CLEAR CHANNEL COMMUNICATIONS INC
Form 424B3
July 07, 2011
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-175115

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 August 4, 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We will exchange all outstanding notes that are validly tendered and not withdrawn prior to the expiration or termination of the exchange offer.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 JULY 7, 2011.

Table of Contents

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.

TABLE OF CONTENTS

	Page
BASIS OF PRESENTATION	ii
FORWARD-LOOKING STATEMENTS	iii
INDUSTRY AND MARKET DATA	v
TRADEMARKS AND TRADE NAMES	v
SUMMARY	1
RISK FACTORS	19
EXCHANGE OFFER	43
USE OF PROCEEDS	51
CAPITALIZATION	52
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA	54
MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	57
BUSINESS	104
MANAGEMENT	122
COMPENSATION DISCUSSION AND ANALYSIS	129
EXECUTIVE COMPENSATION	141
RELATIONSHIP OF COMPENSATION POLICIES AND PROGRAMS TO RISK MANAGEMENT	167
	Page
DIRECTOR COMPENSATION	167
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	168
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	173
DESCRIPTION OF OTHER INDEBTEDNESS	176
DESCRIPTION OF THE EXCHANGE NOTES	186
BOOK ENTRY, DELIVERY AND FORM	278
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS	280
PLAN OF DISTRIBUTION	281
CERTAIN ERISA CONSIDERATIONS	282
LEGAL MATTERS	285
EXPERTS	285
WHERE YOU CAN FIND MORE INFORMATION	286
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS	F-1

Table of Contents

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.

Table of Contents

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;

iii

Table of Contents

- 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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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. 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 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.

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.

4

Table of Contents

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 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.

Table of Contents

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.

(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.

Table of Contents

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.

Table of Contents

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

	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, August 4, 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

	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 August 4, 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.

Table of Contents

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	The exchange notes will bear interest at a rate of 9.0% per annum.
	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.
Ranking	The exchange notes:

- 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

Table of Contents

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

Table of Contents

	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

Table of Contents

	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 March 31,	
(Dollars in millions)	2010 Post-Merger	2009 Post-Merger	2008 Combined (1)	2011 Post-Merger	2010 Post-Merger
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)

17

Table of Contents

(Dollars in millions)	Year Ended December 31, 2010 Post-Merger	2009 Post-Merger	2008 Combined (1)	Three Months Ended March 31, 2011 Post-Merger	2010 Post-Merger
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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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.

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 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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

26

Table of Contents

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 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.

Table of Contents

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 dividended 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

Table of Contents

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.

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.

Table of Contents

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.

34

Table of Contents

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.

Table of Contents

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.

Table of Contents

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 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

Table of Contents

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 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.

Table of Contents

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 of 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.

Table of Contents

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.

Table of Contents

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,

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.

Table of Contents

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.

Table of Contents

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 August 4, 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.

Table of Contents

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

Table of Contents

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.

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

Table of Contents

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:	Facsimile Transmission:
Deutsche Bank Trust Company Americas	(615) 866-3889
(US CTAS Operations)	Attn: Reorganization Unit
5022 Gate Parkway	
Suite 200	*For Information or to Confirm Receipt of Facsimile by Telephone:*
Jacksonville, Florida 32256	*(800) 735-7777*
Attn: Reorganization Unit	

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:

(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

Table of Contents

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.

Table of Contents

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.

52

(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.

(Dollars in thousands, except per share data)	Year Ended December 31,					Three Months Ended March 31, (unaudited)	
	2010 Post-Merger	2009 Post-Merger	2008 (1) Combined	2007 (2) Pre-Merger	2006 (3) Pre-Merger	2011 Post-Merger	2010 Post-Merger
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)

Net income (loss) attributable to the Company	$ (479,089)	$ (4,034,086)	$ (4,005,473)	$ 938,507	$ 691,517	$ (131,832)	$ (175,414)

