 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 our 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

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As of March 31, 2011, we had a total of \$320.7 million outstanding under our receivables based credit facility. On June 8, 2011, we made a voluntary paydown of all amounts outstanding under this facility using cash on hand. Our voluntary paydown did not reduce our commitments under this facility and we may reborrow under this facility at any time.

Our receivables based credit facility provides revolving credit commitments of \$625.0 million, subject to a 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. The maturity of our receivables based credit facility is July 2014.

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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 under our receivables based credit facility, excluding the initial borrowing, 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 our receivables based credit facility, swingline loans and letters of credit are available 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 U.S. 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 rate 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 adjustment if our leverage ratio of total debt to EBITDA decreases below 7 to 1.

We are required to pay each lender a commitment fee in respect of any unused commitments under our receivables based credit facility, which is currently 0.375% per annum, subject to adjustment based on our leverage ratio.

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 Eurocurrency rate loans. Any voluntary prepayments we make will not reduce our commitments under this facility.

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 security interest in all of our and all of the guarantors' accounts receivable and related assets and proceeds thereof that is senior to the security interest of our senior secured credit facilities in such accounts receivable and related assets and proceeds thereof, subject to permitted liens, including prior liens permitted by the indenture governing the legacy notes, and certain exceptions.

Our receivables based credit facility includes negative covenants, representations, warranties, events of default and termination provisions substantially similar to those governing our senior secured credit facilities.

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Credit Amendments

We have entered into amendments to our senior credit facilities and our receivables based credit facility, which became effective concurrently with the closing of the offering of the outstanding notes issued in February 2011.

The amendment with respect to our senior secured credit facilities, among other things:

permits us to request future extensions of our term loans and/or revolving credit commitments and loans;

permitted the issuance of the notes and the grant of security interests in the collateral for the notes;

permits us to utilize existing incremental term loan capacity by issuing notes in place of incurring new term loans;

permits us to utilize incremental term loans or notes for a period of time following the scheduled maturity of our legacy notes to replace any cash used to repay such legacy notes;

permits us to incur additional indebtedness in the form of secured or unsecured notes so long as the proceeds of such notes are used to repay outstanding term loans and/or permanently reduce revolving commitments under our senior secured credit facilities; and

permits CCOH and its restricted subsidiaries to incur additional indebtedness so long as CCOH's debt to Adjusted EBITDA ratios (as defined by the indentures governing the CCWH Notes) are no greater than 6.5:1 and 3.25:1 for total debt and senior debt, respectively, and additional subordinated indebtedness so long as CCOH's debt to Adjusted EBITDA ratio (as defined by the indentures governing the CCWH Notes) is lower than 6.5:1 for total debt; provided that in each case the proceeds distributed to us from the issuance of that indebtedness are used to repay outstanding term loans and/or permanently reduce revolving commitments under our senior secured credit facilities.

The amendment with respect to our receivables based credit facility, among other things:

permitted the issuance of the notes and the grant of security interests in the collateral for the notes;

permits us to incur additional indebtedness in the form of secured or unsecured notes so long as the proceeds of such notes are used to repay outstanding term loans and/or permanently reduce revolving commitments under our senior secured credit facilities; and

permits CCOH and its restricted subsidiaries to incur additional indebtedness so long as CCOH's debt to Adjusted EBITDA ratios (as defined by the indentures governing the CCWH Notes) are no greater than 6.5:1 and 3.25:1 for total debt and senior debt, respectively, and additional subordinated indebtedness so long as CCOH's debt to Adjusted EBITDA ratio (as defined by the indentures governing the CCWH Notes) is lower than 6.5:1 for total debt; provided that in each case the proceeds distributed to us from the issuance of that indebtedness are used to repay outstanding term loans and/or permanently reduce revolving commitments under our senior secured credit facilities.

The issuer and its subsidiaries are permitted to incur certain indebtedness permitted under the senior secured credit facilities and the receivables based credit facility as obligations that are secured by the General Credit Facility Collateral on a junior priority basis to the senior secured credit facilities and the notes (Second Lien Obligations) so long as an authorized representative and / or the collateral agent of the holders of such

additional obligations agree to enter into a second lien intercreditor agreement (the Second Lien Intercreditor

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Agreement) pursuant to the terms of the senior secured credit facilities and in substantially the form as attached thereto, and certain other conditions are satisfied. The Second Lien Intercreditor Agreement will provide that the holders of the Second Lien Obligations will be secured in the General Credit Facility Collateral on a junior priority basis, have limited enforcement rights and will not challenge, directly or indirectly, the validity, priority, enforceability or perfection of the liens of the obligations under the senior secured credit facilities, the notes and any other indebtedness that is a first priority lien obligation in respect of the collateral securing the senior secured credit facilities pursuant to the Credit Agreement Intercreditor Agreement.

Senior Cash Pay Notes and Senior Toggle Notes

As of March 31, 2011, we had outstanding \$796.3 million aggregate principal amount of 10.75% senior cash pay notes due 2016 and \$829.8 million aggregate principal amount of 11.00%/11.75% senior toggle notes due 2016, excluding \$452.7 million of our outstanding senior toggle notes held by our subsidiaries. The senior cash pay notes and senior toggle notes are unsecured and are guaranteed by Clear Channel Capital and all of our existing and future material wholly-owned domestic restricted subsidiaries, subject to certain exceptions. The senior toggle notes mature on August 1, 2016 and may require a special redemption of up to \$30.0 million on August 1, 2015. We may elect on each interest election date to pay all or 50% of such interest on the senior toggle notes in cash or by increasing the principal amount of the senior toggle notes or by issuing new senior toggle notes (such increase or issuance, PIK Interest). Interest on the senior toggle notes payable in cash will accrue at a rate of 11.00% per annum and PIK Interest will accrue at a rate of 11.75% per annum.

We may redeem some or all of the senior cash pay notes and senior toggle 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 an applicable premium, as described in the indenture governing such notes. We may redeem some or all of the senior cash pay notes and senior toggle notes at any time on or after August 1, 2012 at the redemption prices set forth in the indenture governing such notes. In addition, we may redeem up to 40% of any series of the outstanding senior cash pay notes and senior toggle notes at any time on or prior to August 1, 2011 with the net cash proceeds raised in one or more equity offerings. If we undergo a change of control, sell certain of our assets, or issue certain debt, we may be required to offer to purchase the senior cash pay notes and senior toggle notes from holders.

The senior cash pay notes and senior toggle notes are senior unsecured debt and rank equal in right of payment with all of our existing and future senior debt. Guarantors of obligations under the senior secured credit facilities, the receivables based credit facility and the outstanding notes guarantee the senior cash pay notes and senior toggle notes with unconditional guarantees that are unsecured and equal in right of payment to all existing and future senior debt of such guarantors, except that the guarantees are subordinated in right of payment to the guarantees of obligations under the senior secured credit facilities, the receivables based credit facility and the outstanding notes. In addition, the senior cash pay notes and senior toggle notes and the guarantees are structurally senior to our legacy notes and existing and future debt to the extent that such debt is not guaranteed by the guarantors of the senior cash pay notes and senior toggle notes. The senior cash pay notes and senior toggle notes and the guarantees are effectively subordinated to our existing and future secured debt and that of the guarantors to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all obligations of subsidiaries that do not guarantee the senior cash pay notes and senior toggle notes.

On July 16, 2010, we made the election to pay interest on the senior toggle notes entirely in cash, effective for the interest period commencing August 1, 2010. Assuming the cash interest election remains in effect for the remaining term of the notes, we will be contractually obligated to make a payment to bondholders of \$57.4 million on August 1, 2013.

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Legacy Notes

As of March 31, 2011, our legacy notes represented approximately \$2,218.6 million of aggregate principal amount of indebtedness outstanding, including legacy notes held by our subsidiaries. At such date, excluding \$556.3 million in principal amount of legacy notes held by our subsidiaries, we had outstanding:

\$140.2 million in principal amount of 4.4% Senior Notes Due 2011;

\$249.9 million in principal amount of 5.0% Senior Notes Due 2012;

\$312.1 million in principal amount of 5.75% Senior Notes Due 2013;

\$541.5 million in principal amount of 5.5% Senior Notes Due 2014;

\$250 million in principal amount of 4.9% Senior Notes Due 2015;

\$250 million in principal amount of 5.5% Senior Notes Due 2016;

\$175 million in principal amount of 6.875% Senior Debentures Due 2018;

\$300 million in principal amount of 7.25% Senior Debentures Due 2027.

