**Clear Channel Communications, Inc.**
**Accounting for Investment in Hispanic Broadcasting (formerly known as Heftel)**

| | | *(In thousands)* |
|---|---|---|
| **May-95** | Acquired **2.156.799** shares of Heftel Broadcasting | $ **20.499** |
| **1995** | CCU's share of HBC's income for **1995** | **286** |
| **1995** | Amortization of excess cost | (270) |
| Aug-96 | Acquired 5,141,022 shares of Heftel Broadcasting | **119,056** |
| **1996** | CCU's share of HBC's loss for **1996** | **(8.962)** |
| **1996** | Amortization of excess cost | **(2.584)** |
| **Feb-97** | Acquired **130.414** shares and sold **350,000** shares of Heftel Broadcasting | (3,989) |
| **1997** | CCU's share of HBC's income for **1997** | **6,909** |
| **1997** | Amortization of excess cost | (1,097) |
| **1998** | CCU's share of HBC's income for **1998** | **7.401** |
| **1998** | Amortization of excess cost | (202) |
| **1999** | CCU's share of HBC's income for **1999** | **9,930** |
| **1999** | Amortization of excess cost | (202) |
| **2000** | CCU's share of HBC's income for **2000** | **10,854** |
| **2001** | CCU's share of **HBC's** income for **2001** | **8.038** |
| **2001** | Amortization of excess cost (for 2000 and **2001)** | (605) |
| | Investment in HBC Balance at **December 31.2001** | $ **165,062** |

DEPOSITION EXHIBIT 84

0001qhg/MED

Highly Confidential

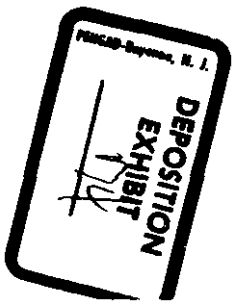
Presentation *to:*

# Clear Channel Communications, Inc.

MONETIZATION DISCUSSION

May 10, 2000

CC 0000157



PENGAD-Bayonne, N. J.

DEPOSITION EXHIBIT

SALOMON SMITH BARNEY
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3 STRATEGIC TRANSACTION CONSIDERATIONS

4 SALOMON SMITH BARNEY QUALIFICATIONS

CC 0000159

SALOMON SMITH BARNEY

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# 1 EXECUTIVE SUMMARY

00 0000160

# Clear Channel Trading Profile

(Figures in millions, except per share amounts)

## CURRENT MARKET VALUATION

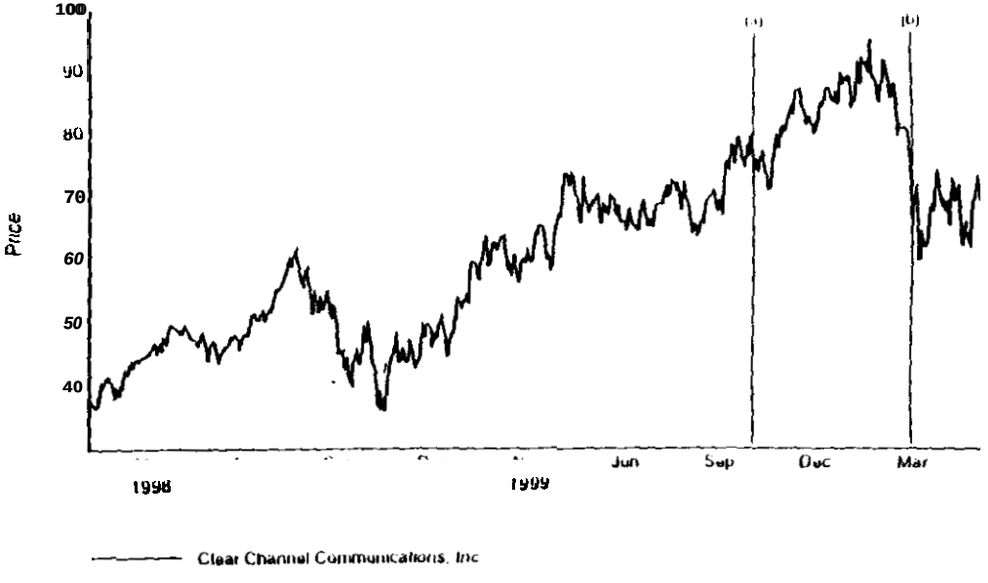
| | |
|---|---|
| Share Price (5/5/00) | $72.69 |
| Fully Diluted Shares (TSM) | 624.3 (a) |
| Equity Market Cap. | $45,381 |
| Total Debt | 8.404 (b) |
| Less: Cash | (77) |
| Less: Investments | (3,693) |
| Firm Value | 550,015 |
| 2000E EBITDA | $2.369 |
| 2001E EBITDA | 2,689 |
| 2000E ATCF / Share | $2.70 |
| 2001E ATCF / Share | 3.10 |
| Firm Value / 2000E EBITDA | 21.1x |
| Firm Value / 2001E EBITDA | 18.6 |
| Price / 2000E ATCF | 26.9x |
| Price / 2001E ATCF | 23.4 |
| 1999E EBITDA | 12,080 |
| Total Debt / 1999E EBITDA | 4.01 (b) |

