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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements. We have based these forward-looking statements on our current expectations and

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projections about future events. These forward-looking statements are subject to risks, uncertainties, and assumptions about us, including, among other things:

- the impact of general economic conditions and political developments in the United States and in other countries in which we currently do business, including the effects of the September 11, 2001 terrorist attacks and their aftermath;
- competition and general conditions in our radio broadcasting, outdoor advertising and live entertainment industries;
- our ability to integrate the operations of recently acquired companies;
- the availability of acceptable acquisition opportunities;
- fluctuations in exchange rates and currency values;
- capital expenditure requirements;
- legislative or regulatory requirements, including the policies of the Federal Communications Commission, the U.S. Department of Justice and the Federal Trade Commission with respect to the conduct of our business and, the consummation of future or pending acquisitions;
- interest rates;
- the effect of leverage on our financial position and earnings;
- taxes;
- access to capital markets; and
- additional risks referenced in our filings with the SEC.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or other factors. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur as currently contemplated.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement is accurate as of the date on the front cover of this prospectus supplement only. Our business, financial condition, results of operation and prospects may have changed since that date.

References to "Clear Channel," "we," "us," and "our" in this prospectus supplement and the accompanying prospectus are to Clear Channel Communications, Inc. and its consolidated subsidiaries.

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RISK FACTORS

Investing in our securities involves a high degree of risk. You should

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carefully consider the risks and uncertainties described below and the other information in this prospectus supplement and the prospectus and in the documents incorporated by reference before deciding whether to purchase our securities.

THE SEPTEMBER 11, 2001 TERRORIST ATTACKS MAY CONTINUE TO AFFECT OUR RESULTS OF OPERATIONS

We may be affected by the events of September 11, 2001, in New York, Washington, D.C., and Pennsylvania, as well as by the actions taken by the United States in response to such events. At this time, it is not known how significantly these events will affect the radio broadcasting, outdoor advertising or live entertainment industries. As of the date of this prospectus supplement, it is unclear whether the September 11 events and their aftermath will materially impact us. However, as a result of expanded news coverage following the attacks and subsequent military action, we experienced a loss in advertising revenues and increased incremental operating expenses. The events of September 11 have further depressed economic activity in the United States and globally, including the markets in which we operate. If weak economic conditions continue or worsen, our financial condition and results of operations may be materially and adversely affected. Furthermore, there is no assurance that there will not be further terrorist attacks against the United States or United States businesses, including real or threatened attacks using chemical or biological agents. Although we have received no specific threats, such attacks might directly impact our physical facilities or our personnel, potentially causing substantial losses or disruptions in our operations.

WE HAVE LOSSES AND PRO FORMA LOSSES

On a pro forma basis, after giving effect to the mergers with AMFM Inc. and SFX Entertainment, Inc., which we completed during 2000, we had a loss for the year ended December 31, 2000. The loss is primarily related to the significant amount of amortization expense recorded related to the goodwill and certain indefinite lived intangibles created by these two mergers. We adopted Statement of Financial Accounting Standards No. 141, Business Combinations on July 1, 2001 and will adopt Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangibles on January 1, 2002. Under these new standards, beginning in 2002, we will cease amortization on all recorded goodwill and indefinite lived intangibles. Instead, goodwill and indefinite lived intangibles will be evaluated for possible impairment using a "fair value" approach. We are currently evaluating different valuation techniques to be used in the impairment test as well as other implementation issues. Since we do not know at this time whether or not impairments of goodwill and indefinite lived intangibles in the future will be necessary, it is difficult for us to predict whether we will record losses in the future.

WE MAY OR MAY NOT COMPLETE THE ACKERLEY MERGER IN A TIMELY MANNER, IF AT ALL

We cannot assure you that we can complete the merger with Ackerley in a timely manner or on the terms described in this prospectus supplement, if at all. Numerous conditions must be satisfied before the completion of the Ackerley merger can occur. Among others, the conditions include the receipt of approval from the stockholders of Ackerley, the receipt of regulatory approvals under the federal communications laws and the completion of a review of the merger by the federal and state antitrust authorities. Governmental authorities may require the combined company to divest assets or submit to various operating restrictions before granting the authorizations and approvals necessary to complete the merger. We expect to be required to divest radio or television stations in five markets or geographical areas in connection with the merger. We cannot assure you that the completion of such divestitures will be at a fair market price or that the reinvestment of the proceeds or exchange of assets therefrom would produce for the combined company either an operating profit at

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the same level as the divested assets or a commensurate rate of return on the amount of its investment. These divestitures and operating restrictions could adversely affect the value of the combined company.

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INTEGRATION OF THE BUSINESSES OF AMFM, SFX AND THE ACKERLEY GROUP

Our mergers with AMFM and SFX and our proposed merger with Ackerley combine companies that previously operated independently. We have integrated some AMFM and SFX operations, and intend to integrate Ackerley operations, into our own operations. However, we may not successfully combine their operations with our own operations. Any unexpected delays or costs of combining these companies could adversely affect us. Moreover, the outstanding debt of AMFM and Ackerley contain restrictive covenants which may limit our ability to integrate the separate operations of AMFM and Ackerley. Additionally, integrating businesses involves a number of special risks, including the possibility that management may be distracted from regular business concerns by the need to integrate operations, unforeseen difficulties in integrating operations and systems, problems concerning assimilating and retaining the employees of the acquired company, challenges in retaining customers and potential adverse short-term effects on operating results.

WE WILL HAVE MORE DEBT UPON COMPLETION OF THE ACKERLEY MERGER

Following the Ackerley merger, our debt obligations will increase. At June 30, 2001, we had borrowings under our credit facilities and other long term debt outstanding of approximately \$9.8 billion. At June 30, 2001, we had shareholder's equity of \$30.1 billion. At June 30, 2001, Ackerley had total outstanding indebtedness of approximately \$232.6 million. We expect to continue to borrow funds to finance acquisitions of media related properties, as well as for other purposes. Our debt obligations could increase substantially because of the debt levels of companies that we currently propose to acquire or may acquire in the future. We are permitted to borrow up to \$1.8 billion under our domestic credit facility at a floating rate, which at June 30, 2001, was equal to the London InterBank Offered Rate plus 0.40% and up to \$3.0 billion under our multi-currency credit facility at a floating rate, which at June 30, 2001, was equal to London InterBank Offered Rate plus 0.625%. As of June 30, 2001, we had borrowed approximately \$1.6 billion under our domestic credit facility and \$1.1 billion under our multi-currency credit facility.

Such a large amount of indebtedness could have negative consequences for us following the merger, including without limitation the following:

- limitations on our ability to obtain financing in the future;
- much of our cash flow will be dedicated to interest obligations and unavailable for other purposes;
- the high level of indebtedness limits our flexibility to deal with changing economic, business and competitive conditions; and
- the high level of indebtedness could make us more vulnerable to an increase in interest rates, a downturn in our operating performance or a decline in general economic conditions.

The failure to comply with the covenants in the agreements governing the terms of our or our subsidiaries' indebtedness, including Ackerley, following the merger could be an event of default and could accelerate the payment obligations and, in some cases, could affect other obligations with cross-default and cross-acceleration provisions.

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WE MAY NEED TO REPAY OR REDEEM ACKERLEY INDEBTEDNESS

At June 30, 2001, Ackerley had total outstanding indebtedness of approximately \$232.6 million, including publicly held indebtedness in the aggregate principal amount of approximately \$200.0 million. Ackerley's bank credit facility of \$32.6 million will become payable as a result of the merger. We will have to refinance Ackerley's bank credit facility under our credit facility after the merger. The merger will also trigger the change in control provisions of Ackerley's publicly held indebtedness. We must offer to purchase the outstanding Ackerley public indebtedness for consideration equal to 101% of the principal amount, plus any accrued and unpaid interest. If the holders require that we purchase all or a substantial portion of the Ackerley public indebtedness, we may be required to draw down on our credit facilities to satisfy such obligations.

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OUR OPERATIONS MAY BE RESTRICTED BY ACKERLEY INDEBTEDNESS AND AMFM INDEBTEDNESS

If all or part of Ackerley's public indebtedness remains outstanding after the merger because either the Ackerley debtholders do not accept our mandatory offers to purchase such indebtedness or we do not otherwise purchase such indebtedness, the terms of such indebtedness may restrict the ability of Ackerley and its subsidiaries to make funds available to us in the form of dividends, loans, advances or otherwise. Much of Ackerley's indebtedness is high-yield indebtedness and restricts Ackerley and its subsidiaries from incurring additional indebtedness, repaying other debt, repurchasing or redeeming capital stock, selling assets or stock, making certain investments or acquisitions, engaging in asset swaps, mergers or consolidations and entering into transactions with affiliates. The covenants for this type of indebtedness are more restrictive than those contained in our public indebtedness. In addition, some of AMFM's public indebtedness remains outstanding. All of this indebtedness is also considered high yield indebtedness and contains similar restrictions to that of Ackerley's indebtedness. Accordingly, Ackerley and AMFM indebtedness which remains outstanding may continue to:

- cause us to incur substantial consolidated interest expense and principal repayment obligations;
- limit our ability to obtain additional debt financing;
- make it more difficult for us to combine our operations with Ackerley and AMFM; and
- place more restrictions on our ability to manage Ackerley and AMFM than we currently face in the management of the rest of our business.

WE MAY NEED TO DIVEST ASSETS AND AGREE TO ONGOING OPERATING RESTRICTIONS TO OBTAIN ANTITRUST REGULATORY APPROVALS NECESSARY FOR THE ACKERLEY MERGER

Certain antitrust regulatory agencies as well as the FCC must complete their reviews before the Ackerley merger can be completed. We can give no assurance that such agencies will either complete these reviews in a timely manner or do so without imposing significant restrictions, conditions, or divestitures. We expect to be required to divest television or radio stations in five markets or geographical areas to comply with FCC rules as a result of the merger. These divestitures and operating restrictions could adversely affect the value of the combined company.

DEPENDENCE ON KEY PERSONNEL

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Our business is dependent upon the performance of key employees, including L. Lowry Mays, our chief executive officer, and other executive officers. We employ or independently contract with several on-air personalities and hosts of syndicated radio programs with significant loyal audiences in their respective markets. Although we have entered into long-term agreements with some of our executive officers, key on-air talent and program hosts to protect their interests in those relationships, we can give no assurance that all of these key employees will remain with us or will retain their audiences.

EXTENSIVE GOVERNMENT REGULATION MAY LIMIT OUR OPERATIONS

Broadcasting. The federal government extensively regulates the domestic broadcasting industry, and any changes in the current regulatory scheme could significantly affect us. Our broadcasting business depends upon maintaining broadcasting licenses issued by the FCC for maximum terms of eight years. Renewals of broadcasting licenses can be attained only through the FCC's grant of appropriate applications. Although the FCC rarely denies a renewal application, the FCC could deny future renewal applications. Such a denial could adversely affect our operations.

The federal communications laws limit the number of broadcasting properties we may own in a particular area. While the Telecommunications Act of 1996 relaxed the FCC's multiple ownership limits, any subsequent modifications that tighten those limits could adversely affect us by making it impossible for us to complete potential acquisitions or requiring us to divest stations we have already acquired. For instance, the FCC has adopted modified rules that in some cases permit a company to own fewer radio stations than

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allowed by the Telecommunications Act of 1996 in markets or geographical areas where the company also owns television stations. These modified rules could require us to divest radio stations we currently own in markets or areas where we also own television stations. As a result of these rules, we will need to divest radio or television stations in several markets or geographical areas in connection with the Ackerley merger.

Moreover, changes in governmental regulations and policies may have a material impact upon us. For example, we currently provide programming to several television stations we do not own and receive programming from other parties for certain television stations we do own. These programming arrangements are made through contracts known as local marketing agreements. The FCC has revised its rules and policies regarding television local marketing agreements. These revisions will restrict our ability to enter into television local marketing agreements in the future, and may eventually require us to terminate our programming arrangements under existing local marketing agreements. Additionally, the FCC has adopted rules which under certain circumstances subject previously nonattributable debt and equity interests in communications media to the FCC's multiple ownership restrictions. Also, the FCC is considering a variety of possible changes in the methodology by which it defines a radio "market" and counts stations for purposes of determining compliance with the local radio ownership restrictions. These rules and possible changes may limit our ability to expand our media holdings.

Antitrust. Additional acquisitions by us of media related properties may require review by federal and foreign antitrust agencies. We can give no assurances that the DOJ, the Federal Trade Commission or foreign antitrust agencies will not seek to bar us from acquiring additional media related properties in any market where we already have a significant position. Following the passage of the Telecommunications Act of 1996, the DOJ has become more

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aggressive in reviewing proposed acquisitions of radio stations, particularly in instances where the proposed acquirer already owns one or more radio station properties in a particular market and seeks to acquire another radio station in the same market. The DOJ has, in some cases, obtained consent decrees requiring radio station divestitures in a particular market based on allegations that acquisitions would lead to unacceptable concentration levels. The DOJ also actively reviews proposed acquisitions of outdoor advertising properties. In addition, the antitrust laws of foreign jurisdictions will apply if we acquire international broadcasting properties.

Environmental. As the owner or operator of various real properties and facilities, especially in our outdoor advertising operations and venue operations, we must comply with various federal, state and local environmental laws and regulations. Such laws and regulations impose operating requirements and potential property cleanup liabilities in connection with fuel storage for our outdoor advertising operations. In addition, zoning and noise level restrictions may affect, among other things, the hours of operations of our venue operations. Our broadcasting operations also are subject to operating requirements and potential personal injury and property damage claims relating to radio frequency emissions from our transmission towers. Although we have not incurred significant expenditures to comply with these laws and regulations, additional environmental laws or requirements which may come into effect in the future, or a violation of existing laws, could require us to incur significant costs.

GOVERNMENT REGULATION OF OUTDOOR ADVERTISING MAY ADVERSELY AFFECT OUR OUTDOOR ADVERTISING OPERATIONS

The outdoor advertising industry is subject to extensive governmental regulation at the federal, state and local level. These regulations include restrictions on the construction, repair, upgrading, height, size and location of and, in some instances, content of advertising copy being displayed on outdoor advertising structures. In addition, the outdoor advertising industry is subject to certain foreign governmental regulation. Compliance with existing and future regulations could have a significant financial impact on us.

Federal law, principally the Highway Beautification Act of 1965, requires, as a condition to federal highway assistance, states to implement legislation to restrict billboards located within 660 feet of, or visible from, highways except in commercial or industrial areas and requires certain additional size, spacing and other limitations. Every state has implemented regulations at least as restrictive as the Highway Beautification Act, including a ban on the construction of new billboards along federally-aided highways and the removal of

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any illegal signs on these highways at the owner's expense and without any compensation. Federal law does not require removal of existing lawful billboards, but does require payment of compensation if a state or political subdivision compels the removal of a lawful billboard along a federally aided primary or interstate highway. State governments have purchased and removed legal billboards for beautification in the past, using federal funding for transportation enhancement programs, and may do so in the future.

States and local jurisdictions have, in some cases, passed additional regulations on the construction, size, location and, in some instances, advertising content of outdoor advertising structures adjacent to federally-aided highways and other thoroughfares. From time to time governmental authorities order the removal of billboards by the exercise of eminent domain and certain jurisdictions have also adopted amortization of billboards in varying forms. Amortization permits the billboard owner to operate its billboard

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only as a non-conforming use for a specified period of time, after which it must remove or otherwise conform its billboard to the applicable regulations at its own cost without any compensation. Several municipalities within our existing markets have adopted amortization ordinances. Restrictive regulations also limit our ability to rebuild or replace nonconforming billboards. We can give no assurance that we will be successful in negotiating acceptable arrangements in circumstances in which our billboards are subject to removal or amortization, and what effect, if any, such regulations may have on our operations.

In addition, we are unable to predict what additional regulations may be imposed on outdoor advertising in the future. The outdoor advertising industry is heavily regulated and at various times and in various markets can be expected to be subject to varying degrees of regulatory pressure affecting the operation of advertising displays. Legislation regulating the content of billboard advertisements and additional billboard restrictions has been introduced in Congress from time to time in the past. 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 material adverse effect on us.

CHANGES IN RESTRICTIONS ON OUTDOOR TOBACCO ADVERTISING AND ALCOHOL ADVERTISING MAY POSE RISKS

The outdoor advertising industry is subject to regulations related to outdoor tobacco advertising. In addition, recent settlement agreements and potential legislation related to outdoor tobacco advertising have and will likely continue to affect our outdoor advertising operations. Out-of-court settlements between the major U.S. tobacco companies and all 50 states include a ban on the outdoor advertising of tobacco products.

In addition to the above settlement agreements, state and local governments are also regulating the outdoor advertising of alcohol and tobacco products. For example, several states and cities have laws restricting tobacco billboard advertising near schools and other locations frequented by children. Some cities have proposed even broader restrictions, including complete bans on tobacco advertising on billboards, kiosks, and private business window displays. It is possible that state and local governments may propose or pass similar ordinances to limit outdoor advertising of alcohol and other products or services in the future. 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 revenue from such advertisements and a simultaneous increase in the available space on the existing inventory of billboards in the outdoor advertising industry.

OUR INTERNATIONAL OPERATIONS HAVE ADDED RISKS

Doing business in foreign countries carries with it risks that are not found in doing business in the United States. We currently derive a portion of our revenues from international radio, outdoor and entertainment operations in countries around the world and a key element of our business strategy is to expand our international operations. The risks of doing business in foreign countries which 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;

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- hostility from local populations;
- the adverse effect of currency exchange controls;
- restrictions on the withdrawal of foreign investment and earnings;
- government policies against businesses owned by foreigners;
- expropriations of property;
- the potential instability of foreign governments;
- the risk of insurrections;
- risks of renegotiation or modification of existing agreements with governmental authorities;
- foreign exchange restrictions;
- withholding and other taxes on remittance and other payments by subsidiaries; and
- changes in taxation structure.

EXCHANGE RATES MAY CAUSE FUTURE LOSSES IN OUR INTERNATIONAL OPERATIONS

Because we own assets overseas 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. To reduce a portion of our exposure to the risk of international currency fluctuations, we maintain a natural hedge through borrowings in currencies other than U.S. dollar. We review this hedge position monthly. We currently maintain no derivative instruments to reduce the exposure to translation and/or transaction risk but we may adopt specific hedging strategies in the future.

OUR ACQUISITION STRATEGY COULD POSE RISKS

Operational Risks. We intend to grow through the acquisition of media related assets and other assets or businesses that we believe will assist our customers in marketing their products and services. Our acquisition strategy involves numerous risks, including:

- certain of such acquisitions may prove unprofitable and fail to generate anticipated cash flows;
- to successfully manage a rapidly expanding and significantly larger portfolio of media related properties, we may need to recruit additional senior management and expand corporate infrastructure;
- entry into markets and geographic areas where we have limited or no experience;
- we may encounter difficulties in the integration of operations and systems;
- management's attention may be diverted from other business concerns; and
- we may lose key employees of acquired companies or stations.

We frequently evaluate strategic opportunities both within and outside our

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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.

Capital Requirements Necessary for Additional Acquisitions. We will face stiff competition from other radio broadcasting, outdoor advertising and live entertainment companies for acquisition opportunities. If the prices sought by sellers of these companies rise, we may find fewer acceptable acquisition opportunities. In addition, the purchase price of possible acquisitions could require additional debt or equity financing on our part. We can give no assurance that we will obtain the needed financing or that we will obtain such financing on attractive terms. Additional indebtedness could increase our leverage and make us more vulnerable to economic downturns and may limit our ability to withstand competitive pressures. Additional equity financing could result in dilution to our shareholders.

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WE FACE INTENSE COMPETITION IN THE RADIO BROADCASTING, OUTDOOR ADVERTISING AND LIVE ENTERTAINMENT INDUSTRIES

Our business segments are in highly competitive industries, and we may not be able to maintain or increase our current audience ratings and advertising 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, cable television, and direct mail, within their respective markets. Audience ratings and market shares are subject to change, which could have an adverse effect on our revenues in that market. Our live entertainment operations compete with other venues to serve artists likely to perform in that general region and, in the markets in which we promote musical concerts, we face competition from promoters, as well as from certain artists who promote their own concerts. Other variables that could affect our financial performance include:

- economic conditions, both general and relative to the radio broadcasting, outdoor advertising and live entertainment industries;
- shifts in population and other demographics;
- the level of competition for advertising dollars;
- fluctuations in operating costs;
- technological changes and innovations;
- changes in labor conditions; and
- changes in governmental regulations and policies and actions of federal regulatory bodies.

NEW TECHNOLOGIES MAY AFFECT OUR BROADCASTING OPERATIONS

The FCC has introduced or is considering ways to introduce new technologies to the broadcasting industry, including satellite and terrestrial delivery of digital audio broadcasting and the standardization of available technologies which significantly enhance the sound quality of AM broadcasts. We are unable to predict the effect such technologies will have on our broadcasting operations, but the capital expenditures necessary to implement such technologies could be substantial and other companies employing such technologies could compete with our businesses. We also face risks in implementing the conversion of our

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television stations to digital television, which the FCC has ordered and for which it has established a timetable. We will incur considerable expense in the conversion to digital television and are unable to predict the extent or timing of consumer demand for any such digital television services. Moreover, the FCC may impose additional public service obligations on television broadcasters in return for their use of the digital television spectrum. This could add to our operational costs. One issue yet to be resolved is the extent to which cable systems will be required to carry broadcasters' new digital channels. Our television stations are highly dependent on their carriage by cable systems in the areas they serve. Thus, FCC rules that impose no or limited obligations on cable systems to carry the digital television signals of television broadcast stations in their local markets could adversely affect our television operations.