Table of Contents

(Dollars in thousands, except per share data)	Year Ended December 31, 2010 Post-Merger	2009 Post-Merger	2008 (1) Combined	2007 (2) Pre-Merger	2006 (3) Pre-Merger	Three Months Ended March 31, 2011 Post-Merger (unaudited)	2010 Post-Merger (unaudited)
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 Pre-Merger	Year Ended December 31, 2007 Pre-Merger	2006 Pre-Merger
Net income per common share (7):			
Basic:			
Income attributable to the Company before discontinued operations	$ 0.80	$ 1.59	$ 1.27
Discontinued operations	1.29	0.30	0.11
Net income attributable to the Company	$ 2.09	$ 1.89	$ 1.38
Diluted:			
Income attributable to the Company before discontinued operations	$ 0.80	$ 1.59	$ 1.27
Discontinued operations	1.29	0.29	0.11
Net income attributable to the Company	$ 2.09	$ 1.88	$ 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 Period from July 31 through December 31, 2008	Pre-Merger Period from January 1 through July 30, 2008	Combined 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

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)

Table of Contents

(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.

Table of Contents

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.

Table of Contents

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.

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.

Table of Contents

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.

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.

Table of Contents

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.

(In thousands)	**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:

(In thousands)	Three Months Ended March 31, 2011	2010	% Change
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:

(In thousands)	Three Months Ended March 31, 2011	2010	% Change
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%

Table of Contents

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:

(In thousands)	Three Months Ended March 31, 2011	2010	% Change
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

(In thousands)	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:

(In thousands)	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.

(In thousands)	**Years ended December 31,**		**% Change**
	2010	**2009**	
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.

66

Table of Contents

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.

Table of Contents

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 Communicaciones (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:

(In thousands)	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:

(In thousands)	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.

Table of Contents

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:

(In thousands)	Years Ended December 31,		%
	2010	2009	Change
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)

(In thousands)	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.

70

Table of Contents

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:

	Post-Merger		Pre-Merger	Combined	
(In thousands)	Year ended December 31, 2009	Period from July 31 through December 31, 2008	Period from January 1 through July 30, 2008	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

Table of Contents

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.

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.

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 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:

(In thousands)	**Years Ended December 31,**		
	2009 Post-Merger	**2008 Combined**	**% Change**
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,		
	2009 Post-Merger	2008 Combined	% Change
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,		
	2009 Post-Merger	2008 Combined	% Change
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

Table of Contents

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

(In thousands)	**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.

Table of Contents

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

(In thousands)	Years Ended December 31,		
	2010 Post-Merger	2009 Post-Merger	2008 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

(In thousands)	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

Table of Contents

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

	Post-Merger			Pre-Merger	Combined
(In thousands)	**Year ended December 31, 2010**	**Year ended December 31, 2009**	**Period from July 31 through December 31, 2008**	**Period from January 1 to July 30, 2008**	**Year ended December 31, 2008**
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

Table of Contents

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.

[Table of Contents](#)

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

Table of Contents

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:

(In millions)	**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 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).

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

Table of Contents

- 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.

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.

Table of Contents

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

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.

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.

Table of Contents

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;

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;

90

- 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 million 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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

Uses of Capital

Debt Repurchases, Tender Offers, Maturities and Other

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.

(In thousands)	Post Merger Years Ended December 31, 2010	2009	2008
CC Investments			
Principal amount of debt repurchased	$ 185,185	$	$
Deferred loan costs and other	104		
Gain recorded in Other income (expense) net [2]	(60,289)		
Cash paid for repurchases of long-term debt	$ 125,000	$	$
CC Finco, LLC			
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) net [2]		(368,591)	(53,449)
Cash paid for repurchases of long-term debt	$	$ 284,929	$ 24,425
Clear Channel Acquisition, LLC			
Principal amount of debt repurchased [3]	$	$ 433,125	$
Deferred loan costs and other		(813)	
Gain recorded in Other income (expense) net [2]		(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.

Table of Contents

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				
	Radio Broadcasting	Americas Outdoor Advertising	International Outdoor Advertising	Corporate and Other	Total
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 Pubblicita SPA, for $12.1 million.

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

Table of Contents

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:

(In thousands)		Payments due by Period			
Contractual Obligations	**Total**	**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.

(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.

Table of Contents

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.

Inflation

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 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.

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.

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.

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

Table of Contents

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

Table of Contents

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.

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 spectaculars, 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.

Table of Contents

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	