(a) Includes in-the-money options/warrants (treasury stock method), convertible notes and LYONs.
(b) Excludes in-the-money convertible notes and LYONs

Source: Company filings and SSB equity research estimates. Pro forma for all announced acquisitions.

## SHARE PRICE PERFORMANCE

DAILY DATA, JAN10211998 THROUGH MAY10112000




Source: Salomon Smith Barney

(a) 10/04/99: Clear Channel and AMFM announce merger
(b) 02/29/00: Clear Channel announces SFX acquisition.

# Financial Analysis of Clear Channel's "Hidden Assets"

CCU has 7% of its capitalization in the form of "Hidden Assets", which is comparable to many of its other diversified media. large cap peers.

## CLEAR CHANNEL "HIDDEN ASSETS

(dollars in millions, except per share values)

| Public Assets (a) | Share Price (5/5/00) | Shares | Value |
|---|---|---|---|
| Hispanic Broadcasting | $ 93.75 | 14.2 | $ 1,327.1 |
| American Tower | 45.25 | 9.2 | 416.3 |
| XM Satellite | 28.88 | 8.3 | 239.7 |
| Lamar Advertising | 45.75 | 26.2 | 1,198.7 |
| Total Value of Public Assets | | | $ 3,181.7 |
| Total Value of Private / International Assets (b) | | | $ 511.0 |
| **CCU Total Investment Value** | | | **$ 3,692.7** |

(a) Source: Company filings.
(b) Wall Street estimates.

## COMPARISON VS. OTHER URGE CAP MEDIA COMPANIES

| (dollars in millions) | CCU | VIA / CBS | DIS | VO | FOX |
|---|---|---|---|---|---|
| Total Capitalization (1) | $ 53,708 | $ 102,173 | $ 94,878 | $ 31,074 | $ 24.313 |
| Total Hidden Assets | $ 3,693 | $ 4,181 | $ 2,739 | $ 5,384 | $ 3,720 |
| Hidden Assets as a % of Market Cap. | 6.9 % | 4.1 % | 2.9 % | 17.3 % | 15.3 % |

(1) Total capitalization equals equity market capitalization, plus net debt and preferred stock.

# Hispanic Broadcasting Trading Profile

(Figures in millions, except per share amounts)