OUR LIVE ENTERTAINMENT BUSINESS IS HIGHLY SENSITIVE TO PUBLIC TASTES AND DEPENDENT ON OUR ABILITY TO SECURE POPULAR ARTISTS, LIVE ENTERTAINMENT EVENTS AND VENUES

Our ability to generate revenues through our live entertainment operations is highly sensitive to rapidly changing public tastes and dependent on the availability of popular performers and events. Since we rely on unrelated parties to create and perform live entertainment content, any lack of availability of popular musical artists, touring Broadway shows, specialized motor sports talent and other performers could limit our ability to generate revenues. In addition, we require access to venues to generate revenues from live entertainment events. We operate a number of our live entertainment venues under leasing or booking agreements. Our long-term success in the live entertainment business will depend in part on our ability to renew these agreements when they expire or end. We may be unable to renew these agreements on acceptable terms or at all, and may be unable to obtain favorable agreements with new venues.

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BUSINESS

We are a diversified media company with three reportable business segments: radio broadcasting, outdoor advertising and live entertainment. As of December 31, 2000, we owned, programmed, or sold airtime for 1,105 domestic radio stations and two international radio stations and owned a leading national radio network. In addition, at December 31, 2000, we had equity interests in various domestic and international radio broadcasting companies. We were also one of the world's largest outdoor advertising companies based on total advertising display inventory of approximately 149,000 domestic display faces and approximately 549,000 international display faces. In addition, we were one of the world's largest diversified promoters, producers and venue operators for live entertainment events. As of December 31, 2000, we owned or operated 120 live entertainment venues. We also owned and programmed 22 television stations (including three satellite stations), owned a media representation firm and represented professional athletes. We were incorporated in Texas in 1974. Our principal executive offices are located at 200 East Basse Road, San Antonio, Texas 78209 (telephone: 210-822-2828).

Our radio broadcasting segment includes both radio stations for which we are the licensee and for which we program or sell air time under local marketing agreements or joint sales agreements. Our radio broadcasting segment also operates radio networks and produces syndicated programming. Our outdoor advertising segment includes advertising display faces which we own or operate under lease management agreements. Our live entertainment segment operates domestic and international entertainment venues which we own or operate under lease management agreements. Our live entertainment segment also produces live

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music events, Broadway and touring Broadway shows, family entertainment shows and specialized sports and motor sports events.

A brief description of each of our primary lines of business follows.

RADIO BROADCASTING

RADIO STATIONS

As of December 31, 2000, we owned, programmed or sold airtime for 346 AM and 759 FM domestic radio stations, of which 498 radio stations were in the top 100 markets, according to the Arbitron winter 2000 ranking of U.S. markets. In addition, we currently own two international FM radio stations and various interests in domestic and international radio broadcasting companies. Our radio stations employ various formats for their programming.

RADIO NETWORKS

As of December 31, 2000, we owned one of the leading national radio networks, based on a total audience of over 180 million weekly listeners, that produces more than 60 syndicated radio programs and services for more than 7,800 radio stations. The network syndicates talk programming including such talent as Rush Limbaugh, Dr. Laura Schlessinger and Jim Rome, and music programming, including such talent as Rick Dees and Casey Kasem. We also operated several news, sports and agricultural radio networks serving Oklahoma, Texas, Iowa, Kentucky, Virginia, Alabama, Tennessee, Florida and Pennsylvania.

OUTDOOR ADVERTISING

As of December 31, 2000, we owned or operated approximately 698,000 advertising display faces. We currently provide outdoor advertising services in over 52 U.S. markets and in 43 countries outside the U.S. Our display faces include billboards of various sizes, wallscapes, transit displays and street furniture displays. Additionally, we currently own various interests in outdoor advertising companies, which we account for under the equity method of accounting.

LIVE ENTERTAINMENT

We significantly expanded our presence in the live entertainment industry with our August 2000 acquisition of SFX Entertainment, Inc. We are one of the world's largest producers, promoters and marketers

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of live entertainment. Last year, more than 60 million people attended approximately 26,000 of our events, including: live music events; Broadway and touring Broadway shows; family entertainment shows; and specialized sports and motor sports events. As of December 31, 2000, we owned or operated a total of 92 domestic venues and 28 international venues. We also produce touring and original Broadway shows and derive revenues from our theater operations. Additionally, we currently own various interests in live entertainment companies, which we account for under the equity method of accounting.

OTHER

TELEVISION

As of December 31, 2000, we owned, programmed or sold airtime for 22 television stations (including three satellite stations). Our television stations are affiliated with various television networks, including FOX, UPN,

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ABC, NBC and CBS. The primary sources of programming for our ABC, NBC and CBS affiliated television stations are their respective networks, which produce and distribute programming in exchange for each station's commitment to air the programming at specified times and for commercial announcement time during the programming. We supply the majority of programming to our FOX and UPN affiliates by selecting and purchasing syndicated television programs.

MEDIA REPRESENTATION

As a result of our August 30, 2000 merger with AMFM Inc., we now own the Katz Media Group, a full-service media representation firm that sells national spot advertising time for clients in the radio and television industries throughout the United States. Katz Media is one of the largest media representation firms in the country, representing over 2,000 radio stations, 368 television stations and growing interests in cable television stations.

SPORTS REPRESENTATION

As a result of our merger with SFX, we now operate in the sports representation business. Our full-service sports marketing and management operations specialize in the representation of professional athletes, integrated event management, television programming/production, and marketing consulting services. Among our clients are several hundred professional athletes, including Michael Jordan (basketball), Kobe Bryant (basketball), Roger Clemens (baseball), Greg Norman (golf), Andre Agassi (tennis), Jerry Rice (football) and David Beckham (soccer -- UK).

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RECENT DEVELOPMENTS

ACKERLEY MERGER

On October 5, 2001, we entered into a merger agreement to acquire The Ackerley Group, Inc. by merging one of our wholly-owned subsidiaries with and into Ackerley. We structured the merger as a tax-free, stock-for-stock transaction. Each share of Ackerley common stock will convert into 0.35 of a share of our common stock. Based on the number of shares outstanding as of September 30, 2001 and assuming that no additional shares of Ackerley common stock are issued before the completion of the merger, we will issue approximately 11.9 million shares of our common stock in the merger to the stockholders of Ackerley. Either company can terminate the merger agreement if the merger is not completed by October 5, 2002. In addition, subject to certain limitations, including the payment of a termination fee and the reimbursement of expenses, Ackerley may terminate the merger agreement if, prior to November 5, 2001, Ackerley receives a superior proposal.

Ackerley holds a diversified group of outdoor, broadcasting and interactive media assets. Ackerley operates an outdoor media company with significant positions in Massachusetts, Washington and Oregon. Ackerley owns, or operates under management agreements, 18 television stations. Ackerley's radio broadcasting segment includes five stations in Seattle, Washington (four of which are owned and one for which Ackerley sells airtime).

In addition, we will indirectly assume, or be obligated to refinance Ackerley's long-term debt in connection with the Ackerley merger, which as of June 30, 2001 was approximately \$232.6 million. See "Risk Factors -- We Will Have More Debt Upon Completion of the Ackerley Merger" and "-- We May Need to Repay or Redeem Ackerley Indebtedness."

We will not complete the Ackerley merger before the closing of this

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offering, if at all. Numerous conditions must be satisfied before the completion of the merger, including the receipt of regulatory approvals, the approval of the Ackerley stockholders and the completion of a review of the merger by the federal and state antitrust authorities. See "Risk Factors -- We May or May Not Complete the Ackerley Merger in a Timely Manner, if at All."

The sale of our notes in this offering is not conditioned on the completion of the proposed merger with Ackerley. Purchasers of our notes in the offering should not assume that the Ackerley merger will close in a timely manner, if at all.

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CAPITALIZATION

The following table sets forth the current portion of our long-term debt and our capitalization as of June 30, 2001, and as adjusted to give effect to the sale of the \$750,000,000 aggregate principal amount of the notes offered by this prospectus supplement.

	JUNE 30, 2001	
	ACTUAL	AS ADJUSTED (1)
	(IN THOUSANDS)	
Current portion of long-term debt:.....	\$ 79,273	\$ 79,273
\$1.9 billion reducing revolving line of credit.....	\$ 1,600,000	\$ 856,195
\$1.5 billion five-year multi-currency revolving credit facility.....	1,062,885	1,062,885
Credit facility -- international.....	100,627	100,627
6% Senior notes due November 1, 2006.....	--	750,000
Floating rate senior notes due June 15, 2002.....	250,000	250,000
1.50% Convertible notes due December 1, 2002.....	1,000,000	1,000,000
2.625% Convertible notes due April 1, 2003.....	574,993	574,993
7.25% Senior notes due June 15, 2003.....	750,000	750,000
7.875% Senior notes due June 15, 2005.....	750,000	750,000
6.5% Notes due July 7, 2005.....	550,856	550,856
6.625% Senior notes due June 15, 2008.....	125,000	125,000
7.65% Senior notes due June 15, 2010.....	750,000	750,000
6.875% Senior debentures due June 15, 2018.....	175,000	175,000
7.25% Debentures due October 15, 2027.....	300,000	300,000
Other long-term debt.....	219,968	219,968
Liquid Yield Option Notes.....	240,621	240,621
AMFM Debt.....	1,434,059	1,434,059
Shareholders' equity:		
Class A Preferred Stock, \$1.00 par value, 2,000,000 shares authorized, no shares issued or outstanding....	--	--
Class B Preferred Stock, \$1.00 par value, 8,000,000 shares authorized, no shares issued or outstanding....	--	--
Common Stock, \$.10 par value, 1,500,000,000 shares authorized, 591,889,093 shares issued and outstanding.....	59,219	59,219
Additional paid-in capital.....	29,924,865	29,924,865
Common stock warrants.....	248,626	248,626
Retained earnings (deficit).....	(1,289)	(1,289)

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Accumulated other comprehensive income (loss).....	(82,435)	(82,435)
Other equity.....	(17,293)	(17,293)
Cost of shares (277,298) held in treasury.....	(15,157)	(15,157)
	-----	-----
Total shareholders' equity.....	30,116,536	30,116,536
	-----	-----
Total capitalization.....	\$40,000,545	\$40,006,740
	=====	=====

(1) As adjusted to give effect to this offering and the application of the net proceeds of approximately \$743,805,000 after deducting the underwriting discount and estimated offering expenses.

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RATIOS OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges has been computed by dividing earnings before income taxes (which excludes the cumulative and transition effects of accounting changes) and fixed charges by fixed charges. "Fixed charges" consist of interest on debt and that portion of rental expense deemed to be representative of interest. For the six-month period ended June 30, 2001, fixed charges exceeded earnings before income taxes and fixed charges by \$600.2 million.

	YEAR ENDED DECEMBER 31,					SIX MONTHS ENDED JUNE 30,	
	2000	1999	1998	1997	1996	2001	2000
	----	----	----	----	----	-----	----
Ratio of earnings to fixed charges.....	2.20	2.04	1.83	2.32	3.63	(0.54)	1.25

USE OF PROCEEDS

Our net proceeds from this offering are estimated to be \$743.8 million after deducting the underwriting discount and estimated offering expenses that we will have paid. We will use the net proceeds to repay borrowings outstanding under our \$1.9 billion reducing revolving line of credit. As of October 19, 2001, a total of approximately \$1.7 billion in borrowings was outstanding under our \$1.9 billion credit facility. The effective interest rate on the \$1.9 billion credit facility was LIBOR plus 0.4%. Such borrowings were incurred in connection with acquisitions of media related properties, including the assumption of acquired company indebtedness, as well as for general corporate purposes. Upon repayment of such borrowings, the amounts repaid will become immediately available to us for re-borrowing under the \$1.9 billion credit facility. We expect that amounts available for re-borrowing under the \$1.9 billion credit facility as a result of the application of the net proceeds of this offering, together with additional amounts that become available for borrowing under the \$1.9 billion credit facility, will be used to finance acquisitions, refinance debt or for general corporate purposes. Borrowings under the \$1.9 billion credit facility must be paid in full by June 30, 2005.

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SELECTED HISTORICAL FINANCIAL DATA

The following sets forth our selected historical financial data for the five years ended December 31, 2000 and for the six month periods ended June 30, 2000 and 2001. The financial data for the six month periods ended June 30, 2000 and 2001 are derived from unaudited financial statements. The unaudited financial statements include all adjustments, consisting of normal recurring accruals, which we consider necessary for a fair presentation of the financial position and the results of operations for these periods. Due to seasonality and other factors, operating results for the six month period ended June 30, 2001 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2001.

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 Consolidated Financial Statements and the Notes thereto, incorporated into this document by reference, which qualify the information presented below in its entirety.

	YEAR ENDED DECEMBER 31,				
	1996	1997	1998	1999	2000
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
RESULTS OF OPERATIONS DATA:					
Net revenue.....	\$351,739	\$697,068	\$1,350,940	\$2,678,160	\$5,345,306
Operating expenses.....	198,332	394,404	767,265	1,632,115	3,480,706
Non-cash compensation expense.....	--	--	--	--	16,032
Depreciation and amortization.....	45,790	114,207	304,972	722,233	1,401,063
Corporate expenses.....	8,527	20,883	37,825	70,146	142,627
Operating income (loss).....	99,090	167,574	240,878	253,666	304,878
Interest expense.....	30,080	75,076	135,766	179,404	383,104
Gain (loss) on sale of assets related to mergers.....	--	--	--	138,659	783,743
Gain on marketable securities.....	--	--	--	--	--
Equity in earnings (loss) of nonconsolidated affiliates.....	(3,441)	9,132	10,305	18,183	25,155
Other income (expense) -- net.....	2,230	11,579	12,810	7,292	(17,133)
Income (loss) before income taxes.....	67,799	113,209	128,227	238,396	713,539
Income tax (expense) benefit.....	(30,103)	(49,633)	(74,196)	(152,741)	(464,731)
Income (loss) before extraordinary item.....	37,696	63,576	54,031	85,655	248,808
Extraordinary item.....	--	--	--	(13,185)	--
Net income (loss).....	\$ 37,696	\$ 63,576	\$ 54,031	\$ 72,470	\$ 248,808
Net income (loss) per common share: (1)					
Income before extraordinary item -- Basic.....	\$.26	\$ 0.36	\$ 0.23	\$ 0.27	\$ 0.59
Extraordinary item.....	--	--	--	(0.04)	--

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Net income (loss)	-----	-----	-----	-----	-----
Basic.....	\$.26	\$ 0.36	\$ 0.23	\$ 0.23	\$ 0.59
	=====	=====	=====	=====	=====
Income (loss) before extraordinary item					
Diluted.....	\$.25	\$ 0.33	\$ 0.22	\$ 0.26	\$ 0.57
Extraordinary item.....	--	--	--	(0.04)	--
	-----	-----	-----	-----	-----
Net income (loss)					
Diluted.....	\$.25	\$ 0.33	\$ 0.22	\$ 0.22	\$ 0.57
	=====	=====	=====	=====	=====

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	AS OF DECEMBER 31,			
	-----	-----	-----	-----
	1996	1997	1998	1999
	-----	-----	-----	-----
	(IN THOUSANDS)			
BALANCE SHEET DATA:				
Cash and cash equivalents.....	\$ 16,701	\$ 24,657	\$ 36,498	\$ 76,724
Total assets.....	1,324,711	3,455,637	7,539,918	16,821,512
Long-term debt, net of current.....	725,132	1,540,421	2,323,643	4,584,352
Shareholder's equity.....	513,431	1,746,784	4,483,429	10,084,037

(1) Adjusted to reflect the effect of a two-for-one stock split distributed in July 1998.

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DESCRIPTION OF THE NOTES

The notes offered by this prospectus supplement are a series of "senior debt securities" which are described in the accompanying prospectus. This description supplements the description of the general terms and provisions of the debt securities found in the accompanying prospectus.

The notes will be issued under an indenture, dated as of October 1, 1997, as supplemented by supplemental indentures from time to time (collectively, the "Indenture"), between Clear Channel and The Bank of New York, as debt trustee. The Indenture contains:

- provisions limiting our ability to consolidate with or merge into any other corporation or convey or transfer substantially all of our properties and assets,
- limitations on mortgages on radio broadcasting, television broadcasting, outdoor advertising or live entertainment property, and
- limitations on sale and leaseback transactions.

See "Description of Senior and Subordinated Debt

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Securities -- Consolidation, Merger, Conveyance or Transfer" and "Description of Senior and Subordinated Debt Securities -- Senior Debt Securities -- Covenants" in the accompanying prospectus.

Capitalized terms used and not otherwise defined below or elsewhere in this prospectus supplement or the accompanying prospectus are used with the respective meanings given thereto in the Indenture. Any reference to the "notes" contained in this prospectus supplement refers to the 6% notes unless the context indicates otherwise.

GENERAL

The notes will initially be limited to \$750,000,000 aggregate principal amount. We may, without the consent of the holders, increase such principal amount in the future, on the same terms and conditions and with the same CUSIP number as the notes being offered hereby. The notes will be our senior unsecured general obligations, and rank on a parity with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

Principal of, and premium, if any, and interest on the notes will be payable and transfers of the notes will be registrable at our office or agency in the Borough of Manhattan, The City of New York, and transfers of the notes will also be registrable at any of our other offices or agencies as we may maintain for that purpose. In addition, payment of interest may be made, at our option, by check mailed to the address of the person entitled thereto as shown on the Security Register. The notes are to be in denominations of \$1,000 or any integral multiple thereof. No service charge will be made for any registration of transfer or exchange of notes, except for any tax or other governmental charge that may be imposed in connection therewith.

THE NOTES

Each note will bear interest from October 26, 2001, or if interest has already been paid, from the date it was most recently paid, to, but excluding, November 1, 2006 at 6% per year, payable semiannually on May 1 and November 1 of each year, commencing May 1, 2002, to the person in whose name the note is registered, subject to certain exceptions as provided in the indenture, at the close of business on April 15 and October 15, as the case may be, immediately preceding such May 1 or November 1. These notes will mature on November 1, 2006, and are not subject to any sinking fund provision. Interest on the notes will be computed on the basis of a 360-day year comprised of twelve, 30-day months.

OPTIONAL REDEMPTION

The notes offered by this prospectus supplement will be redeemable as a whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of

(i) 100% of the principal amount of the notes of that series being redeemed, or

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(ii) the sum of the present values of the remaining scheduled payments of principal and interest on the notes of that series being redeemed from the redemption date to the maturity date discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 35 basis points plus any interest accrued but not paid to the date of redemption.

"Treasury Rate" means, with respect to any redemption date for a series of

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notes,

(i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the maturity date for a series of notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month) or

(ii) if the release referred to in (i) (or any successor release) is not published during the week preceding the calculation date or does not contain the yields referred to above, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

The Treasury Rate will be calculated on the third Business Day preceding the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an "Independent Investment Banker" as having a maturity comparable to the remaining term of the series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the series of notes, "Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the debt trustee after consultation with us.

"Comparable Treasury Price" means with respect to any redemption date for a series of notes,

(i) the average of four Reference Treasury Dealer Quotations (as defined below) for the redemption date, after excluding the highest and lowest of those Reference Treasury Dealer Quotations, or

(ii) if the trustee obtains fewer than four Reference Treasury Dealer Quotations, the average of all quotations obtained.

"Reference Treasury Dealer" means each of Banc of America Securities LLC, J.P. Morgan Securities Inc. and two other primary U.S. government securities dealers in New York City (each, a "Primary Treasury Dealer") appointed by the debt trustee in consultation with us. If any Reference Treasury Dealer ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer for that dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by that Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding the redemption date.

Notice of any redemption will be mailed at least 30 days but no more than 60 days before the redemption date to each holder of notes to be redeemed.

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Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions of the notes called for redemption.

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GLOBAL SECURITIES

The notes will be issued in the form of one or more global securities that will be deposited with, or on behalf of the depositary, the Depositary Trust Company. Interests in the global securities will be issued only in denominations of \$1,000 or integral multiples thereof. Unless and until it is exchanged in whole or in part for notes in definitive form, a global security may not be transferred except as a whole to a nominee of the depositary for the global security, or by a nominee of the depositary to the depositary or another nominee of the depositary, or by the depositary or any nominee to a successor depositary or a nominee of the successor depositary.

BOOK-ENTRY SYSTEM

Initially, the notes will be registered in the name of Cede & Co., the nominee of the depositary. Accordingly, beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by the depositary and its participants.

The depositary has advised us and the underwriters as follows: the depositary is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the United States Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the United States Securities Exchange Act of 1934, as amended. The depositary holds securities that its participants ("Direct Participants") deposit with the depositary. The depositary also eliminates the need for physical movement of securities certificates by facilitating the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in the Direct Participants' accounts. Direct Participants include securities brokers and dealers, including the underwriters, banks, trust companies, clearing corporations, and certain other organizations. The depositary is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the depositary's book-entry system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to the depositary and its Direct and Indirect Participants are on file with the United States Securities and Exchange Commission.

The depositary advises that its established procedures provide that:

- upon our issuance of the notes, the depositary will credit the accounts of Direct and Indirect Participants designated by the underwriters with the principal amounts of the notes purchased by the underwriters, and
- ownership of interest in the global securities will be shown on, and the transfer of the ownership will be effected only through, records maintained by the depositary, the Direct Participants and the Indirect Participants.