On May 15, 2011, we repaid at maturity \$250 million in aggregate principal amount of our legacy notes, of which \$109.8 million was held by one of our subsidiaries.

The indenture governing our legacy notes contains covenants typical for an investment grade company. The indenture limits Clear Channel and its restricted subsidiaries from creating liens upon any principal property without equally and ratably securing the legacy notes then outstanding if the aggregate amount of all indebtedness then outstanding secured by such liens is greater than or equal to 15% of the total stockholders' equity of Clear Channel, as shown on the audited consolidated balance sheet contained in the latest annual report to the stockholders of Clear Channel.

The legacy notes were the obligations of Clear Channel Communications, Inc. prior to the Merger. The legacy notes are senior, unsecured obligations that are effectively subordinated to our secured indebtedness, including the notes, to the extent of the value of the assets of Clear Channel securing such indebtedness and are structurally subordinated to the guarantees of all indebtedness guaranteed by our subsidiaries. The legacy notes rank equally in right of payment with all of our existing and future senior indebtedness and senior in right of payment to all existing and future subordinated indebtedness. The legacy notes are not guaranteed by our subsidiaries.

CCWH Notes

As of March 31, 2011, we had outstanding \$2,500 million aggregate principal amount of CCWH Notes, which consisted of \$500 million of Series A Senior Notes due 2017 and \$2,000 million of Series B Senior Notes due 2017. The CCWH Notes were issued by Clear Channel Worldwide Holdings, Inc. (CCWH) and are guaranteed by CCOH, Clear Channel Outdoor, Inc. (CCOI) and certain of CCOH's direct and indirect subsidiaries. The CCWH Notes bear interest on a daily basis and contain customary provisions, including covenants requiring us to maintain certain levels of credit availability and limitations on incurring additional debt.

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The CCWH Notes are senior obligations that rank pari passu in right of payment to all unsubordinated indebtedness of CCWH and the guarantees of the CCWH Notes rank pari passu in right of payment to all unsubordinated indebtedness of the guarantors.

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The indentures governing the CCWH Notes require us to maintain the Liquidity Amount, in each case under the sole control of the relevant entity. In the event of a bankruptcy, liquidation, dissolution, reorganization, or similar proceeding of Clear Channel, for the period thereafter that is the shorter of such proceeding and 60 days, the Liquidity Amount shall be reduced to \$50.0 million, with a \$25.0 million requirement at the issuer and guarantor entities and a \$25.0 million requirement at the non-guarantor subsidiaries.

In addition, interest on the CCWH Notes accrues daily and is payable into the Trustee Account. Failure to make daily payment on any day does not constitute an event of default so long as (a) no payment or other transfer by CCOH or any of its subsidiaries shall have been made on such day under the cash management sweep with Clear Channel and (b) on each semiannual interest payment date the aggregate amount of funds in the Trustee Account is equal to at least the aggregate amount of accrued and unpaid interest on the CCWH Notes.

The indenture governing the Series A Notes contains covenants that limit CCOH and its restricted subsidiaries ability to, among other things:

incur or guarantee additional debt to persons other than Clear Channel and its subsidiaries (other than CCOH) or issue certain preferred stock;

create liens on its restricted subsidiaries assets to secure such debt;

create restrictions on the payment of dividends or other amounts to CCOH from its restricted subsidiaries that are not guarantors of the notes;

enter into certain transactions with affiliates;

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

sell certain assets, including capital stock of its subsidiaries, to persons other than Clear Channel and its subsidiaries (other than CCOH).

The indenture governing the Series A Notes does not include limitations on dividends, distributions, investments or asset sales.

The indenture governing the Series B Notes contains covenants that limit CCOH and its restricted subsidiaries ability to, among other things:

incur or guarantee additional debt or issue certain preferred stock;

redeem, repurchase or retire CCOH's subordinated debt;

make certain investments;

create liens on its or its restricted subsidiaries' assets to secure debt;

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create restrictions on the payment of dividends or other amounts to it from its restricted subsidiaries that are not guarantors of the CCWH Notes;

enter into certain transactions with affiliates;

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

sell certain assets, including capital stock of its subsidiaries;

designate its subsidiaries as unrestricted subsidiaries;

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pay dividends, redeem or repurchase capital stock or make other restricted payments; and

purchase or otherwise effectively cancel or retire any of the Series B Notes if after doing so the ratio of (a) the outstanding aggregate principal amount of the Series A Notes to (b) the outstanding aggregate principal amount of the Series B Notes shall be greater than 0.250. This stipulation ensures, among other things, that as long as the Series A Notes are outstanding, the Series B Notes are outstanding.

The Series A Notes indenture and Series B Notes indenture restrict CCOH's ability to incur additional indebtedness but permit CCOH to incur additional indebtedness based on an incurrence test. In order to incur additional indebtedness under this test, CCOH's debt to adjusted EBITDA ratios (as defined by the indentures) must be lower than 6.5:1 and 3.25:1 for total debt and senior debt, respectively. The indentures contain certain other exceptions that allow CCOH to incur additional indebtedness. The Series B Notes indenture also permits CCOH to pay dividends from the proceeds of indebtedness or the proceeds from asset sales if its debt to adjusted EBITDA ratios (as defined by the indentures) are lower than 6.0:1 and 3.0:1 for total debt and senior debt, respectively. The Series A Notes indenture does not limit CCOH's ability to pay dividends. The Series B Notes indenture contains certain exceptions that allow CCOH to incur additional indebtedness and pay dividends, including a \$500.0 million exception for the payment of dividends. CCOH was in compliance with these covenants as of December 31, 2010.

A portion of the proceeds of the CCWH Notes were used to (i) pay the fees and expenses of the offering, (ii) fund \$50.0 million of the Liquidity Amount (the \$50.0 million liquidity amount of the non-guarantor subsidiaries was satisfied) and (iii) apply \$2,000 million of the cash proceeds (which amount is equal to the aggregate principal amount of the Series B Notes) to repay an equal amount of indebtedness under our senior secured credit facilities. In accordance with our senior secured credit facilities, the \$2,000 million cash proceeds were applied ratably to the term loan A, term loan B, and both delayed draw term loan facilities, and within each such class, such prepayment was applied to remaining scheduled installments of principal.

The balance of the proceeds is available to CCOI for general corporate purposes. In this regard, all of the remaining proceeds could be used to pay dividends from CCOI to CCOH. In turn, CCOH could declare a dividend to its shareholders of which we would receive our proportionate share. Payment of such dividends would not be prohibited by the terms of the CCWH Notes or any of the loan agreements or credit facilities of CCOI or CCOH.

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DESCRIPTION OF THE EXCHANGE NOTES

General

\$1,000,000,000 aggregate principal amount of outstanding notes was issued under an indenture dated as of February 23, 2011, among the Issuer, Wilmington Trust FSB, as trustee (the *Trustee*), the Guarantors and Deutsche Bank Trust Company Americas, as collateral agent (the *Notes Collateral Agent*), and as paying agent (the *Paying Agent*), registrar (the *Registrar*) and transfer agent, as subsequently amended or supplemented (the *Indenture*). \$750,000,000 aggregate principal amount of outstanding notes was issued as additional notes under the Indenture pursuant to a supplemental indenture to the Indenture, dated as of June 14, 2011, between the Issuer and the Trustee.

The exchange notes will also be issued under the Indenture. Any outstanding note that remains outstanding after completion of the exchange offer, together with the exchange notes issued in connection with the exchange offer, will be treated as a single class of securities under the Indenture. The outstanding notes and exchange notes are collectively referred to here as the *Notes*.

Certain terms used in this description are defined under the subheading *Certain Definitions*. In this description, (i) the terms *Issuer*, *Company* and *CCU* refer to Clear Channel Communications, Inc., and not to any of its Subsidiaries, (ii) the terms *we*, *our* and *us* each refer to the Issuer and its consolidated Subsidiaries and (iii) the term *Holdings* refers to Clear Channel Capital I, LLC, and not to any of its Subsidiaries.