## CURRENT MARKET VALUATION

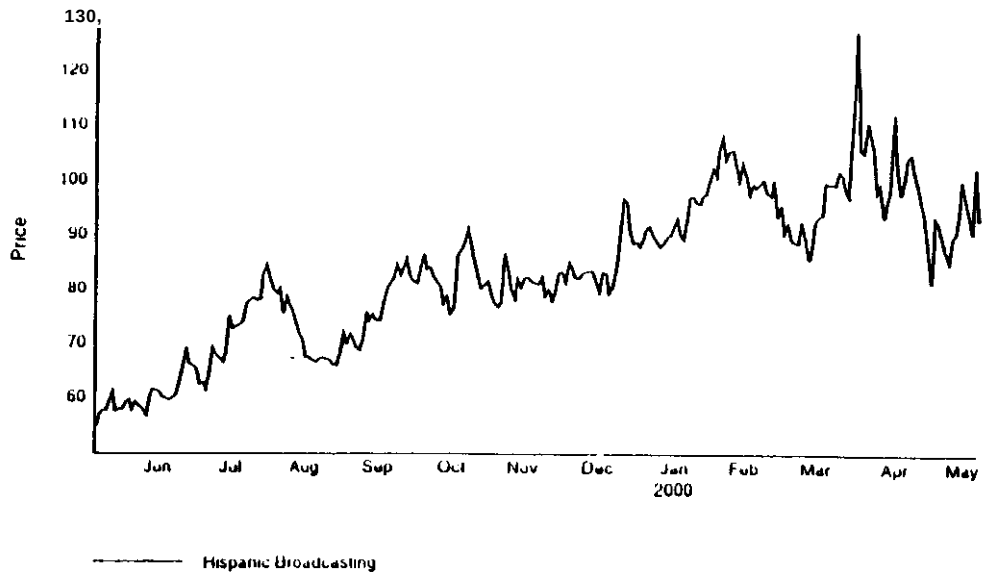
| | |
|---|---|
| Share Price (5/5/00) | s93.75 |
| Fully Diluted Shares''' | 55.3 |
| **Equity Market Cap.** | **$5,188** |
| Total Debt | 0 |
| Less: Cash | (9) |
| Firm Value | SJ.179 |
| 2000E EBITDA | $99 |
| 2001E EBITDA | 116 |
| 2000E ATCF / Share | $1.47 |
| 2001E ATCF / Share | 1.65 |
| Firm Value / 2000E EBITDA | 52.3x |
| Firm Value / 2001E EBITDA | 44.6 |
| Price / 2000E ATCF | 63.8x |
| Price / 2001E ATCF | 56.8 |
| 1999E EBITDA | $85 |
| Total Debt / '99E EBITDA | -- |

(a) Includes in-the-money options and warrants (treasury stock method).

Source: Company filings and SSB equity research. Pro forma for all announced transactions.

## 12 MONTH SH RE PRICE PERFORMANCE

DAILY DATA: MAY/05/1999 THROUGH MAY/05/2000




Source: Salomon Smith Barney

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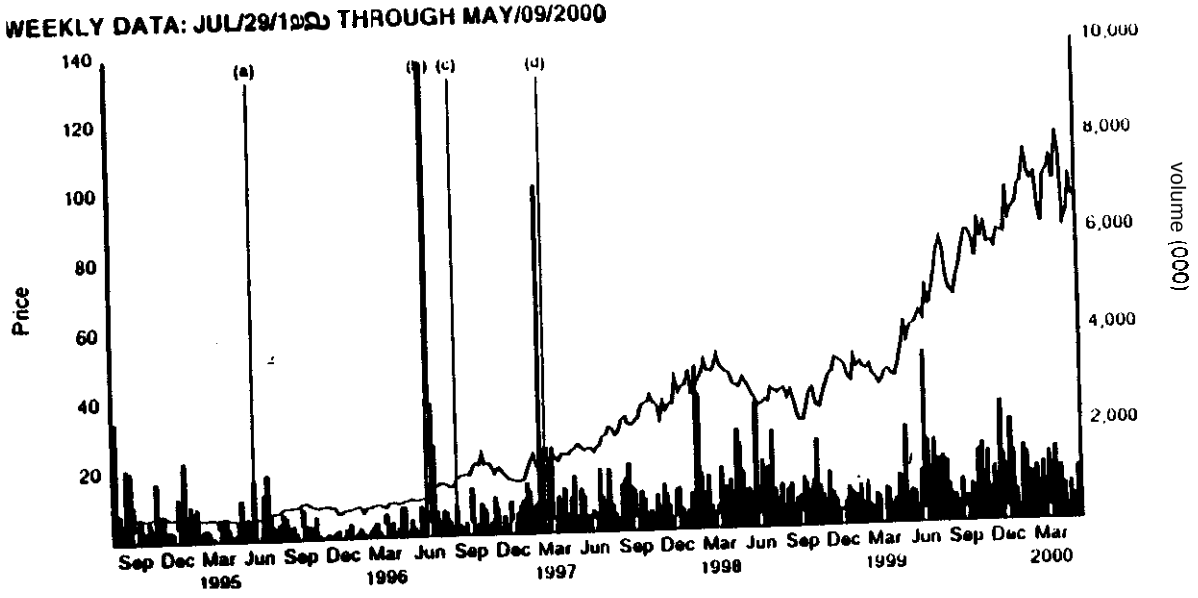
# Overview of CCU's Hispanic Broadcasting Position