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The laws of some states require that certain persons take physical delivery in definitive form of securities which they own. Consequently, the ability to transfer beneficial interest in the global securities is limited to such extent.

So long as a nominee of the depository is the registered owner of the global securities, the nominee for all purposes will be considered the sole owner or holder of the global securities under the Indenture. Except as provided below, owners of beneficial interests in the global securities will not be entitled to have notes registered in their names, will not receive or be entitled to receive physical delivery of notes in definitive form and will not be considered the owners or holders thereof under the Indenture.

Neither we, the debt trustee, any paying agent nor the registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the

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global securities, or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

Principal and interest payments on the notes registered in the name of the depository's nominee will be made in immediately available funds to the depository's nominee as the registered owner of the global securities. Under the terms of the notes, we and the debt trustee will treat the persons in whose names the notes are registered as the owners of those notes for the purpose of receiving payment of principal and interest on those notes and for all other purposes whatsoever. Therefore, neither we, the debt trustee nor any paying agent has any direct responsibility or liability for the payment of principal or interest on the notes to owners of beneficial interests in the global securities. The depository has advised us and the debt trustee that its current practice is upon receipt of any payment of principal or interest, to credit Direct Participants' accounts on the payment date in accordance with their respective holdings of beneficial interests in the global securities as shown on the depository's records, unless the depository has reason to believe that it will not receive payment on the payment date. Payments by Direct and Indirect Participants to owners of beneficial interests in the global securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of the Direct and Indirect Participants and not of the depository, the debt trustee or us, subject to any statutory requirements that may be in effect from time to time. Payment of principal and interest to the depository is our responsibility or the responsibility of the debt trustee, disbursement of those payments to the owners of beneficial interests in the global securities shall be the responsibility of the depository and Direct and Indirect Participants.

Notes represented by a global security will be exchangeable for notes in definitive form of like tenor as the global security in denominations of \$1,000 and in any greater amount that is an integral multiple if the depository notifies us that it is unwilling or unable to continue as depository for the global security or if at any time the depository ceases to be a clearing agency registered under applicable law and a successor depository is not appointed by us within 90 days or we in our discretion at any time determine not to require all of the notes to be represented by a global security and notifies the debt trustee thereof. Any notes that are exchangeable pursuant to the preceding sentence are exchangeable for notes issuable in authorized denominations and registered in such names as the depository shall direct. Subject to the foregoing, a global security is not exchangeable, except for a global security or global securities of the same aggregate denominations to be registered in the name of the depository or its nominee.

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SAME-DAY SETTLEMENT AND PAYMENT

Settlement for the notes will be made by the underwriters in immediately available funds. So long as the depositary continues to make same day settlement available to us, all payments of principal and interest on the notes will be made by us in immediately available funds.

Secondary trading in long-term notes and debentures of corporate issues is generally settled in clearing-house or next-day funds. In contrast, the depositary will facilitate same day settlement for trading in the notes until maturity, and secondary market trading activity in the notes will therefore be required by the depositary to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the notes.

GOVERNING LAW

The Indenture and the notes will be governed by and construed in accordance with the laws of the State of New York.

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UNDERWRITING

We have entered into an underwriting agreement with the underwriters named below in which they have severally agreed to purchase from us the principal amount of the notes set forth opposite their names.

UNDERWRITER	PRINCIPAL AMOUNT OF 6% NOTES
Banc of America Securities LLC.....	\$262,500,000
J.P. Morgan Securities Inc.	262,500,000
Barclays Capital Inc.	28,125,000
Credit Suisse First Boston Corporation.....	28,125,000
First Union Securities, Inc.*.....	28,125,000
Fleet Securities, Inc.	28,125,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	28,125,000
Salomon Smith Barney Inc.	28,125,000
SunTrust Robinson Humphrey Capital Markets A Division of SunTrust Capital Markets, Inc.	28,125,000
UBS Warburg LLC.....	28,125,000
Total.....	\$750,000,000

* First Union Securities, Inc. ("FUSI"), a subsidiary of Wachovia Corporation, conducts its investment banking, institutional, and capital markets businesses under the trade name of Wachovia Securities. Any references to "Wachovia Securities" in this prospectus supplement, however, do not include Wachovia Securities, Inc., a separate broker-dealer subsidiary of Wachovia Corporation and sister affiliate of FUSI, which may or may not be participating as a separate selling dealer in the distribution of the notes.

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The obligation of the underwriters to purchase the notes is subject to the terms and conditions set forth in the underwriting agreement. The underwriting agreement requires the underwriters to purchase all the notes offered by this prospectus supplement, if any of such notes are purchased.

We have agreed to indemnify the underwriters against certain liabilities, including certain liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of these liabilities.

COMMISSIONS AND DISCOUNTS

The underwriters have advised us that they propose to offer some of the notes directly to the public at the public offering price of \$1,000 per note and some of the notes to certain dealers at the public offering price less a concession not in excess of 0.21% of the principal amount of the notes. The underwriters may allow, and such dealers may reallow, a concession not in excess of 0.13% of such principal amount on sales to certain other dealers. The underwriters may change the public offering price after the notes are released for sale to the public.

The following table sets forth the public offering price and all discounts and commissions to be allowed to the underwriters.

	PER NOTE -----
Public offering price.....	\$995.64
Underwriting discount.....	\$ 3.50

Proceeds, before expenses, to Clear Channel.....	\$992.14
	=====

We currently estimate the expenses of this offering to us to be \$300,000.

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PRICE STABILIZATION, SHORT POSITIONS AND PENALTY BIDS

In connection with this offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater principal amount of notes than they are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the underwriters have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. In

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addition, neither any of the underwriters nor we make any representation that the underwriters will engage in the transactions discussed above. In addition, such transactions, once commenced, may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

CERTAIN RELATIONSHIPS AND ARRANGEMENTS

The underwriters and their respective affiliates may be customers of, lenders to, engage in transactions with, and perform services for us and our subsidiaries in the ordinary course of business. Certain of the underwriters have been advisors to us or to other companies which we have acquired in connection with such acquisitions, for which they have received certain fees.

More than 10% of the net proceeds of this offering, not including any underwriting compensation, will be used to repay indebtedness outstanding under our \$1.9 billion reducing revolving line of credit facility. Each of the underwriters or their affiliates are lenders under our credit facilities and are members of or are affiliated with members of the National Association of Securities Dealers, Inc. who will participate in this offering. Accordingly, this offering is being made in compliance with NASD Rule 2710(c)(8). See "Use of Proceeds."

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information we file at the SEC's public reference rooms in Washington, D.C. and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at <http://www.sec.gov>.

EXPERTS

The consolidated financial statements of Clear Channel at December 31, 2000 and 1999, and for each of the three years in the period ended December 31, 2000, and the financial statement schedule appearing in Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2000, have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon included therein and incorporated herein by reference which are based in part on the reports of KPMG LLP, independent auditors, at December 31, 1999 and for each of the two years in the period ended December 31, 1999. Such consolidated financial statements referred to above are incorporated herein by reference in reliance upon such reports given upon the authority of such firms as experts in accounting and auditing.

The consolidated financial statements of SFX at December 31, 1999 and 1998, and for each of the three years in the period ended December 31, 1999 and the related financial statement schedule appearing in SFX's Annual Report on Form 10-K/A for the year ended December 31, 1999, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated by reference herein. Such consolidated financial statements and schedule referred to above are incorporated herein by

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reference in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of AMFM Inc. and Subsidiaries

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(formerly Chancellor Media Corporation) as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999 incorporated into this document by reference to the Current Report on Form 8-K of Clear Channel Communications, Inc., dated June 14, 2000, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Capstar Broadcasting Corporation and Subsidiaries as of December 31, 1998 and 1997 and for each of the three years in the period ended December 31, 1998 incorporated into this document by reference to the Current Report on Form 8-K of Clear Channel Communications, Inc., dated November 18, 1999, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

LEGAL OPINIONS

The validity of the notes offered hereby will be passed upon for Clear Channel by our special counsel, Akin, Gump, Strauss, Hauer & Feld, L.L.P. (a partnership including professional corporations), San Antonio, Texas, and for the underwriters by Cravath, Swaine & Moore, New York, New York. Alan D. Feld, the sole shareholder of a professional corporation which is a partner of Akin, Gump, Strauss, Hauer & Feld, L.L.P., is a director of Clear Channel and as of October 15, 2001, owns approximately 83,300 shares of common stock (including presently exercisable nonqualified options to acquire approximately 67,000 shares). Vernon E. Jordan, Jr., of counsel to Akin, Gump, Strauss, Hauer & Feld, L.L.P., is also a director of Clear Channel and as of October 15, 2001, holds options exercisable to acquire 90,300 shares of common stock.

S-24

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Registration Nos. 333-42028,
333-42028-01, 333-42028-02
333-42028-03

PROSPECTUS

\$3,000,000,000

CLEAR CHANNEL COMMUNICATIONS, INC.
CCCI CAPITAL TRUST I
CCCI CAPITAL TRUST II
CCCI CAPITAL TRUST III

We will offer and sell, from time to time, in one or more offerings, the debt and equity securities described in this prospectus. The total offering price of these securities, in the aggregate, will not exceed \$3.0 billion. We will provide the specific terms of these securities in supplements to this prospectus. You should carefully read this prospectus and the supplements before you decide to invest in any of these securities.

CLEAR CHANNEL COMMUNICATIONS, INC.

We will offer and sell, from time to time, in one or more offerings:

- common stock
- debt securities
- junior subordinated debt securities
- preferred stock
- warrants
- stock purchase contracts

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- stock purchase units
- guarantees

The stock purchase contracts will require a purchaser to buy a specific amount of common stock or preferred stock, and they will obligate Clear Channel to pay the purchasers specific fees. The stock purchase units will include these stock purchase contracts and debt securities, junior subordinated debt securities, debt obligations of the United States of America or its agencies or instrumentalities, or preferred securities issued by CCCI Capital Trusts I, II and III. The guarantees will be full, unconditional guarantees of the Clear Channel Trusts' obligation to distribute specific amounts of cash to the holders of Clear Channel Trust preferred securities.

THE CLEAR CHANNEL TRUSTS

The CCCI Capital Trusts I, II and III are each Delaware business trusts that will offer and sell preferred securities, from time to time in one or more offerings. Each Clear Channel Trust will use all of the proceeds from the sale of its preferred securities to buy junior subordinated debt securities of Clear Channel. The Clear Channel Trusts will receive cash payments from the junior subordinated debt securities, and each trust will distribute these payments to the holders of its preferred and common securities. Clear Channel will own all of the common securities of the Clear Channel Trusts.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR A DISCUSSION OF THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE SECURITIES, SEE "GENERAL DESCRIPTION OF SECURITIES AND RISK FACTORS" ON PAGE 10.

The date of this prospectus is July 28, 2000.

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EXPLANATORY NOTE

When we refer to Clear Channel in this prospectus, we are referring to Clear Channel Communications, Inc. When we refer to the Clear Channel Trusts in this prospectus, we are referring to the CCCI Capital Trusts. When the word "we" "our" or "us" is used in this prospectus, we are referring to both Clear Channel and the Clear Channel Trusts together.

WHERE YOU CAN FIND MORE INFORMATION

Clear Channel files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, statements, or other information Clear Channel files with the SEC at its public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549, 7 World Trade Center, Suite 1300, New York, New York 10048; and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Clear Channel's filings are also available to the public on the internet, through a database maintained by the SEC at <http://www.sec.gov>. In addition, you can inspect and copy Clear Channel's reports, proxy statements and other information at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which the common stock is listed.

We filed a registration statement on Form S-3 to register with the SEC the securities described in this prospectus. This prospectus is part of that registration statement. As permitted by SEC rules, this prospectus does not contain all the information contained in the registration statement or the exhibits to the registration statement. You may refer to the registration statement and accompanying exhibits for more information about us and our securities.

The SEC allows us to "incorporate by reference" into this document the information Clear Channel filed with it. This means that we can disclose important business, financial and other information to you by referring you to other documents separately filed with the SEC. All information incorporated by reference is part of this document, unless and until that information is updated and superseded by the information contained in this document or any information incorporated later.

We incorporate by reference the documents listed below:

1. Annual Report on Form 10-K for the fiscal year ended December 31, 1999.
2. Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, as amended by Form 10-Q/A filed May 16, 2000.
3. Current Report on Form 8-K filed June 14, 2000.
4. Current Report on Form 8-K filed May 11, 2000.
5. Current Report on Form 8-K filed February 29, 2000.
6. Portions of the Current Report on Form 8-K filed November 19, 1999 relating to the consolidated financial statements of Capstar

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Broadcasting Corporation and Subsidiaries and the report of Pricewaterhouse Coopers LLP dated February 26, 1999, except as to Note 3, which is as of March 15, 1999 (pgs. 56-104 of said Form 8-K).

7. Current Report on Form 8-K filed May 7, 1999.
8. Current Report on Form 8-K filed December 10, 1998, as amended by Form 8-K/A filed February 23, 1999 and Form 8-K/A filed April 12, 1999.

We also incorporate by reference all future filings we make with the SEC between the date of this document and the date upon which we sell all the securities we offer with this document.

You may obtain copies of filings referred to above at no cost by contacting us at the following address: Corporate Secretary, Clear Channel Communications, Inc., 200 East Basse Road, San Antonio, Texas 78209, telephone: (210) 822-2828.

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement that we filed with the SEC. By using a shelf registration statement, we may sell, from time to time, in one or more offerings, any combination of the securities described in this prospectus. The total dollar amount of the securities we sell through these offerings will not exceed \$3.0 billion.

This prospectus only provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that contains specific information about the terms of the securities. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading "Where You Can Find More Information."

This prospectus does not contain separate financial statements for the Clear Channel Trusts. We do not believe these financial statements would be useful since each trust is a direct or indirect wholly-owned subsidiary of Clear Channel, and we file consolidated financial information under the Exchange Act. The Clear Channel Trusts will not have any independent function other than to issue common and preferred securities and to purchase junior subordinated debt securities of Clear Channel. Clear Channel will provide a full, unconditional guarantee of each trust's obligations under their respective common and preferred securities.

You should rely only on the information contained or incorporated by reference in this prospectus and the prospectus supplement. We have not authorized anyone else to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make an offer to sell these securities in any state where the offer or sale is not permitted. You should assume that the information appearing in this prospectus, as well as the information we previously filed with the SEC and incorporated by reference into this prospectus, is accurate only as of the date of the documents containing the information.

CLEAR CHANNEL COMMUNICATIONS, INC.

Clear Channel is a diversified media company composed of two business segments: broadcasting and outdoor advertising. As of December 31, 1999, Clear Channel owned, programmed or sold airtime for 507 radio stations in the United States and two radio stations in Denmark. In addition, Clear Channel owned or programmed 24 television stations in the United States. Clear Channel is also

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one of the world's largest outdoor advertising companies based on our total domestic and international advertising display inventory. Clear Channel was incorporated in Texas in 1974.

During the year ended December 31, 1999, Clear Channel derived approximately 53% of its net revenue from broadcasting operations and approximately 47% from outdoor advertising operations. Its broadcasting segment includes both radio and television stations for which we are the licensee and radio and television stations which we program or sell airtime under local marketing agreements or joint sales agreements. Its broadcasting segment also operates radio networks and produces syndicated programming. Its outdoor advertising segment includes advertising display faces which we own or operate under lease management agreements.

Clear Channel currently has a merger pending with AMFM Inc., the second largest radio company in the United States in terms of radio stations. Upon completion of the AMFM merger, Clear Channel will be one of the world's largest out-of-home media companies reaching local, national and international consumers through a complementary portfolio of radio stations, radio broadcast networks, outdoor advertising displays, television stations, a media representation business and a growing presence in Internet operations. See "Recent Developments -- AMFM Merger." In addition to the pending AMFM merger, Clear Channel also currently has a merger pending with SFX Entertainment, Inc., one of the world's largest diversified promoters, producers and venue operators for live entertainment events. See "Recent Developments -- SFX Merger." The information below does not reflect the consummation of the AMFM or SFX mergers.

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Our principal executive offices are located at 200 East Basse Road, San Antonio, Texas 78209 (telephone: 210-822-2828).

A brief description of each of Clear Channel's primary lines of business follows.

BROADCASTING

As of December 31, 1999, Clear Channel owned, programmed, or sold airtime for 507 domestic radio stations, two international radio stations, 20 domestic television stations and four satellite television stations. Its radio stations employ a wide variety of programming formats, such as News/Talk/Sports, Country, Adult Contemporary, Urban and Rock. Clear Channel owns two international radio stations located in Denmark and broadcast Adult Contemporary and Oldies formats to the Copenhagen market and one cable audio channel that reaches most of Denmark. Clear Channel also provides programming to and sells airtime under exclusive sales agency agreements for three radio stations in Mexico. In addition, Clear Channel operates several radio networks and produce more than 50 syndicated programs and services for more than 4,000 radio stations. Its syndicated programs include Rush Limbaugh, The Dr. Laura Schlessinger Show and Dr. Dean Edell. In addition, Clear Channel currently owns the following interests in radio broadcasting companies:

- a 50% equity interest in the Australian Radio Network Pty., Ltd., which operates radio stations in Australia;
- a 33% equity interest in New Zealand Radio Network, which operates radio stations in New Zealand;
- a 26% non-voting equity interest in Hispanic Broadcasting Corporation, a leading domestic Spanish-language radio broadcaster;
- a 40% equity interest in Grupo Acir Comunicaciones, S.A. de C.V., one of

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the largest radio broadcasters in Mexico;

- a 50% equity interest in Radio 1, which owns seven radio stations in Norway;
- a 50% equity interest in Radio Bonton, a.s., which owns an FM radio station in the Czech Republic; and
- a 32% equity interest in JAZZ FM plc, which owns two radio stations in England.

Clear Channel's television stations are affiliated with various television networks, including FOX, UPN, ABC, NBC and CBS. The primary sources of programming for its ABC, NBC and CBS affiliated television stations are their respective networks, which produce and distribute programming in exchange for each station's commitment to air the programming at specified times and for commercial announcement time during the programming. Clear Channel supplies the majority of programming to its FOX and UPN affiliates by selecting and purchasing syndicated television programs.

OUTDOOR ADVERTISING

As of December 31, 1999, Clear Channel owned a total of 549,257 advertising display faces, and operated 5,900 display faces under license management agreements. Clear Channel currently provides outdoor advertising services in over 43 domestic markets and over 23 international markets. Domestic display faces include billboards of various sizes and various small display faces on the interior and exterior of various public transportation vehicles. International display faces include street furniture, transit displays and billboards of various sizes. Clear Channel also operates numerous smaller displays such as cube displays in retail malls and convenience store window displays. Additionally, Clear Channel currently owns the following interests in outdoor advertising companies:

- a 50% equity interest in Hainan White Horse Advertising Media Investment Co. Ltd., which operates street furniture displays in China;

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- a 50% equity interest in Sirocco International SA, which is developing a new 8 square meter format network and obtaining concessions for 2 square meter format panels in France;
- a 50% equity interest in Adshel Street Furniture Pty., Limited, which operates street furniture displays in Australia and New Zealand;
- a 30% equity interest in Capital City Posters Pty., Ltd, which operates street furniture and billboard displays in Singapore;
- a 50% equity interest in Buspak, which operates bus and tram displays in Hong Kong; and
- a 31.9% equity interest in Master & More Co., Ltd, which operates billboard displays in Thailand.

RECENT DEVELOPMENTS

AMFM MERGER

On October 2, 1999, Clear Channel entered into an agreement with AMFM Inc. (NYSE: AFM) to merge one of its wholly-owned subsidiaries with and into AMFM.

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Clear Channel structured the merger as a tax-free, stock-for-stock transaction. Each share of AMFM common stock will convert into 0.94 shares of Clear Channel common stock on a fixed exchange basis, valuing the merger as of October 2, 1999 at approximately \$17.1 billion, plus the assumption of AMFM's debt of approximately \$5.8 billion as of March 31, 2000. Based on the number of shares outstanding as of December 31, 1999, and assuming that no additional shares of AMFM common stock are issued before the completion of the merger (other than shares contemplated as of December 31, 1999 to be issued in connection with the conversion of AMFM's convertible preferred stock) Clear Channel will issue approximately 203.6 million shares of its common stock in the merger to the shareholders of AMFM. Clear Channel will assume all options and warrants to purchase AMFM common stock outstanding at the effective time of the merger, whether or not then exercisable, and each of these AMFM options and warrants will become an option or warrant to acquire Clear Channel common stock on the same terms and conditions as were applicable prior to the merger. Clear Channel will register with the SEC and reserve for issuance a sufficient number of shares of its common stock for delivery upon the exercise of the AMFM options assumed by it in the merger.

AMFM is a large national radio broadcasting and related media company with operations in radio broadcasting, media representation and the Internet, which as of December 31, 1999, consisted of:

- a radio station portfolio that, assuming completion of announced transactions, consisted of 456 radio stations (330 FM and 126 AM) in 102 markets throughout the continental United States and Puerto Rico, including 12 stations operated under time brokerage or joint sales agreements which allow AMFM to program another person's station and sell the advertising;
- Katz Media, a full-service media representation firm that sells national spot advertising time for its clients in the radio and television industries primarily throughout the United States and for AMFM's portfolio of radio stations; and
- AMFM's Internet initiative which focuses on developing AMFM's Internet web sites, streaming online broadcasts of AMFM's on-air programming and other media, and promoting emerging Internet and new media concerns.