The following description is only a summary of the material provisions of the Indenture, the Notes, the Intercreditor Agreements and the other Security Documents and does not purport to be complete and is qualified in its entirety by reference to the provisions of those agreements, including the definitions therein of certain terms used in this *Description of the Exchange Notes*. We urge you to read the Indenture, the Notes, the Intercreditor Agreements, and the other Security Documents because those agreements, not this description, define your rights as Holders of the Notes. Copies of the Indenture, Intercreditor Agreements and the other Security Documents may be obtained from the Issuer.

Brief Description of the Exchange Notes

The Notes:

are the senior obligations of the Issuer;

rank *pari passu* in right of payment with respect to all existing and future unsubordinated indebtedness of the Issuer, including the Senior Credit Facilities, the Legacy Notes and the LBO Notes;

are secured by certain of the General Credit Facility Collateral of the Issuer on a *pari passu* lien basis with the General Credit Facilities, and are secured by the ABL Collateral of the Issuer on a junior priority basis *pari passu* with the lenders under the General Credit Facilities, in each case subject to other prior liens permitted by the Indenture, exceptions described below under *Security Excluded Assets* and the limitations described below under *Security Limitation on Capital Stock Collateral*;

are effectively subordinated to all indebtedness outstanding under the ABL Credit Facility to the extent of the value of the ABL Collateral;

are senior in right of payment to all Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Notes;

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are guaranteed by Holdings and each of the Issuer's Restricted Subsidiaries that guarantee the General Credit Facilities on a *pari passu* basis with respect to such Guarantor's guarantee of the General Credit Facilities; and

are structurally subordinated to all existing and future obligations of any existing or future Subsidiaries of the Issuer that do not guarantee the Notes, including the obligations of CCO and its Subsidiaries.

The Guarantee of each Guarantor of the Notes:

is a senior obligation of such Guarantor;

ranks *pari passu* in right of payment with respect to all existing and future unsubordinated Indebtedness of such Guarantor, including such Guarantor's guarantee of the Senior Credit Facilities;

constitutes Designated Senior Indebtedness for purposes of the LBO Notes Indenture, and are senior in right of payment to such Guarantor's guarantee of the LBO Notes; and

is secured by certain of the General Credit Facility Collateral of such Guarantor on a *pari passu* lien basis with the General Credit Facilities, and are secured by the ABL Collateral of such Guarantor on a junior priority basis *pari passu* with the lenders under the General Credit Facilities, in each case subject to other prior liens permitted by the Indenture, exceptions described below under Security Excluded Assets and the limitations described below under Security Limitation on Capital Stock Collateral.

The Notes and the Guarantees will also have the benefit of a Lien in the Springing Lien Collateral if the Springing Lien Trigger Date occurs as described below.

Guarantees

The Guarantors, as primary obligors and not merely as sureties, jointly and severally irrevocably and unconditionally guarantee, in each case, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all obligations of the Issuer under the Indenture and the Notes, whether for payment of principal of or interest on the Notes, expenses, indemnification or otherwise, on the terms set forth in the Indenture by executing the Indenture or a supplemental indenture.

Holdings and each Restricted Subsidiary that is a Domestic Subsidiary that guarantees any of the Senior Credit Facilities guarantee the Notes, subject to release as provided below. Each Guarantor's Guarantee of the Notes is a senior obligation of such Guarantor and is secured by the Collateral as described below under Security. The Guarantee of each Guarantor constitutes Designated Senior Indebtedness for purposes of the LBO Notes. Most of the covenants described under Certain Covenants in the Indenture do not apply to Holdings. The Notes are structurally subordinated to Indebtedness and other liabilities of Subsidiaries of the Issuer that do not guarantee the Notes, including CCO and its subsidiaries.

Not all of the Issuer's Subsidiaries guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute or contribute, as the case may be, any of their assets to a Guarantor or the Issuer. The non-guarantor Subsidiaries accounted for \$654.6 million, or 49.6%, of our revenue and approximately \$14.8 million, or 10.2%, of our operating income, in each case, for the three months ended March 31, 2011. Our non-guarantor Subsidiaries accounted for approximately \$8.0 billion, or 47.4%, of our total assets as of March 31, 2011. As of March 31, 2011, our non-guarantor Subsidiaries had \$4.5 billion of total liabilities (including trade payables) to which the Notes would have been structurally subordinated.

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For a description of the Collateral, lien priority and intercreditor arrangements, see Security below.

The obligations of each Restricted Guarantor under its Guarantee are limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law. Any Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all guaranteed obligations under the Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all the Guarantors at the time of such payment (such net assets determined in accordance with GAAP).

If a Guarantee was rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees of the LBO Notes and other obligations and other contingent liabilities) of the Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero.

Except as provided below, each Guarantee by a Restricted Guarantor provides by its terms that it shall be automatically and unconditionally released and discharged upon:

- (1) (a) any sale, exchange or transfer (by merger or otherwise) of (i) the Capital Stock of such Restricted Guarantor (including any sale, exchange or transfer) after which the applicable Restricted Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all of the assets of such Restricted Guarantor, which sale, exchange or transfer is made in a manner in compliance with the applicable provisions of the Indenture; provided, *however*, that, in each case, if such Restricted Guarantor, immediately prior thereto, was a guarantor of any First Priority Lien Obligation and continues after such sale, exchange or transfer to be a guarantor of any First Priority Lien Obligation, no such release shall occur;
 - (b) the release or discharge of the guarantee by such Restricted Guarantor of the General Credit Facilities or the guarantee of any other Indebtedness which resulted in the creation of such Guarantee, except a discharge or release (i) by or as a result of payment under such other guarantee or (ii) in connection with a replacement, refunding or refinancing of the General Credit Facilities or such other Indebtedness if Indebtedness or other obligations under such replacement, refunding or refinancing will be guaranteed by such Restricted Guarantor; *provided, however*, that if such Restricted Guarantor, immediately prior thereto, was a guarantor of any Indebtedness of the Issuer or any other Guarantor and continues after such designation to be a guarantor of any such Indebtedness, no such release shall occur;
 - (c) the designation of any Restricted Subsidiary that is a Restricted Guarantor as an Unrestricted Subsidiary in accordance with the covenant described under Certain Covenants in the Indenture Limitation on Restricted Payments and the definition of Unrestricted Subsidiary; *provided, however*, that if such Restricted Guarantor, immediately prior thereto, was a guarantor of any First Priority Lien Obligation and continues after such designation to be a guarantor of any First Priority Lien Obligation, no such release shall occur;
 - (d) the Issuer exercising its legal defeasance option or covenant defeasance option as described under Legal Defeasance and Covenant Defeasance or the Issuer's obligations under the Indenture being discharged in a manner not in violation of the terms of the Indenture; and
 - (e) such Restricted Guarantor ceasing to be a Restricted Subsidiary as a result of any other transaction or designation permitted hereunder; *provided, however*, that if such Restricted Guarantor, immediately prior thereto, was a guarantor of any First Priority Lien Obligation and continues after such cessation to be a guarantor of any First Priority Lien Obligation, no such release shall occur; and
- (2) such Restricted Guarantor delivering to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

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The Guarantee by Holdings provides by its terms that it shall be automatically and unconditionally released and discharged upon (1) any sale, exchange or transfer (by merger or otherwise) of all or substantially all of the assets of Holdings, which sale, exchange or transfer is made in a manner in compliance with the applicable provisions of the Indenture; *provided, however*, that if Holdings immediately prior thereto was a guarantor of other Indebtedness of the Issuer or another Guarantor and continues after such sale, exchange or transfer to be a guarantor of such other Indebtedness of the Issuer or another Guarantor, no such release shall occur, (2) the Issuer exercising its legal defeasance option or covenant defeasance option as described under Legal Defeasance and Covenant Defeasance or (3) the Issuer's obligations under the Indenture being discharged in a manner in accordance with the terms of the Indenture.