| | |
|---|---|
| **Number ot Shares:** | 14,156,470 Class B Common Shares |
| **Share Prlco (5/5/00):** | $93.75 |
| **Est. Market Value (5/5/00):** | $1.3 billion |
| **% Outstanding Shares:** | 26.0% |
| **% of Public Float:** | 43% |
| **Days Trading Volume** | 115 days |
| **Shareholders Agreement – Key Termr:** | ► No board seats (out of 7)<br>► Clear Channel has no voting rights, except in certain situations<br>► Class B shares arc automatically convertible into Class A shares upon a sale from Clear Channel to another person or entity<br>► Class B shares may be pledged as collateral security for indebtedness without causing automatic conversion into Class A shares<br>► In any merger or consolidation, the consideration to be received per share by the holders of the Class A and Class B shares must be identical, except in the case in which shares are distributed and such shares differ in voting rights |
| **Registration Rights Agreement – Key Terms:** | ► Demand registration and "Piggy back" registration rights available under specific circumstances only |

# History of CCU's Investment




—— Hispanic Broadcasting Corporation: Price (left axis)

■ Hispanic Broadcasting Corporation: Volume (right axis)

Source: Salomon Smith Barney sb275685 wmf

(a) 05/24/95: Clear Channel acquires a 21% interest in Heftel Broadcasting from Grupo Acir for $20 million.
(b) 06/03/96: Clear Channel announces cash tender offer for Heftel Broadcasting shares.
(c) 08/05/96: Clear Channel completes tender offer, acquiring an addition 40% of Heftel's stock for approximately $118 million.
(d) 02/18/97: Heftel acquires Tichenor Media in a stock-for-stock transaction, reducing Clear Channel's ownership to approximately 32%.

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# History of CCU's Investment

(Figures in millions, except per share amounts)

| Transaction | Completion Date | Number of Shares (Split Adjusted) | Share Price (Split Adjusted) | Amount of Investment |
|---|---|---|---|---|
| Original Investment | 5/24/95 | 4.314 | $4.75 | $20.5 |
| Tender Offer[a] | 8/5/96 | 9.843 | $11.50 | 113.2 |
| Total (at cost) | | 14.156 | $9.44 | $133.7 |
| Current Market Value (5/5/00) | | 14.156 | $93.75 | $1,327.2 |
| % Increase | | | 892.7% | |
| % Return (annual) | | | 77.3% | |

(a) Net of approximately 700,000 split-adjusted shares sold in Heftel's public equity offering in February 1997

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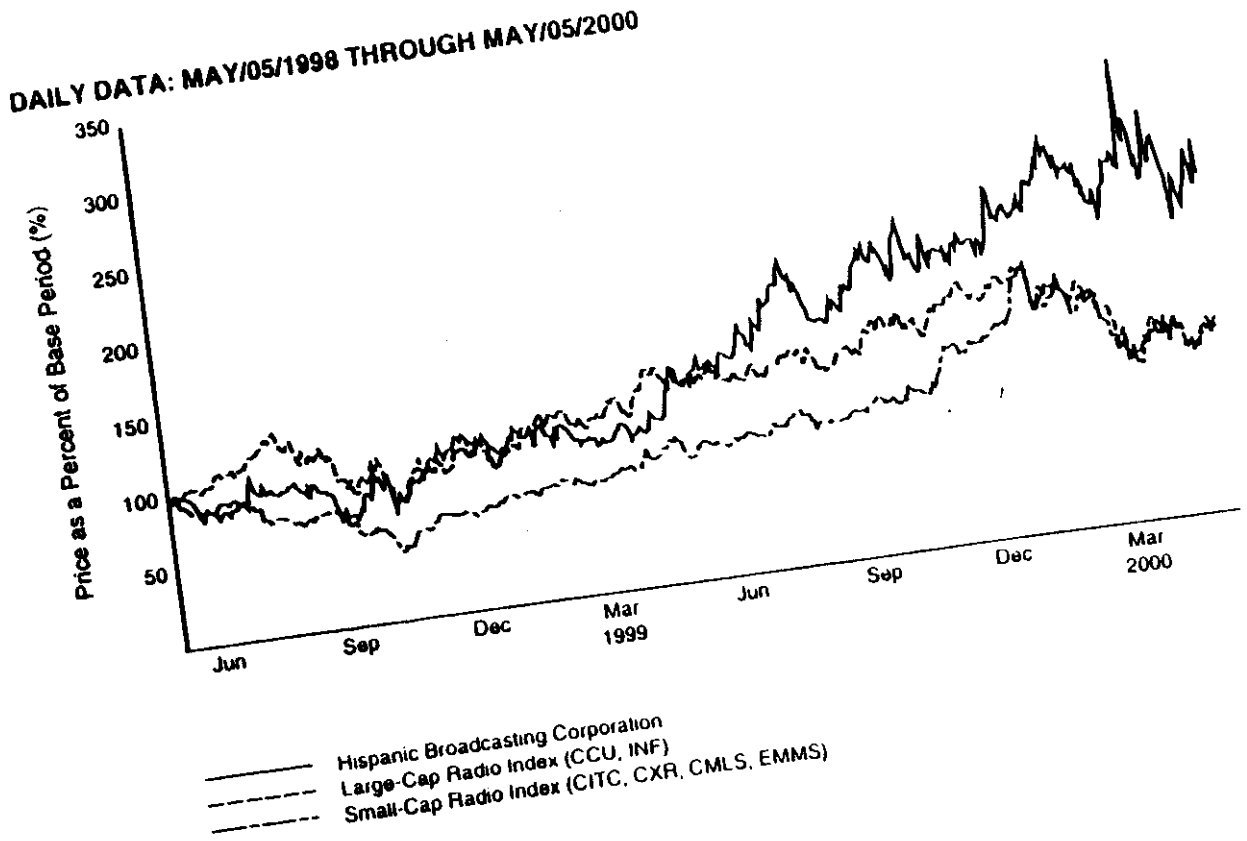
# Relative Price Performance