In addition, AMFM owns an approximate 30% equity interest in Lamar Advertising Company, one of the largest owners and operators of outdoor advertising structures in the United States, which Clear Channel currently contemplates it will be required to divest in order to obtain regulatory approval of the AMFM merger. Clear Channel currently contemplates that the FCC and antitrust regulatory agencies will require it and AMFM to divest between 110 and 115 radio stations in the aggregate to obtain approval of the AMFM merger.

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In connection with the AMFM merger agreement, Clear Channel entered into a registration rights agreement with certain shareholders of AMFM. As a result of the registration rights agreement, Clear Channel may be required to file registration statements with the SEC to register for resale our common stock received by such AMFM shareholders in the AMFM merger.

AMFM and Clear Channel can jointly agree to terminate the merger agreement at any time without completing the merger, even after obtaining shareholder approval. In addition, each company can terminate the merger agreement under certain other conditions. AMFM must pay Clear Channel a termination fee of \$700 million plus reasonably documented expenses up to \$25 million if the merger agreement terminates under specified conditions. Similarly, Clear Channel must

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pay AMFM a termination fee of \$1 billion plus reasonably documented expenses up to \$25 million if the merger agreement terminates under specified conditions.

Clear Channel will not complete the AMFM merger before the filing of this prospectus, if at all. Numerous conditions must be satisfied before the completion of the AMFM merger, including the receipt of regulatory approvals and the completion of a review of the merger by the U.S. federal and state antitrust authorities.

The description of the proposed merger with AMFM contained in this prospectus is not complete. To understand the terms of the merger fully and for a more complete description, you should read the merger agreement and the detailed disclosure in our Current Report on Form 8-K filed with the SEC on October 5, 1999.

SFX MERGER

In February 2000, Clear Channel entered into a merger agreement with SFX Entertainment, Inc. (NYSE: SFX). SFX is one of the world's largest diversified promoters, producers and venue operators for live entertainment events. Clear Channel structured the merger as a tax-free, stock-for-stock transaction. SFX Class A shareholders will receive 0.6 shares of Clear Channel common stock for each SFX share, and SFX Class B shareholders will receive one share of Clear Channel common stock for each SFX share, on a fixed exchange basis, valuing the merger as of February 28, 2000 at approximately \$3.2 billion, plus the assumption of SFX's debt of approximately \$1.4 billion as of March 31, 2000. A number of lawsuits were filed by holders of SFX Class A common stock alleging, among other things, that the difference in consideration for the Class A and Class B shares constitutes unfair consideration to the Class B holders and that the SFX board breached its fiduciary duties and that Clear Channel aided and abetted the actions of the SFX board. On May 12, 2000, SFX and counsel to the plaintiffs in the shareholder litigation entered into a memorandum of understanding regarding a proposed settlement that would result in a modification of the consideration payable to SFX shareholders in the merger. Under the proposed settlement, the defendants would pay to the holders of the SFX Class A common stock an aggregate of \$34.5 million, payable in either cash or our common stock, at the option of the defendants, less the amount of fees and expenses awarded to plaintiffs' counsel by the court.

SFX is the world's largest diversified promoter, producer and venue operator for live entertainment events. In addition, SFX is a leading fully integrated sports marketing and management company specializing in the representation of sports athletes and broadcasters, integrated event management, television programming and production and marketing consulting services. SFX operates the largest network of venues used principally for music concerts and other live entertainment events in the United States, with 92 venues in 31 of the top 50 markets. These venues include 17 amphitheaters in the top 10 markets and nine venues principally used for theatrical presentations. In addition, SFX owns or operates 28 international venues used primarily for theatrical presentations, principally in the United Kingdom.

Through its large number of venues and strong presence in each of the markets it serves, SFX is able to provide integrated promotion, production and venue operation and event management services for a broad variety of live entertainment events. During 1999, SFX and the companies it acquired during 1999 promoted or produced over 23,000 events, including more than 7,800 music concerts, 13,300 theatrical

shows, 1,400 family entertainment shows and 500 specialized sport events. Nearly 60 million people attended these events.

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Based on the number of shares outstanding as of March 31, 2000, and assuming that no additional shares of SFX common stock are issued before the completion of the SFX merger, Clear Channel will issue approximately 39.0 million shares of its common stock in the merger to the shareholders of SFX. Each outstanding option or warrant to purchase shares of SFX common stock and each SFX stock appreciation right outstanding at the effective time of the SFX merger, whether or not then exercisable, shall vest immediately upon the closing of the merger and shall be assumed by Clear Channel, and each such option and warrant will constitute solely an option to acquire Clear Channel common stock on the same terms and conditions as were applicable prior to the merger. Clear Channel will register with the SEC and reserve for issuance a sufficient number of shares of its common stock for delivery upon the exercise of the SFX options and warrants assumed by Clear Channel in the SFX merger.

In connection with the SFX merger agreement, Clear Channel entered into a registration rights agreement with Mr. Robert F. X. Sillerman, the Executive Chairman of the Board and a shareholder of SFX, granting Mr. Sillerman and his transferees certain piggyback registration rights with respect to any or all of the shares of Clear Channel common stock issued to Mr. Sillerman in the SFX merger.

SFX and Clear Channel can jointly agree to terminate the merger agreement at any time without completing the merger. In addition, each company can terminate the merger agreement under certain other conditions. SFX must pay Clear Channel a termination fee of \$100 million plus reasonably documented expenses up to \$20 million if the merger agreement terminates under specified conditions.

The completion of the merger is subject to the vote of SFX's shareholders and other closing conditions. Clear Channel will not complete the SFX merger before the filing of this prospectus, and Clear Channel cannot otherwise give any assurance as to whether the SFX merger will be consummated in a timely manner or on the terms described herein, if at all. Numerous conditions must be satisfied before the completion of the SFX merger, including the receipt of shareholder approval from the shareholders of SFX.

The description of the proposed merger with SFX contained in this prospectus is not complete. To understand the terms of the merger fully and for a more complete description, you should read the merger agreement, as amended, and the detailed disclosure in our registration statement on Form S-4 filed with the SEC on June 5, 2000.

THE CLEAR CHANNEL TRUSTS

Each Clear Channel Trust is a statutory business trust formed under Delaware law pursuant to a separate declaration of trust executed by Clear Channel, as depositor for the Clear Channel Trust, and the trustees of the trust, and the filing of a certificate of trust with the Delaware Secretary of State. The declarations of trust will be amended and restated in their entirety substantially in the form filed as an exhibit to the registration statement of which this prospectus is a part and will be qualified as indentures under the Trust Indenture Act of 1939. Unless the accompanying prospectus supplement provides otherwise, each Clear Channel Trust exists for the sole purposes of

- issuing its preferred securities,
- investing the gross proceeds of the sale of its preferred securities in junior subordinated debt securities of Clear Channel, and
- engaging in only those other activities necessary or incidental thereto.

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All of each Clear Channel Trusts' common securities will be owned by Clear Channel. The common securities will rank equally with the preferred securities and payments on the common securities will be made on a pro rata basis with the preferred securities. However, upon the occurrence and continuance of an event of default under the applicable amended and restated declaration of trust, the rights of the

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holders of the applicable common securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the applicable preferred securities. Clear Channel will acquire common securities having an aggregate liquidation amount equal to a minimum of 1% of the total capital of each Clear Channel Trust.

Each Clear Channel Trust will have a term of at least 20 but not more than 50 years, but may terminate earlier as provided in the applicable amended and restated declaration of trust. Each Clear Channel Trust's business and affairs will be conducted by the trustees. Clear Channel will be entitled to appoint, remove or replace any of, or increase or reduce the number of, the trustees of each Clear Channel Trust. The duties and obligations of the trustees will be governed by the amended and restated declaration of trust of each Clear Channel Trust. At least one of the trustees of each Clear Channel Trust will be a person who is an employee or officer of or who is affiliated with Clear Channel. One trustee of each Clear Channel Trust will be a financial institution that is not affiliated with Clear Channel, which will act as property trustee and as indenture trustee for the purposes of the Trust Indenture Act, pursuant to the terms set forth in a prospectus supplement. In addition, unless the property trustee maintains a principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, one trustee of each Clear Channel Trust will be a legal entity having a principal place of business in, or an individual resident of, the State of Delaware. Clear Channel will pay all fees and expenses related to each Clear Channel Trust and the offering of the preferred securities. Unless otherwise set forth in a prospectus supplement, the property trustee will be The Bank of New York, and the Delaware trustee will be The Bank of New York (Delaware). The office of the Delaware trustee in the State of Delaware is 100 White Clay Center, Newark, Delaware 19711. The principal place of business of each Clear Channel Trust is c/o Clear Channel Communications, Inc., 200 East Basse Road, San Antonio, Texas 78209, telephone: (210) 822-2828.

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth the ratio of earnings to combined fixed charges and preferred stock dividends for Clear Channel.

YEARS ENDED DECEMBER 31,					THREE MONTHS ENDED MARCH 31,	
1999	1998	1997	1996	1995	2000	1999
2.04	1.83	2.32	3.63	3.32	0.50	0.68

For the three month periods ended March 31, 2000 and 1999, fixed charges exceeded earnings before income taxes and fixed charges by \$36.3 million and

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\$12.0 million, respectively.

The ratio of earnings to combined fixed charges and preferred stock dividends has been computed on a total enterprise basis. Earnings represent income from continuing operations before income taxes less equity in undistributed net income or loss of unconsolidated affiliates plus fixed charges. Fixed charges represent interest, amortization of debt discount and expense, and the estimated interest portion of rental charges. Clear Channel had no preferred stock outstanding and paid no cash dividends for any period presented.

USE OF PROCEEDS

Unless indicated otherwise in a prospectus supplement, Clear Channel expects to use the net proceeds from the sale of its securities for general corporate purposes, including repayment of borrowings, working capital, capital expenditures, stock repurchase programs and acquisitions. Unless otherwise specified in the accompanying prospectus supplement, each Clear Channel Trust will use all proceeds received from the sale of its preferred securities to purchase junior subordinated debt securities of Clear Channel.

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HOLDING COMPANY STRUCTURE

Clear Channel is a holding company and its assets consist primarily of investments in its subsidiaries and majority-owned partnerships. Clear Channel's rights and the rights of its creditors, including holders of debt securities or junior subordinated debt securities, to participate in the distribution of assets of any person in which Clear Channel owns an equity interest will be subject to prior claims of the person's creditors upon the person's liquidation or reorganization. However, Clear Channel may itself be a creditor with recognized claims against this person, but claims of Clear Channel would still be subject to the prior claims of any secured creditor of this person and of any holder of indebtedness of this person that is senior to that held by Clear Channel. Accordingly, the holder of debt securities or junior subordinated debt securities may be deemed to be effectively subordinated to those claims.

GENERAL DESCRIPTION OF SECURITIES AND RISK FACTORS

Clear Channel may offer shares of common stock or preferred stock, debt securities, junior subordinated debt securities, warrants, stock purchase contracts, stock purchase units, or any combination of them either individually or as units consisting of one or more securities under this prospectus. Each Clear Channel Trust may offer preferred securities under this prospectus.

THE SECURITIES TO BE OFFERED MAY INVOLVE A HIGH DEGREE OF RISK. THE RISKS WILL BE SET FORTH IN THE PROSPECTUS SUPPLEMENT RELATING TO THE SECURITY. IN ADDITION, THE RISK FACTORS, IF ANY, RELATING TO CLEAR CHANNEL'S BUSINESS WILL BE SET FORTH IN A PROSPECTUS SUPPLEMENT.

DESCRIPTION OF SENIOR AND SUBORDINATED DEBT SECURITIES

The following description of Clear Channel's senior and subordinated debt securities summarizes the general terms and provisions of its debt securities to which any prospectus supplement may relate. We will describe the specific terms of Clear Channel's debt securities and the extent, if any, to which the general provisions summarized below may apply to any series of its debt securities in the prospectus supplement relating to the series. In this prospectus, "debt securities" will be used to refer to senior and subordinated debt securities, but not to junior subordinated debt securities.

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Clear Channel may issue its senior debt securities from time to time, in one or more series under a senior indenture, between Clear Channel and The Bank of New York, as senior trustee, or another senior trustee named in a prospectus supplement. The form of senior indenture is filed as an exhibit to the registration statement. Clear Channel may issue its subordinated debt securities from time to time, in one or more series under a subordinated indenture, between Clear Channel and The Bank of New York, as subordinated trustee, or another subordinated trustee named in a prospectus supplement. The form of subordinated indenture is filed as an exhibit to the registration statement. Together the senior indenture and the subordinated indenture are called the indentures, and together the senior trustee and the subordinated trustee are called the debt trustees. None of the indentures will limit the amount of debt securities that may be issued. The applicable indenture will provide that debt securities may be issued up to an aggregate principal amount authorized by Clear Channel and may be payable in any currency or currency unit designated by it or in amounts determined by reference to an index.

GENERAL

The senior debt securities will be unsecured and will rank equally with Clear Channel's other unsecured and unsubordinated debt, unless Clear Channel is required to secure the senior debt securities as described below under "-- Senior Debt Securities." Clear Channel's obligations under any subordinated debt securities will be subordinate in right of payment to all of its senior indebtedness, and will be described in an accompanying prospectus supplement. Clear Channel will issue debt securities from time to time and offer its debt securities on terms determined by market conditions at the time of sale.

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Clear Channel may issue its debt securities in one or more series with the same or various maturities, at par, at a premium, or at a discount. Any debt securities bearing no interest or interest at a rate which at the time of issuance is below market rates will be sold at a discount, which may be substantial, from their stated principal amount. We will describe the federal income tax consequences and other special considerations applicable to any substantially discounted debt securities in the related prospectus supplement.

You should refer to the prospectus supplement for the following terms of the debt securities offered hereby:

- the designation, aggregate principal amount and authorized denominations of the debt securities;
- the percentage of the principal amount at which Clear Channel will issue the debt securities;
- the date or dates on which the debt securities will mature;
- the annual interest rate or rates of the debt securities, or the method of determining the rate or rates;
- the date or dates on which any interest will be payable, the date or dates on which payment of any interest will commence and the regular record dates for the interest payment dates;
- the terms of any mandatory or optional redemption, including any provisions for any sinking, purchase or other similar funds, or repayment options;

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- the currency, currencies or currency units for which the debt securities may be purchased and in which the principal, any premium and any interest may be payable;
- if the currency, currencies or currency units for which the debt securities may be purchased or in which the principal, any premium and any interest may be payable is at Clear Channel's election or the purchaser's election, the manner in which the election may be made;
- if the amount of payments on the debt securities is determined by an index based on one or more currencies or currency units, or changes in the price of one or more securities or commodities, the manner in which the amounts may be determined;
- the extent to which any of the debt securities will be issuable in temporary or permanent global form, and the manner in which any interest payable on a temporary or permanent global security will be paid;
- the terms and conditions upon which the debt securities may be convertible into or exchanged for common stock, preferred stock, or indebtedness or other securities of any kind;
- information with respect to book-entry procedures, if any;
- a discussion of the federal income tax, accounting and other special considerations, procedures and limitations with respect to the debt securities; and
- any other specific terms of the debt securities not inconsistent with the applicable indenture.

If Clear Channel sells any of the debt securities for one or more foreign currencies or foreign currency units or if the principal of, premium, if any, or interest on any series of debt securities will be payable in one or more foreign currencies or foreign currency units, it will describe the restrictions, elections, federal income tax consequences, specific terms and other information with respect to the issue of debt securities and the currencies or currency units in the related prospectus supplement.

Unless specified otherwise in a prospectus supplement, the principal of, premium on, and interest on the debt securities will be payable, and the debt securities will be transferable, at the corporate trust office of the applicable debt trustee in New York, New York. However, Clear Channel may make payment of interest at its option by check mailed on or before the payment date to the address of the person entitled to the interest payment as it appears on the registry books of Clear Channel or its agents.

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Unless specified otherwise in a prospectus supplement, Clear Channel will issue the debt securities only in fully registered form and in denominations of \$1,000 and any integral multiple of \$1,000. No service charge will be made for any transfer or exchange of any debt securities, but Clear Channel may, except in specific cases not involving any transfer, require payment of a sufficient amount to cover any tax or other governmental charge payable in connection with the transfer or exchange. Unless we specify otherwise in the prospectus supplement, Clear Channel will pay interest on outstanding debt securities to holders of record on the date 15 days immediately prior to the date the interest is to be paid.

Clear Channel's rights and the rights of its creditors, including holders

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of debt securities, to participate in any distribution of assets of any of Clear Channel subsidiary upon its liquidation or reorganization or otherwise is subject to the prior claims of creditors of the subsidiary, except to the extent that Clear Channel's claims as a creditor of the subsidiary may be recognized. Clear Channel's operations are conducted through its subsidiaries and, therefore, Clear Channel is dependent upon the earnings and cash flow of its subsidiaries to meet its obligations, including obligations under the debt securities. The debt securities will be effectively subordinated to all indebtedness of Clear Channel's subsidiaries.

GLOBAL SECURITIES

Clear Channel may issue debt securities of a series in whole or in part in the form of one or more global securities and will deposit them with or on behalf of a depositary identified in the prospectus supplement relating to that series. Clear Channel may issue global securities only in fully registered form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for the individual debt securities represented thereby, a global security may not be transferred except as a whole by the depositary for the global security to a nominee of the depositary or by a nominee of the depositary to the depositary or another nominee of the depositary or by the depositary or any nominee of the depositary to a successor or any nominee.

The specific terms of the depositary arrangement relating to a series of debt securities will be described in the prospectus supplement relating to that series. It is anticipated that the following provisions will generally apply to depositary arrangements.

Upon the issuance of a global security, the depositary for the global security or its nominee will credit on its book entry registration and transfer system the principal amounts of the individual debt securities represented by the global security to the accounts of persons that have accounts with the depositary. The accounts will be designated by the dealers, underwriters or agents with respect to the debt securities or by Clear Channel if the debt securities are offered and sold directly by it. Ownership of beneficial interests in a global security will be limited to persons that have accounts with the applicable depositary participants or persons that hold interests through participants. Ownership of beneficial interests in the global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by

- the applicable depositary or its nominee, with respect to interests of participants, and
- the records of participants, with respect to interests of persons other than participants.

The laws of some states require that purchasers of securities take physical delivery of the securities in definitive form. These limits and laws may impair the ability to transfer beneficial interests in a global security.

So long as the depositary for a global security or its nominee is the registered owner of the global security, the depositary or the nominee will be considered the sole owner or holder of the debt securities represented by the global security for all purposes under the applicable indenture. Except as provided below, owners of beneficial interests in a global security will

- not be entitled to have any of the individual debt securities of the series represented by the global security registered in their names;
- not receive or be entitled to receive physical delivery of any debt security of that series in definitive form;

- not be considered the owners or holders thereof under the applicable indenture governing the debt securities.

Payments of principal of, any premium on, and any interest on individual debt securities represented by a global security registered in the name of a depository or its nominee will be made to the depository or its nominee as the registered owner of the global security representing the debt securities. Neither Clear Channel, the applicable debt trustee for the debt securities, any Paying Agent, nor the Security Registrar for the debt securities will have any responsibility or liability for the records relating to or payments made on account of beneficial ownership interests of the global security for the debt securities or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

Clear Channel expects that the depository for a series of debt securities or its nominee, upon receipt of any payment of principal, premium or interest in respect of a permanent global security representing any of the debt securities, will immediately credit participants' accounts with payments in amounts proportionate to their beneficial interests in the principal amount of the global security for the debt securities as shown on the records of the depository or its nominee. Clear Channel also expects that payments by participants to owners of beneficial interests in the global security held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name." The payments will be the responsibility of those participants.

If the depository for a series of debt securities is at any time unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by Clear Channel within 90 days, Clear Channel will issue individual debt securities of that series in exchange for the global security representing that series of debt securities. In addition, Clear Channel may at any time and in its sole discretion, subject to any limitations described in the prospectus supplement relating to the debt securities, determine not to have any debt securities of a series represented by one or more global securities. In that event, Clear Channel will issue individual debt securities of that series in exchange for the global security or Securities representing that series of debt securities. Further, if Clear Channel so specifies with respect to the debt securities of a series, an owner of a beneficial interest in a global security representing debt securities of that series may, on terms acceptable to Clear Channel, the applicable debt trustee and the depository for such global security, receive individual debt securities of that series in exchange for the beneficial interests, subject to any limitations described in the prospectus supplement relating to the debt securities. In any such instance, an owner of a beneficial interest in a global security will be entitled to physical delivery of individual debt securities of the series represented by the global security equal in principal amount to the beneficial interest and to have the debt securities registered in its name. Individual debt securities of the series so issued will be issued in denominations, unless otherwise specified by Clear Channel, of \$1,000 and integral multiples of \$1,000.

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

Each indenture prohibits Clear Channel's consolidation with or merger into any other corporation or the transfer of Clear Channel's properties and assets to any person, unless:

- the successor corporation is organized and existing under the laws of the United States, any State thereof or the District of Columbia, and

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expressly assumes by a supplemental indenture the punctual payment of the principal of, premium on and interest on, all the outstanding debt securities and the performance of every covenant in the applicable indenture to be performed or observed on Clear Channel's part;

- immediately after giving effect to the transaction, no event of default has happened and is continuing; and
- Clear Channel has delivered to the applicable debt trustee an officers' certificate and an opinion of counsel, each stating that the consolidation, merger, conveyance or transfer and the supplemental indenture comply with the foregoing provisions relating to the transaction.