If a Restricted Subsidiary has incurred any Indebtedness or issued any Disqualified Stock or Preferred Stock in reliance on its status as a Guarantor under the covenant Certain Covenants in the Indenture Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock, then its Guarantee shall only be released and discharged if its obligations under such Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, so incurred in reliance on its status as a Guarantor are satisfied in full and discharged or are otherwise permitted under the covenant described under Certain Covenants in the Indenture Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock (other than clause (13) of the second paragraph thereof).

Security

The Notes and the Guarantees, with certain exceptions, subject to prior Liens and subject to the limitations described below under Limitations on Stock Collateral, are secured by Liens on the Collateral owned by the Issuer and each Guarantor, which will consist of (i) the General Credit Facility Collateral described below, as to which the Holders of the Notes have a security interest that is equal to the lien in favor of the lenders under the General Credit Facilities, and (ii) the ABL Collateral, as to which the lenders under the ABL Facility have a senior-priority security interest and the Holders of the Notes and the holders of obligations under the General Credit Facilities have a junior-priority security interest. We refer to any entity that pledges Collateral hereunder as a Pledgor. The terms Contract, Fixtures, General Intangibles, Instrument, Investment Property, License and Security Interest, as used herein, shall have the meanings given to such terms in the Uniform Commercial Code.

The Collateral does not and will not comprise all or substantially all of the assets of the Pledgors. As described below under General Credit Facility Collateral, there are significant limitations on our ability to pledge assets as Collateral for the benefit of the Notes, and as described below under Excluded Assets, there are a number of assets that will not constitute Collateral for the benefit of the Notes. See Risks Related to the Notes. The lenders under our senior secured credit facilities may benefit from a more expansive security package than the notes.

General Credit Facility Collateral

As of the date of this prospectus, the General Credit Facility Collateral consisted of a lien on (1) 100% of the Capital Stock of the Issuer and (2) certain property and related assets that do not constitute Principal Property. The General Credit Facility Collateral shall not include any Principal Property until the Springing Lien Trigger Date. This means that assets that constituted General Credit Facility Collateral on the Issue Date may not constitute General Credit Facility Collateral in the future. If the vesting of the Notes Collateral Agent's rights in any pledge of the General Credit Facility Collateral requires the approval of the FCC prior to the vesting of such rights, such rights will not vest in the Notes Collateral Agent until such approval has been obtained. For example in the event that the stock of one of our subsidiaries that holds an FCC license becomes part of the Collateral and the Notes Collateral Agent seeks to effect a foreclosure with respect to such stock, the transferee in the foreclosure process must comply with FCC ownership requirements and must formally seek FCC approval, which approval process would take at least 30 days and would involve the participation of that subsidiary. See

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Risk Factors Risks Related to the Notes The amount of our obligations under our senior secured credit facilities and the notes substantially exceeds the value of the collateral securing the notes. The Issuer will be required to use its commercially reasonable efforts to obtain any such approvals.

The General Credit Facilities may benefit from a more expansive security package than the Notes. The General Credit Facilities have been granted a security interest in our Principal Properties based on a basket in the Legacy Notes Indenture that is determined by reference to 15% of the total consolidated stockholders' equity of the Issuer as shown on the Issuer's balance sheet in the most recent annual report to its stockholders (the Principal Properties Basket). Until the occurrence (if at all) of the Springing Lien Trigger Date, the Holders of Notes will not have the benefit of a Lien or any security interest in Principal Properties. Based on the most recent annual report to the Issuer's stockholders, stockholders' equity is negative and therefore the basket is zero. The lenders under the General Credit Facilities would likely take the position that the size of such basket is based on the consolidated stockholders' equity of the Issuer in the Issuer's annual report prior to the date of grant of security interest for those obligations. To the extent such a position is found to be correct, then the lenders under the General Credit Facilities will have substantially more assets securing the obligations thereunder than secure the Notes. There will not be any requirement that the obligations under the General Credit Facilities first be satisfied using proceeds from the assets that do not secure the Notes, which means the Holders of Notes may recover less than they would have if lenders under the General Credit Facilities first proceeded against such assets that do not secure the Notes. Until the Springing Lien Trigger Date, the Holders of Notes will not benefit from any security interest in our Principal Properties or the pledge of stock of our subsidiaries or intercompany loans between us and our subsidiaries or between our subsidiaries.

In the event that (1) the aggregate principal amount of the Legacy Notes outstanding is \$500 million or less, (2) the Legacy Notes Indenture has been amended or otherwise modified to remove or limit the applicability of the negative pledge covenant set forth in the Legacy Notes Indenture, (3) any Legacy Notes are secured or become required to be secured by a Lien on any Springing Lien Collateral or (4) the General Credit Facilities are secured by a Lien on any Springing Lien Collateral (other than any such Lien securing the General Credit Facilities permitted under the Legacy Notes Indenture solely pursuant to the Principal Properties Basket under the Legacy Notes Indenture as the Legacy Notes Indenture was in effect on the Issue Date), then, on the date of the earliest to occur of such events (such date, the *Springing Lien Trigger Date*), the General Credit Facility Collateral will include all the Springing Lien Collateral (or, if only the events in clauses (3) and (4) above have occurred, only such of the Springing Lien Collateral as is subject to such Lien securing any Legacy Notes or the General Credit Facilities). For purposes hereof, *Springing Lien Collateral* means (A) 100% of the Capital Stock of our wholly-owned domestic Restricted Subsidiaries and intercompany loans between the Issuer and its Restricted Subsidiaries or between any Restricted Subsidiaries and (B) our assets that constitute a Principal Property. We will be required to provide a perfected security interest in any Springing Lien Collateral not later than the earlier of the date on which the Lien in such Springing Lien Collateral is granted for the benefit of the General Credit Facilities or 60 days after the Springing Lien Trigger Date. Based solely on the current maturity schedule of our Legacy Notes, without giving effect to any voluntary repurchases or redemptions of our Legacy Notes, we would have less than \$500 million aggregate principal amount of Legacy Notes outstanding after December 15, 2016, when our 5.5% Senior Notes due 2016 mature.

As of the date of this prospectus, all of our wholly owned domestic license subsidiaries were Restricted Subsidiaries under the Legacy Notes Indenture; accordingly, as of the date of this prospectus, we did not provide any pledges of subsidiary stock or intercompany loans between the Issuer and its Restricted Subsidiaries or between any Restricted Subsidiaries as part of the General Credit Facility Collateral. Historically, we have not designated any of our subsidiaries as unrestricted within the meaning of the Legacy Notes Indenture and do not intend to do so in the future. As a result, until the Springing Lien Trigger Date, the Holders of Notes will not have the benefit of any subsidiary stock pledges or pledges of intercompany loans between the Issuer and its Restricted Subsidiaries or between any Restricted Subsidiaries of our subsidiaries to secure the Notes. After the Springing Lien Trigger Date, any pledges of stock or other securities of our subsidiaries will be limited as described above and below.

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The Issuer and the Restricted Guarantors are required to provide a first-priority perfected security interest, subject to Permitted Liens which may have senior lien priority, in After-Pledged Property. Holdings is not be required to provide any security interest in After-Pledged Property.

Pledges of assets for the benefit of the Notes in the future may be subject to avoidance in a bankruptcy under certain circumstances. Because most of the assets that may be pledged for the Notes will occur in the future, if at all, there is a greater risk that a substantial portion of the Collateral could be subject to avoidance. See Risk Factors Risks Related to the Notes The amount of our obligations under our senior secured credit facilities and the notes substantially exceeds the value of the collateral securing the notes and Risk Factors Risks Related to the Notes Any future pledge of collateral might be avoidable by a trustee in bankruptcy.