Source Salomon Smith Barney sb275747 wml

Over the past twenty four months, Hispanic's stock has outperformed its peers.

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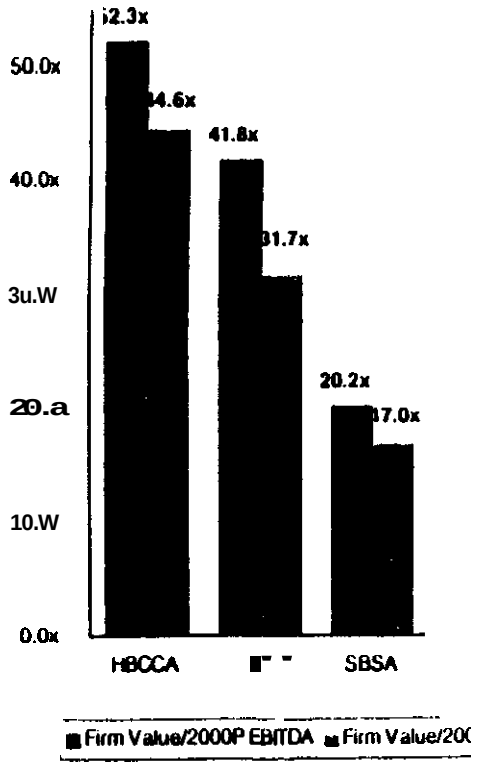
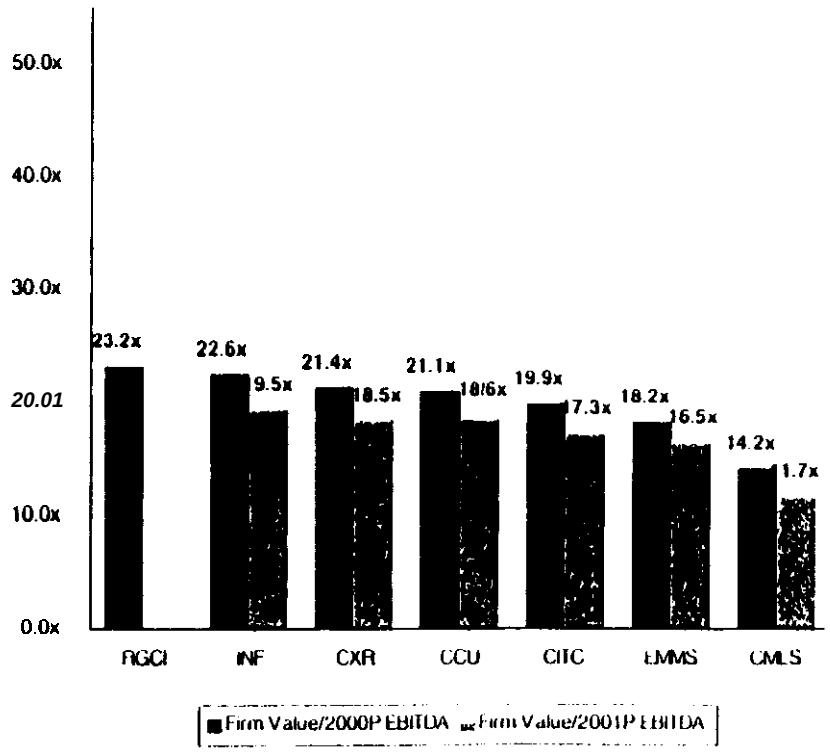
# Current HBCCA Trading Profile