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In case of any consolidation, merger, conveyance or transfer, the successor corporation will succeed to and be substituted for Clear Channel as obligor on the debt securities, with the same effect as if it had been named as Clear Channel in the applicable indenture. Unless otherwise specified in a prospectus supplement, other than the restrictions on Mortgages described below, the indentures and the debt securities do not contain any covenants or other provisions designed to protect holders of debt securities in the event of a highly leveraged transaction involving Clear Channel or any Subsidiary (defined below).

EVENTS OF DEFAULT; WAIVER AND NOTICE OF DEFAULT; DEBT SECURITIES IN FOREIGN CURRENCIES

An event of default when used in an indenture will mean any of the following as to any series of debt securities:

- default for 30 days in payment of any interest, or, in the case of the subordinated indenture, for a period of 90 days;
- default in payment of principal of or any premium at maturity;
- default in payment of any sinking or purchase fund or similar obligation;
- default by Clear Channel in the performance of any other covenant or warranty contained in the applicable indenture for the benefit of that series which has not been remedied for a period of 90 days after notice is given; or
- events of Clear Channel's bankruptcy, insolvency and reorganization.

A default under Clear Channel's other indebtedness will not be a default under the indentures and a default under one series of debt securities will not necessarily be a default under another series.

Each indenture provides that if an event of default described in the first four bullet points above, if the event of default under the fourth bullet point is with respect to less than all series of debt securities then outstanding, has occurred and is continuing with respect to any series, either the applicable debt trustee or the holders of not less than 25% in aggregate principal amount of the debt securities of the series then outstanding, each series acting as a separate class, may declare the principal or, in the case of original issue discount securities, the portion specified in the terms thereof, of all outstanding debt securities of the series and the accrued interest to be due and payable immediately. Each indenture further provides that if an event of default described in the fourth or fifth bullet points above, if the event of default

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under the fourth bullet point is with respect to all series of debt securities then outstanding, has occurred and is continuing, either the applicable debt trustee or the holders of at least 25% in aggregate principal amount of all debt securities then outstanding, treated as one class, may declare the principal or, in the case of original issue discount securities, the portion specified in the terms thereof, of all debt securities then outstanding and the accrued interest to be due and payable immediately. However, upon certain conditions the declarations may be annulled and past defaults, except for defaults in the payment of principal of, premium on, or interest on, the debt securities and in compliance with certain covenants, may be waived by the holders of a majority in aggregate principal amount of the debt securities of the series then outstanding.

Under each indenture the applicable debt trustee must give notice to the holders of each series of debt securities of all uncured defaults known to it with respect to that series within 90 days after a default occurs. The term "default" includes the events specified above without notice or grace periods. However, in the case of any default of the type described in the fourth bullet point above, no notice may be given until at least 90 days after the occurrence of the event. The debt trustee will be protected in withholding notice if it in good faith determines that the withholding of notice is in the interests of the holders of the debt securities, except in the case of default in the payment of principal of, premium on, or interest on, any of the debt securities, or default in the payment of any sinking or purchase fund installment or analogous obligations.

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No holder of any debt securities of any series may institute any action under either indenture unless:

- the holder has given the debt trustee written notice of a continuing event of default with respect to that series;
- the holders of not less than 25% in aggregate principal amount of the debt securities of the series then outstanding have requested the debt trustee to institute proceedings in respect of the event of default;
- the holder or holders have offered the debt trustee reasonable indemnity as the debt trustee may require;
- the debt trustee has failed to institute an action for 60 days; and
- no inconsistent direction has been given to the debt trustee during the 60-day period by the holders of a majority in aggregate principal amount of debt securities of the series then outstanding.

The holders of a majority in aggregate principal amount of the debt securities of any series affected and then outstanding will have the right, subject to limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the applicable debt trustee or exercising any trust or power conferred on the debt trustee with respect to a series of debt securities. Each indenture provides that if an event of default occurs and is continuing, the debt trustee will be required to use the degree of care of a prudent person in the conduct of that person's own affairs in exercising its rights and powers under the indenture. Each indenture further provides that the debt trustee will not be required to expend or risk its own funds in the performance of any of its duties under the indenture unless it has reasonable grounds for believing that repayment of the funds or adequate indemnity against the risk or liability is reasonably assured to it.

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Clear Channel must furnish to the debt trustees within 120 days after the end of each fiscal year a statement signed by one of its officers to the effect that a review of its activities during the year and of its performance under the applicable indenture and the terms of the debt securities has been made, and, to the best of the knowledge of the signatories based on the review, Clear Channel has complied with all conditions and covenants of the indenture through the year or, if Clear Channel is in default, specifying the default.

To determine whether the holders of the requisite principal amount of debt securities have taken action as described above when the debt securities are denominated in a foreign currency, the principal amount of the debt securities will be deemed to be that amount of United States dollars that could be obtained for the principal amount based on the applicable spot rate of exchange as of the date the action is taken as evidenced to the debt trustee as provided in the indenture.

To determine whether the holders of the requisite principal amount of debt securities have taken action as described above when the debt securities are original issue discount securities, the principal amount of the debt securities will be deemed to be the portion of the principal amount that would be due and payable at the time the action is taken upon a declaration of acceleration of maturity.

MODIFICATION OF THE INDENTURES

The indentures provide that Clear Channel and the applicable debt trustee may, without the consent of any holders of debt securities, enter into supplemental indentures for the purposes, among other things, of

- adding to Clear Channel's covenants;
- adding additional events of default;
- establishing the form or terms of any series of debt securities; or
- curing ambiguities or inconsistencies in the indenture or making other provisions.

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With specific exceptions, the applicable indenture or the rights of the holders of the debt securities may be modified by Clear Channel and the applicable debt trustee with the consent of the holders of a majority in aggregate principal amount of the debt securities of each series affected by the modification then outstanding, but no modification may be made without the consent of the holder of each outstanding debt security affected which would:

- change the maturity of any payment of principal of, or any premium on, or any installment of interest on any debt security;
- reduce the principal amount of or the interest or any premium on any debt security;
- change the method of computing the amount of principal of or interest on any date;
- change any place of payment where, or the currency in which, any debt security or any premium or interest is payable;
- impair the right to sue for the enforcement of any payment on or after the maturity thereof, or, in the case of redemption or repayment, on or

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after the redemption date or the repayment date;

- reduce the percentage in principal amount of the outstanding debt securities of any series where the consent of the holders is required for any modification, or the consent of the holders is required for any waiver of compliance with provisions of the applicable indenture or specific defaults and their consequences provided for in the indenture; or
- modify any of the provisions of specific sections of the applicable indenture, including the provisions summarized in this section, except to increase any percentage or to provide that other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding debt security affected thereby.

SATISFACTION AND DISCHARGE OF THE INDENTURES; DEFEASANCE

The indentures will generally cease to be of any further effect with respect to a series of debt securities if Clear Channel delivers all debt securities of that series, with limited exceptions, for cancellation to the applicable debt trustee or all debt securities of that series not previously delivered for cancellation to the applicable debt trustee have become due and payable or will become due and payable or called for redemption within one year, and Clear Channel has deposited with the applicable debt trustee as trust funds the entire amount sufficient to pay at maturity or upon redemption all the debt securities, no default with respect to the debt securities has occurred and is continuing on the date of the deposit, and the deposit does not result in a breach or violation of, or default under, the applicable indenture or any other agreement or instrument to which Clear Channel is a party.

Clear Channel has a "legal defeasance option" under which it may terminate, with respect to the debt securities of a particular series, all of its obligations under the debt securities and the applicable indenture. In addition, Clear Channel has a "covenant defeasance option" under which it may terminate, with respect to the debt securities of a particular series, Clear Channel's obligations with respect to the debt securities under specified covenants contained in the applicable indenture. If Clear Channel exercises its legal defeasance option with respect to a series of debt securities, payment of the debt securities may not be accelerated because of an event of default. If Clear Channel exercises its covenant defeasance option with respect to a series of debt securities, payment of the debt securities may not be accelerated because of an event of default related to the specified covenants.

Clear Channel may exercise its legal defeasance option or its covenant defeasance option with respect to the debt securities of a series only if:

- Clear Channel deposits in trust with the applicable debt trustee cash or debt obligations of the United States of America or its agencies or instrumentalities for the payment of principal, premium and interest with respect to the debt securities to maturity or redemption;

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- Clear Channel delivers to the applicable debt trustee a certificate from a nationally recognized firm of independent public accountants expressing their opinion that the payments of principal and interest when due will provide cash sufficient to pay the principal, premium, and interest when due with respect to all the debt securities of that series to maturity or redemption;
- 91 days pass after the deposit is made and during the 91-day period no

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default described in the fifth bullet point under "-- Events of Default, Waiver and Notice Of Default; Debt Securities in Foreign Currencies" above with respect to Clear Channel occurs that is continuing at the end of the period,

- no default has occurred and is continuing on the date of the deposit;
- the deposit does not constitute a default under any other agreement binding on Clear Channel;
- Clear Channel delivers to the applicable debt trustee an opinion of counsel to the effect that the trust resulting from the deposit does not constitute a regulated investment company under the Investment Company Act of 1940;
- Clear Channel has delivered to the applicable debt trustee an opinion of counsel addressing specific federal income tax matters relating to the defeasance; and
- Clear Channel delivers to the applicable debt trustee an officers' certificate and an opinion of counsel stating that all conditions to the defeasance and discharge of the debt securities of that series have been complied with.

The applicable debt trustee will hold in trust cash or debt obligations of the United States of America or its agencies or instrumentalities deposited with it as described above and will apply the deposited cash and the proceeds from deposited debt obligations of the United States of America or its agencies or instrumentalities to the payment of principal, premium, and interest with respect to the debt securities of the defeased series.

CONCERNING THE DEBT TRUSTEES

Clear Channel will identify the debt trustee for the senior debt securities and the debt trustee for the subordinated debt securities in the relevant prospectus supplement. In specific instances, Clear Channel or the holders of a majority of the then outstanding principal amount of the debt securities issued under an indenture may remove the debt trustee and appoint a successor debt trustee. The debt trustee may become the owner or pledgee of any of the debt securities with the same rights, subject to conflict of interest restrictions, it would have if it were not the debt trustee. The debt trustee and any successor trustee must be a corporation organized and doing business as a commercial bank or trust company under the laws of the United States or of any state thereof, authorized under those laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to examination by federal or state authority. Subject to applicable law relating to conflicts of interest, the debt trustee may also serve as trustee under other indentures relating to debt securities issued by Clear Channel or its affiliated companies and may engage in commercial transactions with Clear Channel and its affiliated companies. The initial debt trustee under each indenture is The Bank of New York, who currently serves as Clear Channel's transfer agent and registrar for the common stock and is a lender to Clear Channel under its credit facility.

SENIOR DEBT SECURITIES

In addition to the provisions previously described in this prospectus and applicable to all debt securities, the following description of Clear Channel's senior debt securities summarizes the general terms and provisions of its senior debt securities to which any prospectus supplement may relate. Clear Channel will describe the specific terms of the senior debt securities offered by any prospectus supplement and the extent, if any, to which the general provisions

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summarized below may apply to any series of its senior debt securities in the prospectus supplement relating to that series.

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Ranking of Senior Debt Securities

Unless we specify otherwise in a prospectus supplement for a particular series of debt securities, all series of senior debt securities will be Clear Channel's senior indebtedness and will be direct, unsecured obligations of Clear Channel ranking equally with all of Clear Channel's other unsecured and unsubordinated indebtedness. Because Clear Channel is a holding company, the debt securities will be effectively subordinated to all existing and future liabilities, including indebtedness, of Clear Channel's subsidiaries. See "Holding Company Structure."

Covenants

The senior indenture contains the covenants summarized below, which will be applicable, unless waived or amended, so long as any of the senior debt securities are outstanding, unless stated otherwise in the prospectus supplement.

Limitation on Mortgages. Clear Channel will not, nor will it permit any Restricted Subsidiary to create, assume or incur

- any Mortgage on any stock or indebtedness of any Restricted Subsidiary to secure any Debt of Clear Channel or any other person, other than the senior debt securities; or
- any Mortgage on any Principal Property to secure any Debt of Clear Channel or any other person, other than the senior debt securities,

without making provision for all the outstanding senior debt securities to be secured equally with the Debt.

Any Mortgage on stock or indebtedness of a corporation existing at the time a corporation becomes a Subsidiary or at the time stock or indebtedness of a Subsidiary is acquired, and, with specific exceptions, any extension, renewal or replacement of any Mortgage, will generally be excluded from this restriction.

The following permitted mortgages will be excluded from the restriction referred to in the preceding paragraph:

- any Mortgage on property owned or leased by a corporation existing at the time the corporation becomes a Restricted Subsidiary;
- any Mortgage on property existing at the time of its acquisition or to secure payment of any part of the purchase price thereof or any Debt incurred to finance the purchase thereof;
- any Mortgage on property to secure any part of the cost of development, construction, alteration, repair or improvement of the property, or Debt incurred to finance the cost;
- any Mortgage securing Debt of a Restricted Subsidiary owing to Clear Channel or to another Restricted Subsidiary;
- any Mortgage existing on the date of the senior indenture;
- any Mortgage on Clear Channel's property or property of a Restricted

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Subsidiary in favor of the United States of America or any State or political subdivision thereof, or in favor of any other country or any political subdivision thereof, to secure payment pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or part of the purchase price or the cost of construction or improvement of the property subject to the Mortgage;

- any Mortgage on any property subsequently acquired by Clear Channel or any Restricted Subsidiary, concurrently with the acquisition or within 120 days, to secure or provide for the payment of any part of the purchase price of the property, or any Mortgage assumed by Clear Channel or any Restricted Subsidiary on any property subsequently acquired by Clear Channel or any Restricted Subsidiary which was existing at the time of the acquisition, provided that the amount of any Indebtedness secured by any Mortgage created or assumed does not exceed the cost to Clear Channel or any Restricted Subsidiary of the property covered by the Mortgage; and

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- any extension, renewal or replacement of any Mortgage referred to in the previous seven bullet points, provided that the principal amount of Debt secured thereby may not exceed the principal amount of Debt so secured at the time of the extension, renewal or replacement, and provided that the Mortgage must be limited to all or part of the property which secured the Mortgage so extended, renewed or replaced.

Notwithstanding the above, Clear Channel may, and may permit any Restricted Subsidiary to, create, assume or incur any Mortgage on any Principal Property without equally securing the senior debt securities if the aggregate amount of all Debt then outstanding secured by the Mortgage and all similar Mortgages does not exceed 15% of Clear Channel's total consolidated shareholders' equity, including preferred stock, as shown on the audited consolidated balance sheet contained in its latest annual report to shareholders. However, Debt secured by Permitted Mortgages will not be included in the amount of the secured Debt.

Sale and Leaseback Transactions. Clear Channel will not, nor will it permit any Restricted Subsidiary to, enter into any sale-leaseback transaction providing for the leasing by Clear Channel or a Restricted Subsidiary of any Principal Property, except for temporary leases for a term of not more than three years, which has been or is to be sold or transferred by Clear Channel or the Restricted Subsidiary to the person, unless:

- the sale-leaseback transaction occurs within the later of 120 days from the date of acquisition of the Principal Property or the date of the completion of construction or commencement of full operations on the Principal Property, or
- within 120 days after the sale-leaseback transaction, Clear Channel applies or causes to be applied to the retirement of its Funded Debt or the Funded Debt of any Subsidiary, other than its Funded Debt which is subordinate in right of payment to the senior debt securities, an amount not less than the net proceeds of the sale of the Principal Property.

Notwithstanding the above provisions, Clear Channel may, and may permit any Restricted Subsidiary to, effect any sale-leaseback transaction involving any Principal Property, provided that the net sale proceeds from the sale-leaseback transaction, together with all Debt secured by Mortgages other than Permitted Mortgages, does not exceed 15% of Clear Channel's total consolidated shareholders' equity as shown on the audited consolidated balance sheet contained in Clear Channel's latest annual report to shareholders.

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Definitions

For the purposes of the description of the senior debt securities:

"Debt" means indebtedness for money borrowed.

"Funded Debt" of any person means all indebtedness for borrowed money created, incurred, assumed or guaranteed in any manner by the person, and all indebtedness incurred or assumed by the person in connection with the acquisition of any business, property or asset, which in each case matures more than one year after, or which is renewable or extendible or payable out of the proceeds of similar indebtedness incurred pursuant to the terms of any revolving credit agreement or any similar agreement at the option of the person for a period ending more than one year after the date as of which Funded Debt is being determined. However, Funded Debt does not include:

- any indebtedness for the payment, redemption or satisfaction of which money, or evidences of indebtedness, if permitted under the instrument creating or evidencing the indebtedness, in the necessary amount has been irrevocably deposited in trust with a trustee or proper depository either on or before the maturity or redemption date thereof;
- any indebtedness of the person to any of its Subsidiaries or of any Subsidiary to the person or any other Subsidiary; or

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- any indebtedness incurred in connection with the financing of operating, construction or acquisition projects, provided that the recourse for the indebtedness is limited to the assets of the projects.

"Mortgage" means any mortgage, pledge, lien, encumbrance, charge or security interest of any kind.

"Principal Property" means any radio broadcasting, television broadcasting, outdoor advertising or live entertainment property located in the United States owned or leased by Clear Channel or any of its subsidiaries, unless, in the opinion of Clear Channel's Board of Directors, any of the properties are not in the aggregate of material importance to the total business conducted by Clear Channel and its Subsidiaries as an entirety.

"Restricted Subsidiary" means each Subsidiary as of the date of the indenture and each Subsidiary created or acquired after the date of the indenture, unless expressly excluded by resolution of Clear Channel's Board of Directors before, or within 120 days following, the creation or acquisition.

"Subsidiary", when used with respect to Clear Channel, means any corporation of which a majority of the outstanding voting stock is owned, directly or indirectly, by Clear Channel or by one or more other Subsidiaries, or both.

SUBORDINATED DEBT SECURITIES

In addition to the provisions previously described in this prospectus and applicable to all debt securities, the following description of Clear Channel's subordinated debt securities summarizes the general terms and provisions of its subordinated debt securities to which any prospectus supplement may relate. We will describe the specific terms of Clear Channel's subordinated debt securities offered by any prospectus supplement and the extent, if any, to which the general provisions summarized below may apply to any series of subordinated debt

securities in the prospectus supplement relating to that series.

Ranking of Subordinated Debt Securities

The subordinated debt securities will be subordinated in right of payment to Clear Channel's other indebtedness to the extent set forth in the applicable prospectus supplement.

The payment of the principal of, premium, if any, and interest on the subordinated debt securities will be subordinated in right of payment to the prior payment in full of all of Clear Channel's senior indebtedness and equally with its trade creditors. Clear Channel may not make payment of principal of, premium, if any, or interest on the subordinated debt securities and may not acquire or make payment on account of any sinking fund for, the subordinated debt securities unless full payment of amounts then due for principal, premium, if any, and interest then due on all senior indebtedness by reason of the maturity thereof has been made or duly provided for in cash or in a manner satisfactory to the holders of the senior indebtedness. In addition, the subordinated indenture provides that if a default has occurred giving the holders of the senior indebtedness the right to accelerate the maturity of that senior indebtedness, or an event has occurred which, with the giving of notice, or lapse of time, or both, would constitute an event of default, then unless and until that event has been cured or waived or has ceased to exist, no payment of principal, premium, if any, or interest on the subordinated debt securities and no acquisition of, or payment on account of a sinking fund for, the subordinated debt securities may be made. Clear Channel will give prompt written notice to the subordinated trustee of any default under any senior indebtedness or under any agreement pursuant to which senior indebtedness may have been issued. The subordinated indenture provisions described in this paragraph, however, do not prevent Clear Channel from making a sinking fund payment with subordinated debt securities acquired prior to the maturity of senior indebtedness or, in the case of default, prior to the default and notice thereof. Upon any distribution of assets in connection with Clear Channel's dissolution, liquidation or reorganization, all senior indebtedness must be paid in full before the holders of the subordinated debt securities are entitled to any payments whatsoever. As a result of these subordination provisions, in the event of Clear Channel's insolvency, holders of the subordinated debt securities may recover ratably less than Clear Channel's senior creditors.

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For purposes of the description of the subordinated debt securities, the term "senior indebtedness" means the principal of and premium, if any, and interest on the following, whether outstanding on the date of execution of the subordinated indenture or incurred or created after the execution:

- Clear Channel's indebtedness for money borrowed by it, including purchase money obligations with an original maturity in excess of one year, or evidenced by securities, other than the subordinated debt securities or junior subordinated debt securities, notes, bankers' acceptances or other corporate debt securities or similar instruments issued by Clear Channel;
- obligations with respect to letters of credit;
- Clear Channel's indebtedness constituting a guarantee of indebtedness of others of the type referred to in the preceding two bullet points; or
- renewals, extensions or refundings of any of the indebtedness referred to in the preceding three bullet points unless, in the case of any particular indebtedness, renewal, extension or refunding, under the express provisions of the instrument creating or evidencing the same, or

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pursuant to which the same is outstanding, the indebtedness or the renewal, extension or refunding thereof is not superior in right of payment to the subordinated debt securities.