Excluded Assets

In addition to the limitations described herein, including the limitation described below under Limitations on Stock Collateral, the following assets will not be included in the General Credit Facility Collateral, including after the Springing Lien Trigger Date:

(a) any fee owned real property and all leasehold rights and interests in real property, other than, in each case, any fixtures (other than fixtures relating to mortgaged properties);

(b) any General Intangible (other than FCC Authorizations, which are addressed in subsection (f) below), Investment Property, Intellectual Property or other property or rights of a Pledgor arising under or evidenced by any contract, lease, instrument, license or other document if (but only to the extent that) the grant of a security interest therein would (x) constitute a violation of a valid and enforceable restriction in respect of, or result in the abandonment, invalidation or unenforceability of, such General Intangible, Investment Property, Intellectual Property or other property or rights in favor of a third party or under any law, regulation, permit, order or decree of any governmental authority, unless and until all required consents shall have been obtained (the restrictions described herein shall not include negative pledges or similar undertakings in favor of a lender or other financial counterparty) or (y) expressly give any other party (other than another Pledgor or its Affiliates) in respect of any such contract, lease, instrument, license or other document, the right to terminate its obligations thereunder, *provided, however*, that the limitation set forth in this clause (b) shall not affect, limit, restrict or impair the grant by a Pledgor of a security interest pursuant to the Indenture in any such Collateral to the extent that an otherwise applicable prohibition or restriction on such grant is rendered ineffective by any applicable law, including the UCC; *provided, further*, that, at such time as the condition causing the conditions in subclauses (x) and (y) of this clause (b) shall be remedied, whether by contract, change of law or otherwise, the contract, lease, instrument, license or other documents shall immediately cease to be an excluded asset, and any security interest that would otherwise be granted herein shall attach immediately to such contract, lease, instrument, license or other document, or to the extent severable, to any portion thereof that does not result in any of the conditions in subclauses (x) or (y) above;

(c) any assets to the extent and for so long as the pledge of such assets is prohibited by law and such prohibition is not overridden by the UCC or other applicable law;

(d) Excluded Stock Collateral or debt securities of any Affiliate of the Issuer to the extent and for so long as a pledge of such Excluded Stock Collateral or debt securities to secure the Notes would result in additional financial reporting requirements under Rule 3-16 under Regulation S-X promulgated under the Exchange Act;

(e) margin stock (within the meaning of Regulation U of the Federal Reserve Board);

(f) any FCC Authorizations to the extent (but only to the extent) that at such time the Notes Collateral Agent may not validly possess a security interest therein pursuant to applicable communications laws, but the Collateral shall include, to the maximum extent permitted by law, all rights

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incident or appurtenant to the FCC Authorizations (except to the extent requiring approval of any governmental authority, including the FCC) and the right to receive all proceeds derived from or in connection with the sale, assignment or transfer of the FCC Authorizations;

(g) any Intellectual Property to the extent that the attachment of the security interest of the Security Documents thereto, or any assignment thereof, would result in the forfeiture, invalidation or unenforceability of the Pledgors' rights in such property including any Trademark applications filed in the USPTO on the basis of such Pledgor's intent-to-use such Trademark, unless and until acceptable evidence of use of such Trademark has been filed with the USPTO pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. 1051, et seq.), to the extent that granting a lien in such Trademark application prior to such filing would adversely affect the enforceability or validity of such Trademark application;

(h) any particular assets if, in the reasonable judgment of the Administrative Agent under the General Credit Facilities, determined in consultation with the Issuer and evidenced in writing, the burden, cost or consequences (including any material adverse tax consequences) to the Issuer or its Subsidiaries of creating or perfecting a pledge or security interest in such assets for the benefit of the secured parties under the General Credit Facilities or obtaining title insurance or taking other actions in respect of such assets is excessive in relation to the benefits to be obtained therefrom by the secured parties under the General Credit Facilities; and

(i) any assets of a Pledgor that are held for sale and identified to the Administrative Agent under the General Credit Facilities prior to the Issue Date.

In the event any asset described in clauses (a)-(i) (other than clause (d)) above is pledged for the benefit of any First Priority Lien Obligation, such asset shall constitute General Credit Facility Collateral and shall be pledged as After-Pledged Property with respect to the Notes.

ABL Collateral

The ABL Collateral consists of the accounts receivable and related assets pledged to secure the ABL Credit Facility. The ABL Collateral does not consist of all of the accounts receivable and related assets of the Issuer and the other Pledgors.

The Pledgors will be able to incur additional Indebtedness in the future which could share in the Collateral on a priority basis, on an equal and ratable basis or on a junior priority basis. The amount of all such additional Indebtedness will be limited by the covenants disclosed under

Certain Covenants in the Indenture Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock and Certain Covenants in the Indenture Liens, but under certain circumstances the amount of such additional secured Indebtedness could be significant. The Collateral will be further limited to the extent described below under Limitations on Stock Collateral, and subject to the other limitations described herein.

The Holders of Notes will not be permitted to take enforcement action with respect to the Collateral except under limited circumstances as provided in the Intercreditor Agreements. For a description of those limitations and the other material terms of the Intercreditor Agreements, see Intercreditor Agreements below.

Releases of Collateral

Liens on the property and other assets included in the Collateral securing the Notes will be released automatically under any one or more of the following circumstances:

(1) to enable us to consummate the disposition of property or assets to the extent not prohibited and otherwise in accordance with the covenant described under Repurchase at the Option of

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Holders Asset Sales ; provided, however, that if such property or assets, immediately prior thereto, were subject to any Lien securing any First Priority Lien Obligation and such property or assets continue after such disposition to be subject to a Lien securing any First Priority Lien Obligation, no such release shall occur with respect to such property or assets;

(2) in respect of the property and assets of a Restricted Guarantor, upon the designation of such Restricted Guarantor as an Unrestricted Subsidiary in accordance with the covenant described under Certain Covenants in the Indenture Limitation on Restricted Payments and the definition of Unrestricted Subsidiary ; provided, however, that if any property or assets of such Restricted Guarantor, immediately prior thereto, was subject to any Lien securing any First Priority Lien Obligation and such property or assets continue after such designation to be subject to a Lien securing any First Priority Lien Obligation, no such release shall occur;

(3) in the case of the property and assets of a Restricted Guarantor, upon the release of such Restricted Guarantor from its Guarantee of the Notes;

(4) as described under Intercreditor Agreements below; and

(5) as described under Amendments and Waivers below.

The security interests in all Collateral securing the Notes also will be released upon payment in full of the principal of, together with accrued and unpaid interest on, the Notes and all other Obligations under the Indenture, the Notes, the Guarantees and the Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest are paid or upon a legal defeasance or covenant defeasance under the Indenture as described below under Legal Defeasance and Covenant Defeasance.

Limitations on Capital Stock Collateral

As of the date of this prospectus, none of the Capital Stock of any of our Subsidiaries constitutes Collateral. We do not expect this to change unless and until the Springing Lien Trigger Date occurs, if at all. If, however, we do pledge Capital Stock as Collateral, that pledge will be limited as described below. The Capital Stock and securities of any Subsidiary of the Issuer will constitute Collateral only to the extent that the securing of the Notes with such Capital Stock and securities would not require the financial statements of such Subsidiary to be separately filed with the SEC under Rule 3-16 of Regulation S-X under the Exchange Act (or any other law, rule or regulation). The foregoing limitation will not apply to the pledge of Capital Stock of any Subsidiary that otherwise files its financial statements with the SEC. In the event that Rule 3-16 of Regulation S-X under the Exchange Act requires or is amended, modified or interpreted by the SEC to require (or is replaced with another rule or regulation that would require) the filing with the SEC of separate financial statements of any Subsidiary of the Issuer due to the fact that such Subsidiary's Capital Stock and securities secure the Notes or any Guarantee, then the Capital Stock and securities of such Subsidiary shall automatically be deemed not to be part of the Collateral (but only to the extent necessary for such Subsidiary to not be subject to such requirement to provide separate financial statements) and such excluded portion of the Capital Stock and securities is referred to as the *Excluded Stock Collateral*. In such event, the Security Documents may be amended, modified or supplemented, without the consent of any Holder, to the extent necessary to release the security interests on the Excluded Stock Collateral. The limitations of Rule 3-16 of Regulation S-X do not apply to unregistered debt securities or debt that is not a security. Accordingly, although the limitations described herein apply as a contractual matter to the General Credit Facilities in existence on the Issue Date, those limitations only apply to the extent providing such Collateral would require the Issuer to cause subsidiaries to file additional financial statements with the SEC, and we may in the future enter into Credit Facilities and other indebtedness that we may incur in the future that do not have those limitations and the holders of those obligations will have a security interest in more assets than the Notes Collateral Agent for the Holders of Notes. There will not be any requirement that the holders of obligations secured by a *pari passu* lien seek to realize on the value of assets not securing the Notes before they realize on the Collateral and therefore the Holders of Notes may recover less than holders of other debt with a *pari passu* lien.