## HISPANIC BROADCASTERS




## LAAGOMID-CAP RADIO COMPANIES




Source of estimates: Wall Street research reports. Based on closing share prices as of 5/5/00

Hispanic currently trades at a substa ıl premium lo its radio peers, primarily due lo the market's strong appetite tor companies that access Ihe growing Hispanic market.

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# Monetization Overview

## HEDGING / MONETIZATION STRATEGY:

| | Objectives | | Considerations | | Strategy |
|---|---|---|---|---|---|
| General: | ▶ Preservation of Capital<br>▶ Generate Liquidity<br>▶ Defer Capital Gains Tax | + | ▶ Regulatory Issues<br>▶ Tax & Accounting Issues<br>▶ Risk Tolerance<br>▶ Market Conditions | – | ▶ Developed a base from company's objectives / considerations |
| CCU / HBCCA Specific: | ▶ HBCCA trading at substantial premium to peer group, mighr want to lock in some gains<br>▶ Source of equity capital for CCU (at higher valuation multiple than CCU)<br>▶ Tax Basis is low. but expect to sell at some point; therefore. look to monetize tax efficiently | + | ▶ No Regulatory Pressures<br>▶ Do nut believe there to be 144 stock registration issues.<br>▶ Tax deferral important as basis is very low<br>▶ Uncertain of CCU's outlook on HBCCA stock<br>▶ Public Market Conditions not strong lor new issuers; however, this quality will always be well-received first into market turnaround | = | ▶ Opportunistic approach to monetization<br>▶ No Pressures for any specific strategy<br>▶ Flexibility on time to market (monitor and move quickly) and size of offerings<br>▶ Tax deferred structures likely to be important component |

Clear Channel has the flexibility lo consider all possible monetization strategies lor its $1.3 billion stake in Hispanic Broadcasting.

Without any imposed divestiture requirements, Clear Channel can opportunistically monetize its position lhrough a controlled program that matches the Company's objectives.

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# Monetization Objectives and Considerations

SUMMARY OF PRIMARY HEDGING AND MONETIZING OBJECTIVES:

| Preservation of Capital | Generate Liquidity | Deferral of Capital Gains Tax |
|---|---|---|
| Provide investor protection against a decrease in value of a concentrated equity position | Provide investor with a means to generate cash for other uses for a significant portion of the value of its concentrated equity position | Provide investor with the opportunity io defer the payment of potentially signiiicani amount of capital gains tax |

SUMMARY OF PRIMARY HEDGING AND MONETIZING CONSIDERATIONS:

| Regulatory Issues | Tax and Accounting Issues | Risk Tolerance |
|---|---|---|
| ■ Rule 144/145 related issues<br>• SEC Registration issues | • Constructive sale provisions<br>• Tax straddle rules / holding period<br>• Tax basis in the shares received<br>• FAS 133 issues | • Outlookon underlying stock<br>• Alternative investment opportunities |

Salomon Smith Barney would like to further understand HBCCA objectives and constraints wlth Clear Channel.

Our currenl understanding is that. at the right price and with the right tax-defined structure, Clear Channel may consider monetizing a portion of lheir stock (preservation of value/liquidity driven).