DESCRIPTION OF JUNIOR SUBORDINATED DEBT SECURITIES

The following description of Clear Channel's junior subordinated debt securities summarizes the general terms and provisions of its junior subordinated debt securities to which any prospectus supplement may relate. Clear Channel will describe the specific terms of the junior subordinated debt securities and the extent, if any, to which the general provisions summarized below may apply to any series of its junior subordinated debt securities in the prospectus supplement relating to that series.

Clear Channel may issue its junior subordinated debt securities from time to time, in one or more series under a junior subordinated indenture, between Clear Channel and The Bank of New York, as junior subordinated trustee, or another junior subordinated trustee named in a prospectus supplement. The form of junior subordinated indenture is filed as an exhibit to the registration statement.

GENERAL

The junior subordinated debt securities will be unsecured, junior subordinated obligations of Clear Channel. The junior subordinated indenture does not limit the amount of additional indebtedness Clear Channel or any of its subsidiaries may incur. Since Clear Channel is a holding company, Clear Channel's rights and the rights of its creditors, including the holders of junior subordinated debt securities, to participate in the assets of any subsidiary upon the latter's liquidation or recapitalization will be subject to the prior claims of the subsidiary's creditors, except to the extent that Clear Channel may itself be a creditor with recognized claims against the subsidiary.

The junior subordinated indenture does not limit the aggregate principal amount of indebtedness which may be issued thereunder and provides that junior subordinated debt securities may be issued thereunder from time to time in one or more series. The junior subordinated debt securities are issuable in one or more series pursuant to a board resolution or an indenture supplemental to the junior subordinated indenture. Clear Channel will issue junior subordinated debt securities from time to time and offer its junior subordinated debt securities on terms determined by market conditions at the time of sale.

In the event junior subordinated debt securities are issued to a Clear Channel Trust or a trustee of a Clear Channel Trust in connection with the issuance of preferred securities by that Clear Channel Trust, the junior subordinated debt securities subsequently may be distributed pro rata to the holders of the preferred securities in connection with the dissolution of the Clear Channel Trust upon the occurrence of the events described in the applicable prospectus supplement. Only one series of junior subordinated debt securities will be issued to a Clear Channel Trust or a trustee of a Clear Channel Trust in connection with the issuance of preferred securities by that Clear Channel Trust.

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You should refer to the applicable prospectus supplement for the following terms of the junior subordinated debt securities offered hereby:

- the designation, aggregate principal amount and authorized denominations of the junior subordinated debt securities;
- any limit on the aggregate principal amount of the junior subordinated

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debt securities;

- the date or dates on which the junior subordinated debt securities will mature;
- the annual interest rate or rates of the junior subordinated debt securities, or the method of determining the rate or rates;
- the date or dates on which any interest will be payable, the date or dates on which payment of any interest will commence and the regular record dates for the interest payment dates;
- the terms of any mandatory or optional redemption, including any provisions for any sinking, purchase or other similar funds or repayment options;
- the currency, currencies or currency units for which the junior subordinated debt securities may be purchased and the currency, currencies or currency units in which the principal, any premium and any interest may be payable;
- if the currency, currencies or currency units for which the junior subordinated debt securities may be purchased or in which the principal, any premium and any interest may be payable is at Clear Channel's election or the purchaser's election, the manner in which the election may be made;
- if the amount of payments on the junior subordinated debt securities is determined by an index based on one or more currencies or currency units, changes in the price of one or more securities or changes in the price of one or more commodities, the manner in which the amounts may be determined;
- the extent to which any of the junior subordinated debt securities will be issuable in temporary or permanent global form, or the manner in which any interest payable on a temporary or permanent global security will be paid;
- the terms and conditions upon which the junior subordinated debt securities may be convertible into or exchanged for common stock, preferred stock, or indebtedness or other securities of any kind;
- information with respect to book-entry procedures, if any;
- a discussion of the federal income tax, accounting and other special considerations, procedures and limitations with respect to the junior subordinated debt securities; and
- any other specific terms of the junior subordinated debt securities not inconsistent with the junior subordinated indenture.

If Clear Channel sells any of the junior subordinated debt securities for one or more foreign currencies or foreign currency units or if the principal of, premium, if any, or interest on any series of junior subordinated debt securities will be payable in one or more foreign currencies or foreign currency units, we will describe the restrictions, elections, federal income tax consequences, specific terms and other information with respect to the issue of junior subordinated debt securities and the currencies or currency units in the applicable prospectus supplement.

Unless specified otherwise in the prospectus supplement, the principal of, premium on, and interest on the junior subordinated debt securities will be

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payable, and the junior subordinated debt securities will be transferable, at the Corporate Trust Office of the junior subordinated indenture trustee in New York, New York. However, Clear Channel may make payment of interest at its option by check mailed on or before the payment date to the address of the person entitled to the interest payment as it appears on the registry books of Clear Channel or its agents.

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Unless specified otherwise in the prospectus supplement, Clear Channel will issue the junior subordinated debt securities only in fully registered form and in denominations of \$1,000 and any integral multiple of \$1,000. No service charge will be made for any transfer or exchange of any junior subordinated debt securities, but Clear Channel may, except in specific cases not involving any transfer, require payment of a sufficient amount to cover any tax or other governmental charge payable in connection with the transfer or exchange. Unless specified otherwise in the prospectus supplement, Clear Channel will pay interest on outstanding junior subordinated debt securities to holders of record on the date 15 days immediately prior to the date the interest is to be paid.

GLOBAL SECURITIES

Clear Channel may issue junior subordinated debt securities of a series in whole or in part in the form of one or more global securities that will be deposited with or on behalf of a depository identified in the prospectus supplement relating to that series. Clear Channel may issue global securities only in fully registered form and in either temporary or permanent form. Unless and until it is exchanged in whole or in part for the individual junior subordinated debt securities represented thereby, a global security may not be transferred except as a whole by the depository for the global security to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee of the depository to a successor or any nominee.

The specific terms of the depository arrangement relating to a series of junior subordinated debt securities will be described in the prospectus supplement relating to that series.

CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

The junior subordinated indenture prohibits Clear Channel's consolidation with or merger into any other corporation or the transfer of its properties and assets to any person, unless:

- the successor corporation is organized and existing under the laws of the United States, any State thereof or the District of Columbia, and expressly assumes by a supplemental indenture the punctual payment of the principal of, premium on and interest on, all the outstanding junior subordinated debt securities and the performance of every covenant in the junior subordinated indenture to be performed or observed on Clear Channel's part;
- immediately after giving effect to the transaction, no event of default has happened and is continuing; and
- Clear Channel has delivered to the junior subordinated indenture trustee an officers' certificate and an opinion of counsel, each stating that the consolidation, merger, conveyance or transfer and the supplemental indenture comply with the foregoing provisions relating to the transaction.

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In case of any consolidation, merger, conveyance or transfer, the successor corporation will succeed to and be substituted for Clear Channel as obligor on the junior subordinated debt securities, with the same effect as if it had been named as Clear Channel in the junior subordinated indenture. Other than the restrictions on Mortgages described below, the junior subordinated indenture and the junior subordinated debt securities do not contain any covenants or other provisions designed to protect holders of junior subordinated debt securities in the event of a highly leveraged transaction involving Clear Channel or any Subsidiary.

EVENTS OF DEFAULT; WAIVER AND NOTICE OF DEFAULT; JUNIOR SUBORDINATED DEBT SECURITIES IN FOREIGN CURRENCIES

An event of default when used in a junior subordinated indenture will mean any of the following as to any series of junior subordinated debt securities:

- default for 90 days in payment of any interest on the junior subordinated debt securities;

- default in payment of principal or any premium at maturity;

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- default in payment of any sinking or purchase fund or similar obligation;

- default by Clear Channel in the performance of any other covenant or warranty contained in the junior subordinated indenture for the benefit of that series which has not been remedied for a period of 90 days after notice is given; or

- events of Clear Channel's bankruptcy, insolvency and reorganization.

A default under Clear Channel's other indebtedness will not be a default under the junior subordinated indenture and a default under one series of junior subordinated debt securities will not necessarily be a default under another series.

The junior subordinated indenture provides that if an event of default described in the first four bullet points above, if the event of default under the fourth bullet point is with respect to less than all series of junior subordinated debt securities then outstanding, has occurred and is continuing with respect to any series, either the junior subordinated indenture trustee or the holders of not less than 25% in aggregate principal amount of the junior subordinated debt securities of the series then outstanding, each series acting as a separate class, may declare the principal or, in the case of original issue discount securities, the portion specified in the terms thereof, of all outstanding junior subordinated debt securities of that series and the accrued interest to be due and payable immediately. The junior subordinated indenture further provides that if an event of default described in the fourth or fifth bullet points above, if the event of default under the fourth bullet point is with respect to all series of junior subordinated debt securities then outstanding, has occurred and is continuing, either the junior subordinated debt trustee or the holders of at least 25% in aggregate principal amount of all junior subordinated debt securities then outstanding, treated as one class, may declare the principal or, in the case of original issue discount securities, the portion specified in the terms thereof, of all junior subordinated debt securities then outstanding and the accrued interest to be due and payable immediately. However, upon certain conditions the declarations may be annulled and past defaults, except for defaults in the payment of principal of, premium on, or interest on, the junior subordinated debt securities and in compliance with certain covenants, may be waived by the holders of a majority in aggregate principal amount of the junior subordinated debt securities of that series then

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outstanding, subject to the consent of the holders of the preferred securities and the common securities of any Clear Channel Trust as required by its declaration of trust in the event that the junior subordinated debt securities are held as assets of the Clear Channel Trust prior to a security exchange.

When used with respect to the junior subordinated debt securities which are held as trust assets of a Clear Channel Trust pursuant to the declaration of trust of the Clear Channel Trust, the term security exchange means the distribution of the junior subordinated debt securities held by the Clear Channel Trust in exchange for the preferred securities and the common securities of the Clear Channel Trust in dissolution of the Clear Channel Trust pursuant to the declaration of trust of the Clear Channel Trust.

Under the junior subordinated indenture the junior subordinated indenture trustee must give notice to the holders of each series of junior subordinated debt securities of all uncured defaults known to it with respect to that series within 90 days after a default occurs. The term "default" includes the events specified above without notice or grace periods. However, in the case of any default of the type described in the fourth bullet point above, no notice may be given until at least 90 days after the occurrence of the event. The junior subordinated debt trustee will be protected in withholding notice if it in good faith determines that the withholding of notice is in the interests of the holders of the junior subordinated debt securities, except in the case of default in the payment of principal of, premium on, or interest on, any of the junior subordinated debt securities, or default in the payment of any sinking or purchase fund installment or analogous obligations.

No holder of any junior subordinated debt securities of any series may institute any action under either indenture unless:

- the holder has given the junior subordinated indenture trustee written notice of a continuing event of default with respect to that series;

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- the holders of not less than 25% in aggregate principal amount of the junior subordinated debt securities of that series then outstanding have requested the junior subordinated indenture trustee to institute proceedings in respect of the event of default;
- the holder or holders have offered the junior subordinated indenture trustee reasonable indemnity as the trustee may require;
- the junior subordinated indenture trustee has failed to institute an action for 60 days after the notice, request and indemnity have been made as described above; and
- no inconsistent direction has been given to the junior subordinated indenture trustee during the 60-day period by the holders of a majority in aggregate principal amount of junior subordinated debt securities of the series then outstanding, subject to the consent of the holders of the preferred securities and the common securities of any Clear Channel Trust as required by its declaration of trust in the event that the junior subordinated debt securities are held as assets of the Clear Channel Trust prior to a security exchange.

The holders of a majority in aggregate principal amount of the junior subordinated debt securities of any series affected and then outstanding, subject to the consent of the holders of the preferred securities and the common securities of any Clear Channel Trust as required by its declaration of trust in the event that the junior subordinated debt securities are held as assets of the

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Clear Channel Trust prior to a security exchange, will have the right, subject to limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the junior subordinated indenture trustee or exercising any trust or power conferred on the junior subordinated indenture trustee with respect to the series of junior subordinated debt securities. The junior subordinated indenture provides that if an event of default occurs and is continuing, the junior subordinated indenture trustee will be required to use the degree of care of a prudent person in the conduct of the person's own affairs in exercising its rights and powers under the indenture. The junior subordinated indenture further provides that the junior subordinated indenture trustee will not be required to expend or risk its own funds in the performance of any of its duties under the indenture unless it has reasonable grounds for believing that repayment of the funds or adequate indemnity against the risk or liability is reasonably assured to it.

Clear Channel must furnish to the junior subordinated indenture trustees within 120 days after the end of each fiscal year a statement signed by one of its officers to the effect that a review of its activities during the year and of its performance under the junior subordinated indenture and the terms of the junior subordinated debt securities has been made, and, to the best of the knowledge of the signatories based on the review, Clear Channel has complied with all conditions and covenants of the indenture through the year or, if Clear Channel is in default, specifying the default.

If any junior subordinated debt securities are denominated in a currency other than that of the United States, then for the purposes of determining whether the holders of the requisite principal amount of junior subordinated debt securities have taken any action as described in this prospectus, the principal amount of the junior subordinated debt securities will be deemed to be that amount of United States dollars that could be obtained for the principal amount on the basis of the spot rate of exchange into United States dollars for the currency in which the junior subordinated debt securities are denominated as of the date the taking of the action by the holders of the requisite principal amount is evidenced to the junior subordinated indenture trustee as provided in the junior subordinated indenture.

If any junior subordinated debt securities are original issue discount securities, then for the purposes of determining whether the holders of the requisite principal amount of junior subordinated debt securities have taken any action described in this prospectus, the principal amount of the junior subordinated debt securities will be deemed to be the portion of the principal amount that would be due and payable at the time of the taking of the action upon a declaration of acceleration of maturity thereof.

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MODIFICATION OF THE JUNIOR SUBORDINATED INDENTURE

The junior subordinated indenture provides that Clear Channel and the junior subordinated indenture trustee may, without the consent of any holders of junior subordinated debt securities, enter into supplemental indentures for the purposes, among other things, of adding to Clear Channel's covenants, adding additional events of default, establishing the form or terms of any series of junior subordinated debt securities or curing ambiguities or inconsistencies in the indenture or making other provisions.

With specific exceptions, the junior subordinated indenture or the rights of the holders of the junior subordinated debt securities may be modified by Clear Channel and the junior subordinated indenture trustee with the consent of the holders of a majority in aggregate principal amount of the junior subordinated debt securities of each series affected by the modification then

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outstanding, subject to the consent of the holders of the preferred securities and the common securities of any Clear Channel Trust as required by its declaration of trust in the event that the junior subordinated debt securities are held as assets of the Clear Channel Trust prior to a security exchange, but no modification may be made without the consent of the holder of each outstanding junior subordinated debt security affected, subject to the consent of the holders of the preferred securities and the common securities of any Clear Channel Trust as required by its declaration of trust in the event that the junior subordinated debt securities are held as assets of the Clear Channel Trust prior to a security exchange, which would:

- change the maturity of any payment of principal of, or any premium on, or any installment of interest on any junior subordinated debt security;
- reduce the principal amount of or the interest or any premium on any junior subordinated debt security;
- change the method of computing the amount of principal of or interest on any date;
- change any place of payment where, or the currency in which, any junior subordinated debt security or any premium or interest is payable;
- impair the right to sue for the enforcement of any payment on or after the maturity thereof or, in the case of redemption or repayment, on or after the redemption date or the repayment date;
- reduce the percentage in principal amount of the outstanding junior subordinated debt securities of any series where the consent of the holders is required for any modification, or the consent of the holders is required for any waiver of compliance with the provisions of the junior subordinated indenture or specific defaults and their consequences provided for in the indenture; or
- modify any of the provisions of specific sections of the junior subordinated indenture, including the provisions summarized in this section, except to increase any percentage or to provide that other provisions of the indenture cannot be modified or waived without the consent of the holder of each outstanding debt security affected thereby.

SATISFACTION AND DISCHARGE OF THE JUNIOR SUBORDINATED INDENTURE; DEFEASANCE

The junior subordinated indenture will generally cease to be of any further effect with respect to a series of junior subordinated debt securities if Clear Channel delivers all junior subordinated debt securities of that series, with limited exceptions, for cancellation to the junior subordinated indenture trustee or all junior subordinated debt securities of that series not previously delivered for cancellation to the junior subordinated indenture trustee have become due and payable or will become due and payable or called for redemption within one year, and Clear Channel has deposited with the junior subordinated indenture trustee as trust funds the entire amount sufficient to pay at maturity or upon redemption all the junior subordinated debt securities, no default with respect to the junior subordinated debt securities has occurred and is continuing on the date of the deposit, and the deposit does not result in a breach or violation of, or default under, the junior subordinated indenture or any other agreement or instrument to which Clear Channel is a party.

Clear Channel has a "legal defeasance option" under which it may terminate, with respect to the junior subordinated debt securities of a particular series,

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all of its obligations under the junior subordinated debt securities and the junior subordinated indenture. In addition, Clear Channel has a "covenant defeasance option" under which it may terminate, with respect to the junior subordinated debt securities of a particular series, its obligations with respect to the junior subordinated debt securities under specified covenants contained in the junior subordinated indenture. If Clear Channel exercises its legal defeasance option with respect to a series of junior subordinated debt securities, payment of the junior subordinated debt securities may not be accelerated because of an event of default. If Clear Channel exercises its covenant defeasance option with respect to a series of junior subordinated debt securities, payment of the junior subordinated debt securities may not be accelerated because of an event of default related to the specified covenants.

Clear Channel may exercise its legal defeasance option or its covenant defeasance option with respect to the junior subordinated debt securities of a series only if:

- Clear Channel deposits in trust with the junior subordinated indenture trustee cash or debt obligations of the United States of America or its agencies or instrumentalities for the payment of principal, premium and interest with respect to the junior subordinated debt securities to maturity or redemption;
- Clear Channel delivers to the junior subordinated indenture trustee a certificate from a nationally recognized firm of independent public accountants expressing their opinion that the payments of principal and interest when due will provide cash sufficient to pay the principal, premium, and interest when due with respect to all the junior subordinated debt securities of that series to maturity or redemption;
- 91 days pass after the deposit is made and during the 91-day period no default described in the fifth bullet point under "-- Events of Default, Waiver and Notice of Default; Junior Subordinated Debt Securities in Foreign Currencies" above with respect to Clear Channel occurs that is continuing at the end of the period,
- no default has occurred and is continuing on the date of the deposit;
- the deposit does not constitute a default under any other agreement binding on Clear Channel;
- Clear Channel delivers to the junior subordinated indenture trustee an opinion of counsel to the effect that the trust resulting from the deposit does not constitute a regulated investment company under the Investment Company Act of 1940;
- Clear Channel has delivered to the junior subordinated indenture trustee an opinion of counsel addressing specific federal income tax matters relating to the defeasance; and
- Clear Channel delivers to the junior subordinated indenture trustee an officers' certificate and an opinion of counsel stating that all conditions to the defeasance and discharge of the junior subordinated debt securities of that series have been complied with.

The junior subordinated indenture trustee will hold in trust cash or debt obligations of the United States of America or its agencies or instrumentalities deposited with it as described above and will apply the deposited cash and the proceeds from deposited debt obligations of the United States of America or its agencies or instrumentalities to the payment of principal, premium, and interest with respect to the junior subordinated debt securities of the defeased series.

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CONCERNING THE JUNIOR SUBORDINATED INDENTURE TRUSTEE

The junior subordinated indenture trustee for the junior subordinated debt securities will be identified in the relevant prospectus supplement. In specific instances, Clear Channel or the holders of a majority of the then outstanding principal amount of the junior subordinated debt securities issued under an indenture may remove the junior subordinated indenture trustee and appoint a successor junior subordinated

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indenture trustee. The junior subordinated indenture trustee may become the owner or pledgee of any of the junior subordinated debt securities with the same rights, subject to conflict of interest restrictions, it would have if it were not the junior subordinated indenture trustee. The junior subordinated indenture trustee and any successor trustee must be a corporation organized and doing business as a commercial bank or trust company under the laws of the United States or of any state thereof, authorized under those laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to examination by federal or state authority. Subject to applicable law relating to conflicts of interest, the junior subordinated indenture trustee may also serve as trustee under other indentures relating to debt securities or junior subordinated debt securities issued by Clear Channel or its affiliated companies and may engage in commercial transactions with Clear Channel and its affiliated companies. The initial junior subordinated indenture trustee under the junior subordinated indenture is The Bank of New York, who currently serves as Clear Channel's transfer agent and registrar for the common stock and is a lender to Clear Channel under its credit facility.

CERTAIN COVENANTS OF CLEAR CHANNEL APPLICABLE TO THE JUNIOR SUBORDINATED DEBT SECURITIES

If junior subordinated debt securities are issued to a Clear Channel Trust in connection with the issuance of preferred securities by the Clear Channel Trust, Clear Channel covenants in the junior subordinated indenture that, so long as the preferred securities of the Clear Channel Trust remain outstanding, Clear Channel will not declare or pay any dividends on, or redeem, purchase, acquire or make a distribution or liquidation payment with respect to, any common stock or preferred stock or make any guarantee payments with respect thereto if at the time

- Clear Channel is in default with respect to its guarantee payments or other payment obligations under the related guarantee;
- an event of default with respect to the junior subordinated debt securities has occurred; or
- in the event that junior subordinated debt securities are issued to the applicable Clear Channel Trust in connection with the issuance of preferred securities by the Clear Channel Trust, Clear Channel has given notice of its election to defer payments of interest on the junior subordinated debt securities by extending the interest payment period as provided in the terms of the junior subordinated debt securities and the period, or any extension thereof, is continuing.