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In the event that Rule 3-16 of Regulation S-X under the Securities Act is amended, modified or interpreted by the SEC to permit (or is replaced with another rule or regulation that would permit) any Subsidiary's Excluded Stock Collateral to secure the Notes in excess of the amount then pledged without the filing with the SEC of separate financial statements of such Subsidiary, then the Capital Stock and securities of such Subsidiary shall automatically be deemed to be a part of the Collateral (but only to the extent possible without such Subsidiary becoming subject to any such filing requirement). In such event, the Security Documents may be amended or modified, without the consent of any Holder, to the extent necessary to subject to the Liens under the Security Documents such additional Capital Stock and securities.

In accordance with the limitations set forth in the two immediately preceding paragraphs, on the date the Company files a registration statement with the Commission related to the Notes or on the date that we pledge Capital Stock, if later, the Collateral will include shares of Capital Stock of the Subsidiaries only to the extent that the applicable value of such Capital Stock (on an entity-by-entity basis) is less than 20% of the aggregate principal amount of the outstanding Notes. As of the date of this prospectus, certain of the Subsidiaries whose Capital Stock would be required to be pledged following the occurrence of the Springing Lien Trigger Date have Capital Stock valued at or in excess of 20% of the aggregate principal amount of the outstanding Notes; accordingly, if we pledged Capital Stock and Rule 3-16 of Regulation S-X under the Securities Act were applicable to the Notes on such date, each such pledge of such stock as Collateral would be deemed to be limited to stock with a value that is less than 20% of the aggregate principal amount of the outstanding Notes pursuant to these provisions. If we pledge Capital Stock in the future (we currently do not expect to do so), we anticipate that such pledges will be subject to such limitations and will be deemed to be limited to stock with a value that is less than 20% of the aggregate principal amount of the outstanding Notes. If the applicable value of 100% of the Capital Stock of any pledged entity becomes less than 20% of the aggregate principal amount of the Notes outstanding and the pledge of such Capital Stock has been deemed limited in accordance with this paragraph prior to such date, the pledge of such Capital Stock shall automatically be deemed to be 100% thereof. Accordingly, if we pledge Capital Stock at some future date, the portion of the Capital Stock of the Subsidiary of the Issuer constituting Collateral may decrease or increase as described above.

Intercreditor Agreements**Credit Agreement Intercreditor Agreement***Overview*

On the Issue Date, the Notes Collateral Agent and the collateral agent under the General Credit Facilities (the *CF Collateral Agent*) entered into a First Lien Intercreditor Agreement (as the same may be amended from time to time, the *Credit Agreement Intercreditor Agreement*) with the authorized representative of the holders of General Credit Facility Obligations (the *CF Authorized Representative*) with respect to the Shared Collateral, as such term is defined below, which may be amended from time to time without the consent of the Holders of the Notes to add other parties holding First Priority Lien Obligations (together with Obligations under the Notes, the *Additional First Priority Lien Obligations*) permitted to be incurred under the Indenture, the General Credit Facilities and the Credit Agreement Intercreditor Agreement. Generally, *Shared Collateral* means, at any time, collateral in which the holders of two or more Series of First Priority Lien Obligations (or their respective representatives) hold a valid and perfected security interest. The Credit Agreement Intercreditor Agreement provides for the priorities and other relative rights among the Holders of Notes, the holders of the obligations under the General Credit Facilities and the holders of any other First Priority Lien Obligations secured by an interest in the Shared Collateral, including, among other things, that:

(1) notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Lien on the Shared Collateral, the valid and perfected Liens securing all such Indebtedness shall be of equal priority as among the parties to the Credit Agreement Intercreditor Agreement; and

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(2) if an event of default has occurred and is continuing under any First Priority Lien Obligations, and the Controlling Collateral Agent or any Authorized Representative for, or holder of, such First Priority Lien Obligations is taking action to enforce rights or exercise remedies in respect of any Shared Collateral, or receives any payment with respect to the Shared Collateral under any other intercreditor agreement, or any distribution is made with respect to any Shared Collateral in any insolvency or liquidation proceeding of the Issuer or any Guarantor, then the proceeds of any sale, collection or other liquidation of any such Shared Collateral by the Controlling Collateral Agent, such Authorized Representative or any holder of such First Priority Lien Obligations, as the case may be, will be applied (i) first to the payment of all amounts owing to each applicable Collateral Agent (in its capacity as such) pursuant to the terms of any applicable documents governing First Priority Lien Obligations, (ii) second, on a ratable basis, to amounts owing to (a) holders of the obligations under the General Credit Facilities, (b) the Holders of Notes (for allocation in accordance with the terms of the Indenture) and (c) the holders of any other First Priority Lien Obligations and (iii) third, after payment in full of all First Priority Lien Obligations, allocated to the Company and the Guarantors or as a court of competent jurisdiction may direct (the *Application of Proceeds*).

Under the Credit Agreement Intercreditor Agreement, only the Controlling Collateral Agent will have the right to act or refrain from acting with respect to any Shared Collateral. The Controlling Collateral Agent initially is the CF Collateral Agent and will remain the CF Authorized Representative until the earlier of (1) the Discharge of General Credit Facility Obligations and (2) the Non-Controlling Authorized Representative Enforcement Date (such earlier date, the *Controlling Collateral Agent Change Date*). After the Controlling Collateral Agent Change Date, the Controlling Collateral Agent will be the Collateral Agent for that Series of First Priority Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of First Priority Lien Obligations (including the General Credit Facility Obligations) with respect to the Shared Collateral (the *Major Non-Controlling Authorized Representative*). Accordingly, Holders of the Notes and the Notes Collateral Agent will not have any right to take enforcement action with respect to the collateral even if the CF Collateral Agent is not diligently pursuing enforcement actions with respect thereto unless the principal amount of the Notes is greater than the amount of the General Credit Facility Obligations and each other Series of First Priority Lien Obligations.

At any time when the CF Collateral Agent is the Controlling Collateral Agent, no Additional First Lien Secured Party shall, or shall instruct any collateral agent to, and neither the Notes Collateral Agent nor any other Authorized Representative shall, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral.

The *Non-Controlling Authorized Representative Enforcement Date* is the date that is 90 days (throughout which 90-day period the applicable Authorized Representative was the Major Non-Controlling Authorized Representative) after the occurrence of both (a) an event of default, as defined in the Indenture or other applicable indenture or credit facility for the applicable Series of First Priority Lien Obligations, and (b) the Controlling Collateral Agent s, the Applicable Authorized Representative s and each other Authorized Representative s receipt of written notice from the Authorized Representative for the applicable Series of First Priority Lien Obligations certifying that (i) such Authorized Representative is the Major Non-Controlling Authorized Representative and that an event of default, as defined in the Indenture or other applicable indenture or credit facility for that Series of First Priority Lien Obligations has occurred and is continuing and (ii) the First Priority Lien Obligations of that Series are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the Indenture or other applicable indenture or credit facility for that Series of First Priority Lien Obligations; *provided* that the Non-Controlling Authorized Representative Enforcement Date will be stayed and will not occur and will be deemed not to have occurred with respect to the Shared Collateral (1) at any time the Applicable Authorized Representative or the Controlling Collateral Agent

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has commenced and is diligently pursuing any enforcement action with respect to such Shared Collateral or (2) at any time the Issuer or the Guarantor that has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

At any time when the CF Collateral Agent is not the Controlling Collateral Agent, the Controlling Collateral Agent will only act or refrain from acting with respect to the Shared Collateral upon the instruction of the Applicable Authorized Representative, and will not follow any instructions with respect to such Shared Collateral from any representative of any Non-Controlling Secured Party or other First Lien Secured Party (other than the Applicable Authorized Representative), and no Authorized Representative of any Non-Controlling Secured Party or other First Lien Secured Party (other than the Applicable Authorized Representative) will be entitled to instruct the Controlling Collateral Agent to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its interests in or realize upon, or take any other action available to it in respect of, the Shared Collateral.