However, the foregoing restrictions will not apply to

- dividends, redemptions, purchases, acquisitions, distributions or payments made by Clear Channel by way of issuance of shares of its capital stock;

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- any declaration of a dividend under a shareholder rights plan or in connection with the implementation of a shareholder rights plan, the issuance of Clear Channel's capital stock under a shareholder rights plan or the redemption or repurchase of any right distributed pursuant to a shareholder rights plan;
- payments of accrued dividends by Clear Channel upon the redemption, exchange or conversion of any preferred stock as may be outstanding from time to time in accordance with the terms of the preferred stock;
- cash payments made by Clear Channel in lieu of delivering fractional shares upon the redemption, exchange or conversion of any preferred stock as may be outstanding from time to time in accordance with the terms of the preferred stock;
- payments under the guarantees; or
- purchases of common stock related to the issuance of common stock or rights under any of Clear Channel's benefit plans for its directors, officers or employees, or related to the issuance of common stock or rights under a dividend reinvestment and stock purchase plan.

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In addition, if junior subordinated debt securities are issued to a Clear Channel Trust in connection with the issuance of preferred securities by the Clear Channel Trust, for so long as the preferred securities of the Clear Channel Trust remain outstanding, Clear Channel has agreed

- to remain the sole direct or indirect owner of all the outstanding common securities issued by the Clear Channel Trust and not to cause or permit the common securities to be transferred except to the extent permitted by the declaration of the Clear Channel Trust; provided that any of Clear Channel's permitted successors under the junior subordinated indenture may succeed to its ownership of the common securities;
- to comply fully with all its obligations and agreements under the declaration; and
- not to take any action which would cause the Clear Channel Trust to cease to be treated as a grantor trust for federal income tax purposes, except in connection with a distribution of junior subordinated debt securities.

SUBORDINATION

The junior subordinated debt securities will be subordinated and junior in right of payment to Clear Channel's other indebtedness to the extent set forth in the applicable prospectus supplement.

The payment of the principal of, premium, if any, and interest on the junior subordinated debt securities will be subordinated in right of payment to the prior payment in full of all of Clear Channel's senior indebtedness and will rank equally with its trade creditors. No payment on account of principal of, premium, if any, or interest on the junior subordinated debt securities and no acquisition of, or payment on account of any sinking fund for, the junior subordinated debt securities may be made unless full payment of amounts then due for principal, premium, if any, and interest then due on all senior indebtedness by reason of the maturity thereof, by lapse of time, acceleration or otherwise, has been made or duly provided for in cash or in a manner satisfactory to the holders of the senior indebtedness. In addition, the junior subordinated indenture provides that if a default has occurred giving the holders of the

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senior indebtedness the right to accelerate the maturity thereof, or an event has occurred which, with the giving of notice, or lapse of time, or both, would constitute an event of default, then unless and until that event has been cured or waived or has ceased to exist, no payment on account of principal, premium, if any, or interest on the junior subordinated debt securities and no acquisition of, or payment on account of a sinking fund for, the junior subordinated debt securities may be made. Clear Channel will give prompt written notice to the junior subordinated indenture trustee of any default under any senior indebtedness or under any agreement pursuant to which senior indebtedness may have been issued. The junior subordinated indenture provisions described in this paragraph, however, do not prevent Clear Channel from making a sinking fund payment with junior subordinated debt securities acquired prior to the maturity of senior indebtedness or, in the case of default, prior to the default and notice thereof. Upon any distribution of Clear Channel's assets in connection with its dissolution, liquidation or reorganization, all senior indebtedness must be paid in full before the holders of the junior subordinated debt securities are entitled to any payments whatsoever. As a result of these subordination provisions, in the event of Clear Channel's insolvency, holders of the junior subordinated debt securities may recover ratably less than Clear Channel's senior creditors.

For purposes of the description of the junior subordinated debt securities, the term senior indebtedness means the principal of and premium, if any, and interest on the following, whether outstanding on the date of execution of the junior subordinated indenture or incurred or created after the execution

- Clear Channel's indebtedness for money borrowed by it, including purchase money obligations with an original maturity in excess of one year, or evidenced by securities, notes, bankers' acceptances or other corporate debt securities or similar instruments issued by Clear Channel other than the junior subordinated debt securities;
- obligations with respect to letters of credit;

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- Clear Channel's indebtedness constituting a guarantee of indebtedness of others of the type referred to in the preceding two bullet points; or
- renewals, extensions or refundings of any of the indebtedness referred to in the preceding three bullet points unless, in the case of any particular indebtedness, renewal, extension or refunding, under the express provisions of the instrument creating or evidencing the same, or pursuant to which the same is outstanding, the indebtedness or the renewal, extension or refunding thereof is not superior in right of payment to the junior subordinated debt securities.

DESCRIPTION OF PREFERRED STOCK

Clear Channel's board of directors may issue up to 2,000,000 shares of Class A preferred stock and up to 8,000,000 shares of Class B preferred stock. Either class of preferred stock may be issued in one or more series, and the rights, preferences, privileges and qualifications of the preferred stock may be fixed by the board of directors without any further vote or action by the shareholders. However, shares of Class B preferred stock will not be entitled to more than one vote per share when the shares are voted as a class with common shareholders. In addition, the board of directors and management of Clear Channel have undertaken not to issue, without prior shareholder approval, Class B preferred stock

- for any defensive or anti-takeover purpose;

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- to implement any shareholders' rights plan; or
- with features intended to make any attempted acquisition of Clear Channel more difficult or costly.

However, the restrictions do not apply to the 2,000,000 shares of Class A preferred stock which are currently authorized.

The issuance of either class of preferred stock could decrease the amount of earnings and assets available for distribution to common shareholders. In addition, the issuance of either class of preferred stock could adversely affect the rights and powers, including voting rights, of common shareholders and may have the effect of delaying, deferring or preventing a change in control of Clear Channel. No shares of either class of preferred stock have ever been issued. The particular terms of any series of preferred stock will be described in the applicable prospectus supplement.

DESCRIPTION OF COMMON STOCK

Clear Channel's board of directors has the authority to issue up to 1,500,000,000 shares of common stock. As of March 31, 2000, 338,609,503 shares of common stock were outstanding. Common shareholders are entitled to one vote per share on all matters submitted to a vote of shareholders. In addition common stockholders may receive dividends, if any, on a pro rata basis that may be declared from time to time by the board of directors from legally available funds. However, the payment of any dividends on shares of common stock would be subject to the payment of any preferential dividends on any preferred stock that may be outstanding. Upon liquidation, dissolution or winding up of Clear Channel, common shareholders are entitled to share ratably in any assets available for distribution to shareholders after payment of all Clear Channel's obligations and all preferential distributions payable of the holders of any shares of preferred stock then outstanding.

Common shareholders do not have cumulative voting rights or preemptive or other rights to acquire or subscribe to additional, unissued or treasury shares. The shares of common stock currently outstanding are, and the shares of common stock offered hereby will be, upon issuance thereof, validly issued, fully paid and nonassessable.

REPURCHASE AGREEMENT

In May 1977, Clear Channel and several of its shareholders at the time, including L. Lowry Mays and B.J. McCombs, entered into a Buy-Sell Agreement restricting the disposition of the outstanding shares

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of common stock owned by L. Lowry Mays and B.J. McCombs and their heirs, legal representatives, successors and assigns. The Buy-Sell Agreement provides that in the event that L. Lowry Mays, B.J. McCombs or their heirs, legal representatives, successors and assigns desire to dispose of their shares, other than by disposition by will or intestacy or through gifts to the party's spouse or children, the shares must be offered for a period of 30 days to Clear Channel. Any shares not purchased by Clear Channel must then be offered for a period of 30 days to the other parties to the Buy-Sell Agreement. If all of the offered shares are not purchased by Clear Channel or the other parties to the Buy-Sell Agreement, the party offering his shares may sell them to a third party during the following 90-day period at a price and on terms not more favorable than those offered to Clear Channel and the other parties. In addition, L. Lowry Mays, B.J. McCombs or their heirs, legal representatives, successors and assigns may not individually or in concert with others sell any shares so as to deliver

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voting control to a third party without providing in any sale that all parties to the Buy-Sell Agreement will be offered the same price and terms for their shares. The Buy-Sell Agreement will continue in effect following any offering under this prospectus and may preserve the control of the present principal shareholders.

TEXAS BUSINESS COMBINATION LAW

Clear Channel is governed by the provisions of the Texas Business Corporation Act. The act imposes a special voting requirement for the approval of specific business combinations and related party transactions between public corporations and affiliated stockholders unless the board of directors of the corporation approves the transaction or the acquisition of shares by the affiliated stockholder prior to the affiliate stockholders becoming an affiliated stockholder. The act prohibits specific mergers, sales of assets, reclassifications and other transactions between stockholders beneficially owning 20% or more of the outstanding stock of a Texas public corporation for a period of three years following the stockholder acquiring shares representing 20% or more of the corporation's voting power unless two-thirds of the unaffiliated stockholders approve the transaction at a meeting held no earlier than six months after the stockholder acquires that ownership. A vote of stockholders is not necessary if the board of directors approves the transaction or approves the purchase of shares by the affiliated stockholder before the affiliated stockholder acquires beneficial ownership of 20% of the shares, or if the affiliated stockholder was an affiliated stockholder before December 31, 1996, and continued as such through the date of the transaction.

FOREIGN OWNERSHIP

As a consequence of the restrictions imposed by the Communications Act of 1934 on ownership of common stock by aliens, Clear Channel's bylaws were amended effective December 31, 1983 to provide that

- not more than one-fifth of the shares outstanding will at any time be owned of record, or voted, by or for the account of aliens, their representatives, a foreign government or a corporation organized under the laws of a foreign country;
- Clear Channel will not be owned or controlled directly or indirectly by any other corporation of which any officer or more than one-fourth of the directors are aliens or of which more than one-fourth of the shares are owned of record or voted by aliens;
- no person who is an alien may be elected or serve as an officer or director of Clear Channel; and
- if the stock records of Clear Channel at any time reflect one-fifth alien ownership, no transfers of additional shares to aliens will be made and, if it is found that any additional shares are in fact held by or for the account of an alien, the shares will not be entitled to vote, to receive dividends or to have any other rights.

An alien owning shares in excess of one-fifth of the total number of outstanding shares will be required to transfer them to a United States citizen or to Clear Channel. This restriction will be applicable to any shares of common stock offered under this prospectus and to the issuance or transfer of the shares

after the date of this prospectus. Clear Channel's stock certificates may bear a

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legend setting forth this restriction. Since the bylaws were amended, the Communications Act has been revised to remove the limitations on alien officers and directors.

DESCRIPTION OF WARRANTS

Clear Channel may issue warrants for the purchase of debt securities or junior subordinated debt securities, or shares of preferred stock or common stock. Warrants may be issued independently or together with any debt securities, junior subordinated debt securities, or shares of preferred stock or common stock offered by any prospectus supplement and may be attached to or separate from the debt securities, junior subordinated debt securities, or shares of preferred stock or common stock. The warrants are to be issued under warrant agreements to be entered into between Clear Channel and The Bank of New York, as warrant agent, or such other bank or trust company as is named in the prospectus supplement relating to the particular issue of warrants. The warrant agent will act solely as an agent of Clear Channel in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders of warrants or beneficial owners of warrants.

GENERAL

If warrants are offered, the prospectus supplement will describe the terms of the warrants, including the following:

- the offering price;
- the currency, currencies or currency units for which warrants may be purchased;
- the designation, aggregate principal amount, currency, currencies or currency units and terms of the debt securities or junior subordinated debt securities purchasable upon exercise of the debt warrants and the price at which the debt securities or junior subordinated debt securities may be purchased upon such exercise;
- the designation, number of shares and terms of the preferred stock purchasable upon exercise of the preferred stock warrants and the price at which the shares of preferred stock may be purchased upon such exercise;
- the designation, number of shares and terms of the common stock purchasable upon exercise of the common stock warrants and the price at which the shares of common stock may be purchased upon such exercise;
- if applicable, the designation and terms of the debt securities, junior subordinated debt securities, preferred stock or common stock with which the warrants are issued and the number of warrants issued with each debt security, junior subordinated debt security or share of preferred stock or common stock;
- if applicable, the date on and after which the warrants and the related debt securities, junior subordinated debt securities, preferred stock or common stock will be separately transferable;
- the date on which the right to exercise the warrants will commence and the date on which the right will expire;
- whether the warrants will be issued in registered or bearer form;
- a discussion of the federal income tax, accounting and other special considerations, procedures and limitations relating to the warrants; and

- any other terms of the warrants.

Warrants may be exchanged for new warrants of different denominations, may, if in registered form, be presented for registration of transfer, and may be exercised at the corporate trust office of the warrant

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agent or any other office indicated in the prospectus supplement. Before the exercise of their warrants, holders of warrants will not have any of the rights of holders of the various securities purchasable upon the exercise, including the right to receive payments of principal of, any premium on, or any interest on, the debt securities or junior subordinated debt securities purchasable upon the exercise or to enforce the covenants in the indenture or the junior subordinated indenture or to receive payments of dividends, if any, on the preferred stock or common stock purchasable upon the exercise or to exercise any applicable right to vote. If Clear Channel maintains the ability to reduce the exercise price of any stock warrant and the right is triggered, it will comply with the federal securities laws, including Rule 13e-4 under the Exchange Act of 1934, to the extent applicable.

EXERCISE OF WARRANTS

Each warrant will entitle the holder to purchase a principal amount of debt securities or junior subordinated debt securities or a number of shares of preferred stock or common stock at the exercise price as will in each case be set forth in, or calculable from, the prospectus supplement relating to the warrant. Warrants may be exercised at the times that are set forth in the prospectus supplement relating to the warrants. After the close of business on the date on which the warrant expires, or any later date to which Clear Channel may extend the expiration date, unexercised warrants will become void.

Subject to any restrictions and additional requirements that may be set forth in a prospectus supplement relating thereto, warrants may be exercised by delivery to the warrant agent of the certificate evidencing the warrants properly completed and duly executed and of payment as provided in the prospectus supplement of the amount required to purchase the debt securities, junior subordinated debt securities or shares of preferred stock or common stock purchasable upon the exercise. The exercise price will be the price applicable on the date of payment in full, as set forth in the prospectus supplement relating to the warrants. Upon receipt of the payment and the certificate representing the warrants to be exercised, properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement, Clear Channel will, as soon as practicable, issue and deliver the debt securities, junior subordinated debt securities or shares of preferred stock or common stock purchasable upon the exercise. If fewer than all of the warrants represented by a certificate are exercised, a new certificate will be issued for the remaining amount of warrants.

ADDITIONAL PROVISIONS

The exercise price payable and the number of shares of common or preferred stock purchasable upon the exercise of each stock warrant will be subject to adjustment in specific events, including the issuance of a stock dividend to holders of common or preferred stock, respectively, or a combination, subdivision or reclassification of common or preferred stock, respectively. In lieu of adjusting the number of shares of common or preferred stock purchasable upon exercise of each stock warrant, Clear Channel may elect to adjust the number of stock warrants. No adjustment in the number of shares purchasable upon exercise of the stock warrants will be required until cumulative adjustments

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require an adjustment of at least 1% thereof. Clear Channel may, at its option, reduce the exercise price at any time. No fractional shares will be issued upon exercise of stock warrants, but Clear Channel will pay the cash value of any fractional shares otherwise issuable. In case of any consolidation, merger, or sale or conveyance of the property of Clear Channel as an entirety or substantially as an entirety, the holder of each outstanding stock warrant will have the right upon the exercise to the kind and amount of shares of stock and other securities and property, including cash, receivable by a holder of the number of shares of common stock or preferred stock into which the stock warrants were exercisable immediately prior thereto.

NO RIGHTS AS SHAREHOLDERS

Holders of stock warrants will not be entitled, by virtue of being the holders, to vote, to consent, to receive dividends, to receive notice as shareholders with respect to any meeting of shareholders for the election of Clear Channel's directors or any other matter, or to exercise any rights whatsoever as its shareholders.

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DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

Clear Channel may issue stock purchase contracts. Stock purchase contracts are contracts obligating holders to purchase from Clear Channel, and Clear Channel to sell to the holders, a specified number of shares of common stock or preferred stock at a future date or dates. The price per share of common stock or preferred stock may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts. The formulas may include anti-dilution provisions to adjust the number of shares issuable under the stock purchase contracts upon events that would otherwise dilute the interests of the holders. The stock purchase contracts may be issued separately or as a part of stock purchase units each representing ownership of a stock purchase contract and debt securities, junior subordinated debt securities, debt obligations of the United States of America or its agencies or instrumentalities, or preferred securities securing the holders' obligations to purchase the common stock or the preferred stock under the stock purchase contracts.

When stock purchase units include debt obligations of the United States of America or its agencies or instrumentalities, the principal of the debt obligations, when paid at maturity, will automatically be applied to satisfy the holder's obligation to purchase common stock or preferred stock under the stock purchase contracts unless the holder of the units settles its obligations under the stock purchase contracts early through the delivery of consideration to Clear Channel or its agent in the manner discussed below.

When stock purchase units include junior subordinated debt securities or preferred securities, the junior subordinated debt securities or preferred securities will automatically be presented to the applicable Clear Channel Trust for redemption at 100% of face or liquidation value and the Clear Channel Trust will present junior subordinated debt securities in an equal principal amount to Clear Channel for redemption at 100% of principal amount unless there is an early settlement or the holder elects to pay the consideration specified in the stock purchase contracts. Amounts received in respect of the redemption will automatically be transferred to Clear Channel and applied to satisfy in full the holder's obligation to purchase common stock or preferred stock under the stock purchase contracts. The stock purchase contracts may require Clear Channel to make periodic payments to the holders of the stock purchase units or vice versa, and the payments may be unsecured or refunded on some basis. The stock purchase contracts may require holders to secure their obligations in a specified manner.

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Holders of stock purchase units may be entitled to settle the underlying stock purchase contracts prior to the stated settlement date by surrendering the certificate evidencing the stock purchase units, accompanied by the payment due, in any form and calculated pursuant to any formula as may be prescribed in the stock purchase contracts and described in the applicable prospectus supplement. Upon early settlement, the holder would receive the number of shares of common stock or preferred stock deliverable under the stock purchase contracts, subject to adjustment in specific cases. Holders of stock purchase units may be entitled to exchange their stock purchase units together with appropriate collateral, for separate stock purchase contracts and preferred securities, debt securities, junior subordinated debt securities or debt obligations of the United States of America or its agencies or instrumentalities. In the event of either an early settlement or exchange, the preferred securities, debt securities, junior subordinated debt securities or debt obligations that were pledged as security for the obligation of the holder to perform under the stock purchase contracts would be transferred to the holder free and clear of Clear Channel's security interest.

The applicable prospectus supplement will describe the terms of any stock purchase contracts or stock purchase units including differences, if any, from the term described above.

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DESCRIPTION OF PREFERRED SECURITIES

Each Clear Channel Trust may issue, from time to time, only one series of preferred securities having terms described in the prospectus supplement relating thereto. The declaration of trust under which each Clear Channel Trust is formed will be replaced by an amended and restated declaration of trust, which will authorize the regular trustees of the Clear Channel Trust to issue on behalf of the Clear Channel Trust one series of preferred securities. Each amended and restated declaration of trust will be qualified as an indenture under the Trust Indenture Act. The preferred securities will have terms, including distributions, redemption, voting, liquidation rights and other preferred, deferred or other special rights or restrictions as will be set forth in the related amended and restated declaration of trust or made part of the declaration by the Trust Indenture Act. Reference is made to any prospectus supplement relating to the preferred securities of a Clear Channel Trust for specific terms, including

- the specific designation of the preferred securities;
- the number of preferred securities issued by the Clear Channel Trust;
- the annual distribution rate, or method of calculation of the rate, for preferred securities issued by the Clear Channel Trust, the date or dates upon which the distributions will be payable and the record date or dates for the payment of the distributions;
- whether distributions on preferred securities issued by the Clear Channel Trust will be cumulative, and, in the case of preferred securities having cumulative distribution rights, the date or dates or method of determining the date or dates from which distributions on preferred securities issued by the Clear Channel Trust will be cumulative;
- the amount or amounts which will be paid out of the assets of the Clear Channel Trust to the holders of preferred securities of the Clear Channel Trust upon voluntary or involuntary liquidation, dissolution, winding-up or termination of the Clear Channel Trust;

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- the obligation or right, if any, of the Clear Channel Trust to purchase or redeem preferred securities issued by the Clear Channel Trust and the price or prices at which, the period or periods within which and the terms and conditions upon which preferred securities issued by the Clear Channel Trust will or may be purchased or redeemed, in whole or in part, pursuant to an obligation or right;
- the voting rights, if any, of preferred securities issued by the Clear Channel Trust in addition to those required by law, including the number of votes per preferred security and any requirement for the approval by the holders of preferred securities, or of preferred securities issued by one or more Clear Channel Trusts, or of both, as a condition to specified actions or amendments to the declaration of the Clear Channel Trust;
- the terms and conditions upon which the preferred securities may be convertible into or exchanged for common stock, preferred stock, debt securities, junior subordinated debt securities, or indebtedness or other securities of any kind of Clear Channel; and
- any other relevant rights, preferences, privileges, limitations or restrictions of preferred securities issued by the Clear Channel Trust consistent with the declaration of the Clear Channel Trust or with applicable law.