Notwithstanding the equal priority of the Liens, the Controlling Collateral Agent (acting on the instructions of the Applicable Authorized Representative if it is not the CF Collateral Agent) may deal with the Shared Collateral as if the Controlling Collateral Agent had a senior Lien on such Collateral. No representative of any Non-Controlling Secured Party may contest, protest or object to any foreclosure proceeding or action brought by the Controlling Collateral Agent, Applicable Authorized Representative or any Controlling Secured Party. Each of the First Lien Secured Parties also will agree that it will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the First Lien Secured Parties in all or any part of the Shared Collateral, or the provisions of the Credit Agreement Intercreditor Agreement.

If a First Lien Event of Default has occurred and is continuing and the Controlling Collateral Agent is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made with respect to any Shared Collateral in any bankruptcy case of the Issuer or any Guarantor, or any First Lien Secured Party receives any payment pursuant to any intercreditor agreement (other than the Credit Agreement Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation of any such Shared Collateral by the Controlling Collateral Agent or any other First Lien Secured Party (or received pursuant to any other intercreditor agreement) on account of such enforcement of rights or exercise of remedies, as applicable, and proceeds of any such distribution (subject, in the case of any such distribution, to the paragraph immediately following) to which the First Priority Lien Obligations are entitled under any other intercreditor agreement shall be applied in accordance with the Credit Agreement Intercreditor Agreement.

Notwithstanding the foregoing, with respect to any Shared Collateral for which a third party (other than a First Lien Secured Party) has a lien or security interest that is junior in priority to the security interest of any Series of First Priority Lien Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Series of First Priority Lien Obligations (such third party, an *Intervening Creditor*), the value of any Shared Collateral or proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Shared Collateral or proceeds to be distributed in respect of the Series of First Priority Lien Obligations with respect to which such impairment exists.

None of the First Lien Secured Parties may institute any suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against the Controlling Collateral Agent or any other First Lien Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral. In addition, none of the First Lien Secured Parties may seek to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Shared Collateral. If any First Lien Secured Party obtains possession of any Shared Collateral or realizes any proceeds or payment in respect thereof, at any time prior to the discharge of each of the First Priority Lien Obligations, then it must hold such

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Shared Collateral, proceeds or payment in trust for the other First Lien Secured Parties and promptly transfer such Shared Collateral, proceeds or payment to the Controlling Collateral Agent to be distributed in accordance with the Credit Agreement Intercreditor Agreement.

If, at any time the Controlling Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral resulting in a sale or disposition thereof, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Liens in favor of each other collateral agent for the benefit of each Series of First Lien Secured Parties upon such Shared Collateral will automatically be released and discharged as and when, but only to the extent, such Liens of the Controlling Collateral Agent on such Shared Collateral are released and discharged; provided that any proceeds of any Shared Collateral realized therefrom shall be allocated and applied pursuant to the Credit Agreement Intercreditor Agreement. Each collateral agent and Authorized Representative agrees to execute and deliver (at the sole cost and expense of the Grantors set forth in the Credit Agreement Intercreditor Agreement) all such authorizations and other instruments as shall reasonably be requested by the Controlling Collateral Agent to evidence and confirm any release of Shared Collateral provided for in the Credit Agreement Intercreditor Agreement.

If the Issuer or any Guarantor becomes subject to any bankruptcy case, the Credit Agreement Intercreditor Agreement provides that if the Issuer or any Guarantor shall, as debtor(s)-in-possession, move for approval of financing (the *DIP Financing*) to be provided by one or more lenders (the *DIP Lenders*) under Section 364 of the Bankruptcy Code or the use of cash collateral under Section 363 of the Bankruptcy Code, each Non-Controlling Secured Party will agree not to object to any such financing or to the Liens on the Shared Collateral securing the same (the *DIP Financing Liens*) or to any use of cash collateral that constitutes Shared Collateral, unless the Controlling Collateral Agent (acting on the instructions of the Applicable Authorized Representative if it is not the CF Collateral Agent) with respect to such Shared Collateral opposes or objects to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any First Lien Secured Parties constituting DIP Financing Liens) are subordinated thereto, and (ii) to the extent that such DIP Financing Liens rank *pari passu* with the Liens on any such Shared Collateral granted to secure the First Priority Lien Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth in the Credit Agreement Intercreditor Agreement), in each case so long as:

(A) the First Lien Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-a-vis all the other First Lien Secured Parties (other than any Liens of the First Lien Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of the bankruptcy case;

(B) the First Lien Secured Parties of each Series are granted Liens on any additional collateral pledged to any First Lien Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-a-vis the First Lien Secured Parties as set forth in the Credit Agreement Intercreditor Agreement;

(C) if any amount of such DIP Financing or cash collateral is applied to repay any of the First Priority Lien Obligations, such amount is applied pursuant to the Credit Agreement Intercreditor Agreement; and

(D) if any First Lien Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to the Credit Agreement Intercreditor Agreement;

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provided that the First Lien Secured Parties of each Series will have a right to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the First Lien Secured Parties of such Series or its representative that do not constitute Shared Collateral; and *provided, further*, that the First Lien Secured Parties receiving adequate protection shall not object to any other First Lien Secured Party receiving adequate protection comparable to any adequate protection granted to such First Lien Secured Parties in connection with a DIP Financing or use of cash collateral.

The First Lien Secured Parties acknowledge that the First Priority Lien Obligations of any Series may, subject to the limitations set forth in the other First Lien Documents, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the priorities set forth in the Credit Agreement Intercreditor Agreement defining the relative rights of the First Lien Secured Parties of any Series.

In connection with any refinancing of First Priority Lien Obligations of any Series, or the incurrence of Additional First Priority Lien Obligations of any Series, the collateral agents and the Authorized Representatives then party to the Credit Agreement Intercreditor Agreement may enter (without the consent of any other First Lien Secured Party), at the request of any Collateral Agent, any Authorized Representative or the Issuer, into such amendments or modifications of the Credit Agreement Intercreditor Agreement as are reasonably necessary to reflect such refinancing or such incurrence and are reasonably satisfactory to each such Collateral Agent and each such Authorized Representative.

Certain Definitions

Additional First Lien Secured Party means the holders of any Additional First Priority Lien Obligations, including the Holders, and any Authorized Representative or Collateral Agent with respect thereto, including the Notes Collateral Agent.

Applicable Authorized Representative means, at any time from and after the time that the CF Collateral Agent ceases to be the Controlling Collateral Agent with respect to any Shared Collateral, the Authorized Representative of the Series of Additional First-Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of First-Lien Obligations with respect to such Shared Collateral.

Authorized Representative means (i) CF Authorized Representative, (ii) in the case of the Notes or the Holders, the Notes Collateral Agent and (iii) in the case of any Series of Additional First Priority Lien Obligations or Additional First Lien Secured Parties that become subject to the Credit Agreement Intercreditor Agreement, the Authorized Representative named for such Series in the applicable joinder agreement.

Controlling Collateral Agent means, (i) until the earlier of (x) the Discharge of General Credit Facility Obligations, and (y) the Non-Controlling Authorized Representative Enforcement Date, the CF Collateral Agent and (ii) from and after the earlier of (x) the Discharge of General Credit Facility Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the Collateral Agent for the Additional First Priority Lien Obligations for which the Applicable Authorized Representative is the Authorized Representative.

Controlling Secured Parties means, with respect to any Shared Collateral, (i) at any time when the CF Collateral Agent is the Controlling Collateral Agent, the Credit Agreement Secured Parties, and (ii) at any other time, the Series of First Lien Secured Parties whose Authorized Representative is the Applicable Authorized Representative for such Shared Collateral.

Discharge of General Credit Facility Obligations means, with respect to any Shared Collateral, the date on which the General Credit Facility Obligations are no longer secured by such Shared Collateral; *provided* that the Discharge of General Credit Facility Obligations shall not be deemed to have occurred in connection with a refinancing of such General Credit Facility Obligations with additional First Priority Lien Obligations secured by such Shared Collateral under an agreement relating to Additional First Priority Lien Obligations which has been

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designated in writing by the administrative agent under the General Credit Facilities so refinanced to the Notes Collateral Agent and each other Authorized Representative as the General Credit Facilities for purposes of the Credit Agreement Intercreditor Agreement.

First Lien Documents means the credit, guarantee and security documents governing the First Priority Lien Obligations, including, without limitation, the Indenture and the First Lien Security Documents.

First Lien Event of Default means an Event of Default under and as defined in the General Credit Facilities, the Indenture or any other First Lien Documents governing First Priority Lien Obligations.

First Lien Secured Parties means (a) the Secured Parties, as defined in the General Credit Facilities, (b) the Secured Parties, as defined in the Security Documents, and (c) any Additional First Lien Secured Parties.

First Lien Security Documents means the Security Documents and any other agreement, document or instrument pursuant to which a Lien is granted or purported to be granted securing First Priority Lien Obligations and any Additional First Priority Lien Obligations or under which rights or remedies with respect to such Liens are governed, in each case to the extent relating to the collateral securing the First Priority Lien Obligations.

Non-Controlling Secured Parties means, with respect to any Shared Collateral, the First Lien Secured Parties which are not Controlling Secured Parties with respect to such Shared Collateral.

Series means (a) with respect to the First Lien Secured Parties, each of (i) the Secured Parties as defined in the General Credit Facilities (in their capacities as such), (ii) the Holders and the Notes Collateral Agent (each in their capacity as such) and (iii) the Additional First Lien Secured Parties that become subject to the Credit Agreement Intercreditor Agreement that are represented by a common Authorized Representative (in its capacity as such for such Additional First Lien Secured Parties) and (b) with respect to any First Priority Lien Obligations, each of (i) the General Credit Facility Obligations, (ii) the Notes and (iii) the Additional First Priority Lien Obligations incurred pursuant to any applicable agreement, which, pursuant to any joinder agreement, are to be represented under the Credit Agreement Intercreditor Agreement by a common Authorized Representative (in its capacity as such for such Additional First Priority Lien Obligations).

ABL Intercreditor Agreement

Overview

The ABL Collateral Agent and the CF Collateral Agent for the lenders under the General Credit Facilities (such lenders, together with the Holders of Notes, with respect to their claim on the ABL Collateral, the *Junior Lien Secured Parties*) have entered into an Intercreditor Agreement dated as of July 30, 2008. The Notes Collateral Agent (the Notes Collateral Agent, together with the CF Collateral Agent, the *Junior Lien Collateral Agents*) became a party to this agreement on the Issue Date, pursuant to an amendment. The ABL Intercreditor Agreement may be further amended from time to time without the consent of Holders of Notes to add other parties holding Obligations secured by a junior-priority lien on the ABL Collateral (all such Obligations, the *Junior Lien Obligations*). Although the Holders of Notes are not party to the ABL Intercreditor Agreement, by their acceptance of the Notes they agree to be bound thereby. The ABL Intercreditor Agreement provides for the priorities and other relative rights among the lenders under the ABL Facility (the *ABL Lenders*) and the Junior Lien Secured Parties, including, among other things, that:

(1) notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Lien in respect of all or any portion of the ABL Collateral held by or on behalf of any Junior Lien Collateral Agent or any Junior Lien Secured Party that secures all or any portion of the Junior Lien Obligations shall in all respects be junior and subordinate to all Liens granted to the ABL Collateral Agent and the ABL Lenders on the ABL Collateral; and

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(2) any Lien in respect of all or any portion of the ABL Collateral held by or on behalf of the ABL Collateral Agent or any ABL Lender that secures all or any portion of the ABL Obligations shall in all respects be senior and prior to all Liens granted to any Junior Lien Collateral Agent or any Junior Lien Secured Party on the ABL Collateral (together with (1), the *ABL Lien Priority*).

Waiver of Right to Contest Liens

Each Junior Lien Collateral Agent, for and on behalf of itself and the applicable Junior Lien Secured Parties, has agreed that it will not, and will waive any right to, take any action to contest or challenge (or assist or support any other person in contesting or challenging), directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), the validity, priority, enforceability, or perfection of the Liens of the ABL Collateral Agent and the ABL Lenders (together with the CF Lenders, the *Secured Lenders*) in respect of ABL Collateral or the provisions of the ABL Intercreditor Agreement. Except to the extent expressly set forth in the ABL Intercreditor Agreement, each Junior Lien Collateral Agent, for and on behalf of itself and the applicable Junior Lien Secured Parties, has agreed that it will not take any action that would interfere with any exercise of Secured Creditor Remedies (as defined below) undertaken by the ABL Collateral Agent or any ABL Lender under the ABL Credit Facility and related Security Documents (collectively, the *ABL Documents*) with respect to the ABL Collateral. Except to the extent expressly set forth in the ABL Intercreditor Agreement, each Junior Lien Collateral Agent, on behalf of itself and the applicable Junior Lien Secured Party, will waive any and all rights it may have as a junior lien creditor or otherwise to contest, protest, object to, or interfere with the manner in which the ABL Collateral Agent or any ABL Lender seeks to enforce its Liens in any ABL Collateral.

The ABL Collateral Agent, for and on behalf of itself and the ABL Lenders, has agreed that it will not, and will waive any right to, take any action to contest or challenge (or assist or support any other person in contesting or challenging), directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), the validity, priority, enforceability, or perfection of the respective Liens of any Junior Lien Collateral Agents or Junior Lien Secured Party in respect of the ABL Collateral or the provisions of the ABL Intercreditor Agreement.

Remedies Standstill

Under the ABL Intercreditor Agreement, until the discharge of the ABL Facility Obligations, no Junior Lien Collateral Agent, on behalf of itself or any Junior Lien Secured Party, will:

- (i) (A) take any action to enforce or realize upon any Lien on the ABL Collateral, including the institution of any foreclosure proceedings or the noticing of any public or private sale pursuant to Article 9 of the Uniform Commercial Code;
- (B) exercise any right or remedy provided to a secured creditor on account of a Lien on the ABL Collateral under any Security Document, under applicable law, in an Insolvency Proceeding or otherwise, including the election to retain any of the ABL Collateral in satisfaction of a Lien;
- (C) take any action or exercise any right or remedy in respect of the collection on, set-off against, marshaling of, injunction respecting or foreclosure on (i) the ABL Collateral, (ii) the proceeds of such collateral (as defined in Article 9 of the Uniform Commercial Code) or (iii) whatever is recoverable or recovered when any ABL Collateral is sold, exchanged, collected, or disposed whether voluntarily or involuntarily ((ii) and (iii) together, the *Proceeds*);
- (D) appoint a receiver, receiver and manager or interim receiver of all or part of the ABL Collateral;
- (E) sell, lease, license, or otherwise dispose of all or any portion of the ABL Collateral by private or public sale conducted by a Junior Lien Secured Party or any other means at the direction of a Junior Lien Secured Party permissible under applicable law; or

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(F) exercise any other right of a secured creditor under Part 6 of Article 9 of the Uniform Commercial Code in respect of the ABL Collateral ((A) through (G) collectively, the *Secured Creditor Remedies*), in each case without the prior written consent of the ABL Collateral Agent; or

(ii) take, receive or accept any Proceeds of ABL Collateral.

However, the ABL Intercreditor Agreement authorizes the Junior Lien Collateral Agents, on behalf of themselves or the Junior Lien Secured Parties, to exercise such remedies without the prior written consent of the ABL Collateral Agent beginning on the date which is 180 days after the occurrence of both (i) a continuing Event of Default (under the General Credit Facilities, the Indenture or any document governing any other Junior Lien Obligation) and (ii) the ABL Collateral Agent's receipt of a written notice delivered by a Junior Lien Collateral Agent to the ABL Collateral Agent announcing the commencement of an exercise of any Secured Creditor Remedy (the *Enforcement Date*), unless (A) the ABL Collateral Agent or the ABL Lenders have commenced and are diligently pursuing any enforcement action against the ABL Collateral, (B) any Pledgor is then a debtor under or with respect to (or otherwise subject to) any Insolvency Proceeding, or (C) if each Event of Default under the General Credit Facilities, the Indenture or such other document governing any other Junior Lien Obligation is waived or cured in accordance with the terms thereof.