All preferred securities offered hereby will be guaranteed by Clear Channel as and to the extent set forth below under "Description of the Guarantees." Federal income tax considerations applicable to any offering of preferred securities will be described in the applicable prospectus supplement.

In connection with the issuance of preferred securities, each Clear Channel Trust will issue one series of common securities. The amended and restated declaration of each Clear Channel Trust will authorize the regular trustees of the Clear Channel Trust to issue one series of common securities having terms including distributions, redemption, voting, liquidation rights or restrictions as set forth in the amended and restated declaration. The terms of the common securities issued by a Clear Channel Trust will be

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substantially identical to the terms of the preferred securities issued by the Clear Channel Trust. The common securities will rank equally with the preferred securities and payments on the common securities will be made on a pro rata basis with the preferred securities. However, if an event of default under the amended and restated declaration of trust occurs and is continuing, the rights of the holders of the common securities to payment in respect of distributions and payments upon liquidation, redemption and maturity will be subordinated to the rights of the holders of the preferred securities. Generally, the common securities issued by a Clear Channel Trust will also carry the right to vote and to appoint, remove or replace any of the trustees of the Clear Channel Trust. All the common securities of a Clear Channel Trust will be owned by Clear Channel or its subsidiary.

As long as payments of interest and other payments are made when due on the junior subordinated debt securities, the payments will be sufficient to cover distributions and other payments due on the preferred securities primarily because the aggregate principal amount of junior subordinated debt securities held as trust assets will be equal to the sum of the aggregate stated liquidation amount of the preferred securities, and the interest rate and interest and other payment dates on the junior subordinated debt securities will match the distribution rate and distribution and other payment dates for the preferred securities.

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If an event of default with respect to the amended and restated declaration of any Clear Channel Trust occurs and is continuing, then the holders of preferred securities of the Clear Channel Trust would rely on the enforcement by the property trustee of its rights as a holder of the junior subordinated debt securities deposited in the Clear Channel Trust against Clear Channel. In addition, the holders of a majority in liquidation amount of the preferred securities will have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the property trustee or to direct the exercise of any power conferred upon the property trustee under the amended and restated declaration of trust, including the right to direct the property trustee to exercise the remedies available to it as a holder of the junior subordinated debt securities. If the property trustee fails to enforce its rights under the junior subordinated debt securities deposited in the Clear Channel Trust, any holder of the preferred securities may, to the extent permitted by applicable law, after a period of 60 days has elapsed from the holder's written request, institute a legal proceeding against Clear Channel to enforce the property trustee's rights under the junior subordinated debt securities without first instituting any legal proceeding against the property trustee or any other person or entity. If an event of default with respect to the amended and restated declaration of any Clear Channel Trust occurs and is continuing and the event is attributable to the failure of Clear Channel to pay interest or principal on the junior subordinated debt securities on the date the interest or principal is otherwise payable, or in the case of redemption, on the redemption date, then a holder of preferred securities of the Clear Channel Trust may also directly institute a proceeding for enforcement of payment to the holder of the principal of or interest on the junior subordinated debt securities having a principal amount equal to the aggregate liquidation amount of the preferred securities held by the holder on or after the respective due date specified in the junior subordinated debt securities without first directing the property trustee to enforce the terms of the junior subordinated debt securities or instituting a legal proceeding against Clear Channel to enforce the property trustee's rights under the junior subordinated debt securities. In connection with a direct action, the rights of Clear Channel will be substituted for the rights of the holder of the preferred securities under the amended and restated declaration of trust to the extent of any payment made by Clear Channel to the holder of the preferred securities in a direct action. The holders of preferred securities of a Clear Channel Trust will not be able to exercise directly any other remedy available to the holders of the junior subordinated debt securities unless the property trustee first fails to do so.

Federal income tax considerations applicable to an investment in preferred securities will be described in the prospectus supplement relating thereto.

The property trustee and its affiliates may provide customary commercial banking services to Clear Channel and its subsidiaries and participate in various financing agreements of Clear Channel in the ordinary course of their business. Initially, the property trustee is The Bank of New York, who currently serves as Clear Channel's transfer agent and registrar for the common stock and is a lender to Clear Channel under its credit facility.

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DESCRIPTION OF GUARANTEES

Set forth below is a summary of information concerning the guarantees that will be executed and delivered from time to time by Clear Channel for the benefit of the holders of preferred securities of a Clear Channel Trust. Each preferred security guarantee will be separately qualified under the Trust Indenture Act and will be held by The Bank of New York, acting in its capacity as guarantee trustee with respect to the guarantee, for the benefit of holders of the preferred securities of the applicable Clear Channel Trust. The terms of

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each guarantee will be set forth in the guarantee or made part of the guarantee by the Trust Indenture Act.

GENERAL

Pursuant to each guarantee, Clear Channel will irrevocably and unconditionally agree, to the extent set forth in the guarantee, to pay in full, to the holders of the preferred securities issued by the applicable Clear Channel Trust, the guarantee payments, to the extent not paid by the Clear Channel Trust, regardless of any defense, right of set-off or counterclaim that the Clear Channel Trust may have or assert. The following distributions and other payments with respect to preferred securities issued by a Clear Channel Trust to the extent not made or paid by the Clear Channel Trust, will be subject to the guarantee without duplication:

- any accrued and unpaid distributions on the preferred securities, but only to the extent that in each case Clear Channel has made a payment to the property trustee of interest on the junior subordinated debt securities;
- the redemption price, including all accrued and unpaid distributions to the date of redemption, with respect to any preferred securities called for redemption by the Clear Channel Trust, but only to the extent that in each case Clear Channel has made a payment to the property trustee of interest or principal on the junior subordinated debt securities deposited in the Clear Channel Trust as trust assets; and
- upon a voluntary or involuntary liquidation, dissolution, winding-up or termination of the Clear Channel Trust, other than in connection with the distribution of related junior subordinated debt securities to the holders of the preferred securities or the redemption of all the preferred securities upon the maturity or redemption of the junior subordinated debt securities, the lesser of
 - (1) the aggregate of the liquidation amount and all accrued and unpaid distributions on the preferred securities to the date of payment, to the extent the Clear Channel Trust has funds available, and
 - (2) the amount of assets of the Clear Channel Trust remaining available for distribution to holders of the preferred securities upon liquidation of the Clear Channel Trust.

Clear Channel's obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by Clear Channel to the holders of the applicable preferred securities or by causing the applicable Clear Channel Trust to pay the amounts to the holders.

The guarantee is a full and unconditional guarantee from the time of issuance of the applicable preferred securities, but the guarantee covers distributions and other payments on the preferred securities only if and to the extent that Clear Channel has made a payment to the property trustee of interest or principal on the junior subordinated debt securities deposited in the applicable Clear Channel Trust as trust assets. If Clear Channel does not make interest or principal payments on the junior subordinated debt securities deposited in the applicable Clear Channel Trust as trust assets, the property trustee will not make distributions on the preferred securities of the Clear Channel Trust and the Clear Channel Trust will not have the necessary funds available to make these payments.

Clear Channel's obligations under the declaration for each Clear Channel Trust, the guarantee issued with respect to preferred securities issued by the Clear Channel Trust, the junior subordinated debt securities purchased by the

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Clear Channel Trust and the junior subordinated indenture in the aggregate

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will provide a full and unconditional guarantee on a subordinated basis by Clear Channel of payments due on the preferred securities issued by the Clear Channel Trust.

CERTAIN COVENANTS OF CLEAR CHANNEL

In each guarantee, Clear Channel will covenant that, so long as any preferred securities issued by the applicable Clear Channel Trust remain outstanding, Clear Channel will not declare or pay any dividends on, or redeem, purchase, acquire or make a distribution or liquidation payment with respect to, any common stock or preferred stock or make any guarantee payment with respect to these amounts, if at the time

- Clear Channel will be in default with respect to its guarantee payments or other payment obligations under the guarantee;
- any event of default under the related amended and restated declaration of trust has occurred; or
- in the event that junior subordinated debt securities are issued to the applicable Clear Channel Trust in connection with the issuance of preferred securities by the Clear Channel Trust, Clear Channel has given notice of its election to defer payments of interest on the junior subordinated debt securities by extending the interest payment period as provided in the terms of the junior subordinated debt securities and the period, or any extension thereof, is continuing.

However, the foregoing restrictions will not apply to

- dividends, redemptions, purchases, acquisitions, distributions or payments made by Clear Channel by way of issuance of shares of its capital stock;
- any declaration of a dividend under a shareholder rights plan or in connection with the implementation of a shareholder rights plan, the issuance of capital stock of Clear Channel under a shareholder rights plan or the redemption or repurchase of any right distributed pursuant to a shareholder rights plan;
- payments of accrued dividends by Clear Channel upon the redemption, exchange or conversion of any preferred stock as may be outstanding from time to time in accordance with the terms of the preferred stock;
- cash payments made by Clear Channel in lieu of delivering fractional shares upon the redemption, exchange or conversion of any preferred stock as may be outstanding from time to time in accordance with the terms of the preferred stock;
- payments under the guarantees; or
- purchases of common stock related to the issuance of common stock or rights under any of Clear Channel's benefit plans for its directors, officers or employees, or related to the issuance of common stock or rights under a dividend reinvestment and stock purchase plan.

In addition, so long as any preferred securities of a Clear Channel Trust remain outstanding, Clear Channel has agreed to remain the sole direct or indirect owner of all the outstanding common securities issued by the Clear

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Channel Trust and not to cause or permit the common securities to be transferred except to the extent permitted by the declaration of the Clear Channel Trust, provided that any permitted successor of Clear Channel under the junior subordinated indenture may succeed to Clear Channel's ownership of the common securities, and to use reasonable efforts to cause the Clear Channel Trust to continue to be treated as a grantor trust for federal income tax purposes, except in connection with a distribution of junior subordinated debt securities.

AMENDMENTS AND ASSIGNMENT

Except with respect to any changes that do not adversely affect the rights of holders of the applicable preferred securities, in which case no consent will be required, each guarantee may be amended only with

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the prior approval of the holders of not less than 66 2/3% in liquidation amount of the outstanding preferred securities issued by the applicable Clear Channel Trust. The manner of obtaining any such approval of holders of the preferred securities will be set forth in an accompanying prospectus supplement. All guarantees and agreements contained in a guarantee will bind the successors, assignees, receivers, trustees and representatives of Clear Channel and will inure to the benefit of the holders of the preferred securities of the applicable Clear Channel Trust then outstanding. Except in connection with a consolidation, merger, conveyance, or transfer of assets involving Clear Channel that is permitted under the junior subordinated indenture, Clear Channel may not assign its obligations under any guarantee.

TERMINATION OF THE GUARANTEES

Each guarantee will terminate and be of no further force and effect as to the preferred securities issued by the applicable Clear Channel Trust upon full payment of the redemption price of all preferred securities of the Clear Channel Trust, or upon distribution of the junior subordinated debt securities to the holders of the preferred securities of the Clear Channel Trust in exchange for all the preferred securities issued by the Clear Channel Trust, or upon full payment of the amounts payable upon liquidation of the Clear Channel Trust. Nevertheless, each guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of preferred securities issued by the applicable Clear Channel Trust must restore payment of any sums paid under the preferred securities or the guarantee.

STATUS OF THE GUARANTEES

Clear Channel's obligations to make the guarantee payments to the extent set forth in the applicable guarantee will constitute an unsecured obligation of Clear Channel and will rank subordinate and junior in right of payment to all other indebtedness, liabilities and obligations of Clear Channel and any guarantees, endorsements or other contingent obligations of Clear Channel, except those made on an equal basis or subordinate by their terms, and senior to all capital stock issued by Clear Channel and to any guarantee entered into by Clear Channel in respect of any of its capital stock. Clear Channel's obligations under each guarantee will rank equally with each other guarantee. Because Clear Channel is a holding company, Clear Channel's obligations under each guarantee are also effectively subordinated to all existing and future liabilities, including trade payables, of Clear Channel's subsidiaries, except to the extent that Clear Channel is a creditor of the subsidiaries recognized as such. Each amended and restated declaration of trust will provide that each holder of preferred securities issued by the applicable Clear Channel Trust, by acceptance thereof, agrees to the subordination provisions and other terms of the related guarantee.

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The guaranteed party may institute a legal proceeding directly against Clear Channel to enforce its rights under a guarantee without first instituting a legal proceeding against any other person or entity. Each guarantee will be deposited with the guarantee trustee, to be held for the benefit of the holders of the preferred securities issued by the applicable Clear Channel Trust. The guarantee trustee will enforce the guarantee on behalf of the holders of the preferred securities. The holders of not less than a majority in aggregate liquidation amount of the preferred securities issued by the applicable Clear Channel Trust have the right to direct the time, method and place of conducting any proceeding for any remedy available in respect of the related guarantee, including the giving of directions to the guarantee trustee. If the guarantee trustee fails to enforce a guarantee as above provided, any holder of preferred securities issued by the applicable Clear Channel Trust may institute a legal proceeding directly against Clear Channel to enforce its rights under the guarantee, without first instituting a legal proceeding against the applicable Clear Channel Trust, or any other person or entity. However, if Clear Channel has failed to make a guarantee payment, a holder of preferred securities may directly institute a proceeding against Clear Channel for enforcement of the holder's right to receive payment under the guarantee. Clear Channel waives any right or remedy to require that any action be brought first against a Clear Channel Trust or any other person or entity before proceeding directly against Clear Channel.

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MISCELLANEOUS

Clear Channel will be required to provide annually to the guarantee trustee a statement as to the performance by Clear Channel of its obligations under each guarantee and as to any default in the performance. Clear Channel is required to file annually with the guarantee trustee an officer's certificate as to Clear Channel's compliance with all conditions to be complied with by it under each guarantee.

The guarantee trustee, prior to the occurrence of a default, undertakes to perform only those duties as are specifically set forth in the applicable guarantee and, after default with respect to a guarantee, will exercise the same degree of care as a prudent individual would exercise under the circumstances in the conduct of his or her own affairs. Subject to that provision, the guarantee trustee is under no obligation to exercise any of the powers vested in it by a preferred securities guarantee at the request of any holder of preferred securities unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that might be incurred thereby.

ERISA MATTERS

Clear Channel and its affiliates may each be considered a "party in interest" within the meaning of the Employee Retirement Income Security Act or a "disqualified person" within the meaning of Section 4975 of the Internal Revenue Code with respect to many employee benefit plans that are subject to ERISA. The purchase of any securities offered by this prospectus by a plan that is subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of Section 4975 of the Internal Revenue Code, including individual retirement arrangements and other plans described in Section 4975(e)(1), and with respect to which Clear Channel or any affiliate of Clear Channel is a service provider, a party in interest or a disqualified person, may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Internal Revenue Code, unless the securities offered by this prospectus are acquired pursuant to and in accordance with an applicable exemption. Any pension or other employee benefit plan proposing to acquire any securities offered by

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this prospectus should consult with its counsel.

PLAN OF DISTRIBUTION

Clear Channel or the Clear Channel Trusts may sell the securities offered by this prospectus

- through underwriters or dealers;
- through agents;
- directly to purchasers; or
- through a combination of any such methods of sale.

Any underwriter, dealer or agent may be deemed to be an underwriter within the meaning of the Securities Act of 1933. The prospectus supplement relating to the securities offered by this prospectus will set forth

- their offering terms, including the name or names of any underwriters, dealers or agents;
- the purchase price of the securities offered by this prospectus;
- the proceeds to Clear Channel or the Clear Channel Trusts from the sale;
- any underwriting discounts, commissions and other items constituting compensation to underwriters, dealers or agents;
- any initial public offering price;
- any discounts or concessions allowed or reallocated or paid by underwriters or dealers to other dealers; and
- any securities exchanges on which the securities offered by this prospectus may be listed.

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If underwriters or dealers are used in the sale, the securities offered by this prospectus will be acquired by the underwriters or dealers for their own account and may be resold from time to time

- in one or more transactions;
- at a fixed price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to the prevailing market prices; or
- at negotiated prices.

The securities offered by this prospectus may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of those firms. Unless otherwise set forth in the prospectus supplement, the obligations of underwriters or dealers to purchase the securities offered by this prospectus will be subject to specific conditions precedent and the underwriters or dealers will be obligated to purchase all the securities offered by this prospectus if any are purchased. Any public offering price and any discounts or concessions allowed or reallocated

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or paid by underwriters or dealers to other dealers may be changed from time to time.

The securities offered by this prospectus may be sold directly by Clear Channel or the Clear Channel Trusts or through agents designated by Clear Channel or the Clear Channel Trusts. Any agent involved in the offer or sale of the securities offered by this prospectus in respect of which this prospectus is delivered will be named, and any commissions payable by Clear Channel or the Clear Channel Trusts to the agent will be set forth, in the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment.

If so indicated in the prospectus supplement, Clear Channel or the Clear Channel Trusts will authorize underwriters, dealers or agents to solicit offers by specific institutions to purchase securities offered by this prospectus from Clear Channel or the Clear Channel Trusts at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. The contracts will be subject to any conditions set forth in the prospectus supplement and the prospectus supplement will set forth the commission payable for solicitation of the contracts. The underwriters and other persons soliciting the contracts will have no responsibility for the validity or performance of any of the contracts.

Underwriters, dealers and agents may be entitled under agreements entered into with Clear Channel or the Clear Channel Trusts to indemnification by Clear Channel or the Clear Channel Trusts against civil liabilities, including liabilities under the Securities Act, or to contribution by Clear Channel or the Clear Channel Trusts to payments they may be required to make in respect thereof. The terms and conditions of the indemnification will be described in an applicable prospectus supplement. Underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, Clear Channel or the Clear Channel Trusts in the ordinary course of business.

Each series of securities offered by this prospectus may be a new issue of securities with no established trading market. Any underwriters to whom securities offered by this prospectus are sold by Clear Channel or the Clear Channel Trusts for public offering and sale may make a market in the securities offered by this prospectus, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any securities offered by this prospectus.

Any underwriter may engage in stabilizing and syndicate covering transactions in accordance with Rule 104 under the Exchange Act. Rule 104 permits stabilizing bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. The underwriters may over-allot shares of the common stock in connection an offering of common stock, thereby creating a short position in the underwriters' account. Syndicate covering transactions involve purchases of the debt securities or junior subordinated debt securities in the open market after the distribution has been completed in order to cover

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syndicate short positions. Stabilizing and syndicate covering transactions may cause the price of the debt securities or junior subordinated debt securities to be higher than it would otherwise be in the absence of those transactions. These transactions, if commenced, may be discontinued at any time.

LEGAL OPINIONS

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The validity of the securities will be passed upon for Clear Channel by its special counsel, Akin, Gump, Strauss, Hauer & Feld, L.L.P., San Antonio, Texas. However, matters of Delaware law relating to the validity of the preferred securities will be passed upon for Clear Channel and the Clear Channel Trusts by Morris, Nichols, Arsht & Tunnell, Wilmington, Delaware, special Delaware counsel to Clear Channel and the Clear Channel Trusts. The validity of the securities will be passed upon for the underwriters, dealers or agents, if any, by Cravath, Swaine & Moore, New York, New York. Alan D. Feld, the sole shareholder of a professional corporation which is a partner of Akin, Gump, Strauss, Hauer & Feld, L.L.P., is a director of Clear Channel and, as of May 31, 2000, owned approximately 138,500 shares of common stock, including presently exercisable options to acquire approximately 122,500 shares.

EXPERTS

The consolidated financial statements of Clear Channel at December 31, 1999 and 1998, and for each of the three years in the period ended December 31, 1999, and the financial statement schedule appearing in Clear Channel's Annual Report on Form 10-K for the year ended December 31, 1999, have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon included therein and incorporated herein by reference which, as to each of the three years in the period ended December 31, 1999, are based in part on the reports of KPMG LLP, independent auditors. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firms as experts in accounting and auditing.

The consolidated financial statements of SFX at December 31, 1999 and 1998, and for each of the three years in the period ended December 31, 1999 and the related financial statement schedule appearing in Clear Channel Communications, Inc.'s Current Report on Form 8-K dated June 14, 2000, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated by reference herein. Such consolidated financial statements and schedule referred to above are incorporated herein by reference in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Jacor Communications, Inc. and its subsidiaries as of December 31, 1998 and 1997 and for each of the three years in the period ended December 31, 1998 incorporated into this document by reference to Clear Channel's Current Report on Form 8-K dated December 10, 1998, as amended by Form 8-K/A filed on February 23, 1999 and Form 8-K/A dated April 12, 1999, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Jacor Communications, Inc. and its subsidiaries as of December 31, 1997 and 1996 and for each of the three years in the period ended December 31, 1997 incorporated into this document by reference to Clear Channel's Current Report on Form 8-K dated December 10, 1998, as amended by Form 8-K/A filed on February 23, 1999 and Form 8-K/A dated April 12, 1999, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of AMFM Inc. and Subsidiaries (formerly Chancellor Media Corporation) as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999 incorporated into this document by reference to the Current Report on Form 8-K of Clear Channel Communications, Inc., dated June 14, 2000, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

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The consolidated financial statements of Capstar Broadcasting Corporation and Subsidiaries as of December 31, 1998 and 1997 and for each of the three years in the period ended December 31, 1998 incorporated into this document by reference to the Current Report on Form 8-K of Clear Channel Communications, Inc., dated November 18, 1999, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

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[Clear Channel Logo]

CLEAR CHANNEL COMMUNICATIONS, INC.