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# Hispanic Broadcasting Monetization Alternatives

**CLEAR CHANNEL IS IN THE ENVIABLE POSITON OF HAVING MOST MONETIZATION ALTERNATIVES AVAILABLE TO THEM**

- Liquid/well-known underlying security
- Strong and well-known parent credit/logical monetization candidate

**SUMMARY PUBLIC MARKET ALTERNATIVES**

- Sale of Common Stock
- Traditional Exchangeable Debt
- Long-Dated Exchangeable Debt
- Exchangeable DECs

**SUMMARY PRIVATE DERIVATIVE ALTERNATIVES**

- collar
- Equity Monetization Securities
- Sell Call Options
- Buy Put Options

Given the size of Clear Channel's position in Hispanic Broadcasting, the Company could proceed with a single transaclion or a series of transactions over a period of time.

This flexibility will allow Clear Channel Io be opportunistic In its approach to monetizing all or a portion of their position.





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**Hupfeld, Matt C.**

**From:** Graham. William [IBD] [william.graham@ssmb.com]
**Sent:** Wednesday. March 20, 2002 1:35 PM
**To:** 'randallmays@clearchannel.com'
**cc:** Turnbull, Jonathan [EQTY]; Larson, Craig A [IBD]
**Subject:** HSP Discussion Materials

HSP 3.20.02.ppt

Randall:

Please find our monetization discussion materials attached. We look forward to speaking with you shortly.

Hope all is well.

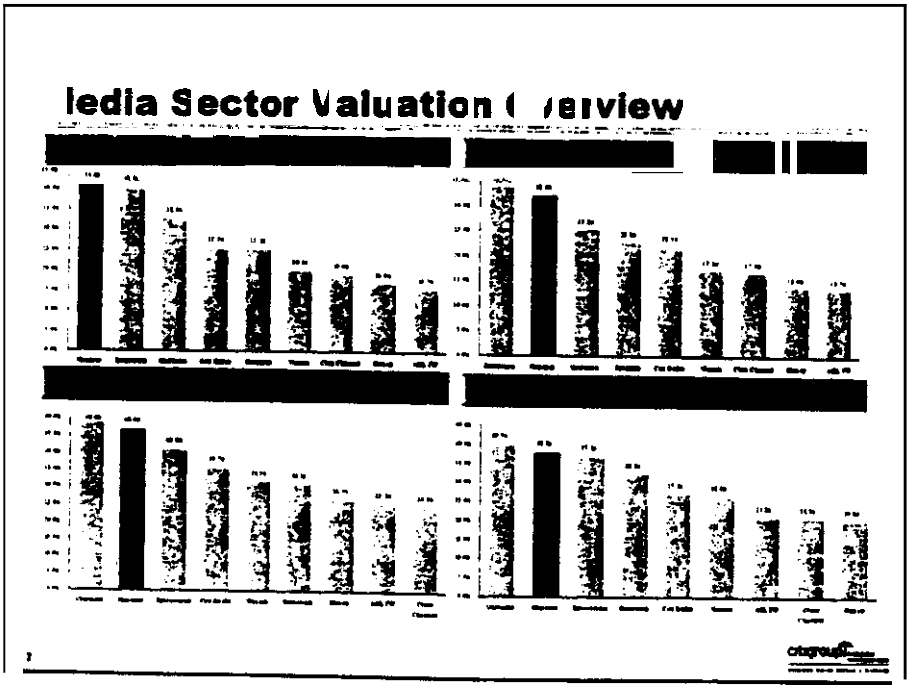
William Graham
Associate, Global Media Investment Banking
Salomon Smith Barney
388 Greenwich Street, 37th Floor
New York, NY 10013
Phone: 212 816 2645

> <<HSP 3.20.02.ppt>>

DEPOSITION EXHIBIT 78

CLEARCHANNEL

*Monetization Discussion*
*March 2002*

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## Summary Monetization Considerations

[redacted]

- Clear Channel owns 28.3MM shares at HSP Class 0 stock (0 vote) publicly valued at approximately $879 MM
- Represents 43% of public float and 67 days trading volume
- Estimated basis of $4.70 per share vs. current share price of $31.05
- Automatic conversion to Class A stock (1 vote) upon the sale or transfer to an entity other than Clear Channel

[redacted]

- Strategic sale
  - Current public market valuation makes a transaction difficult
  - Limited strategic interest in minority position
  - Stock price risk to close
- Equity monetization alternatives
  - 144 Sale
  - Common Deal
  - DECS
  - Exchangeable
- Hispanic Broadcasting / Tichenor family share repurchase
  - Partial monetization potential

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## Limited Potential Strategic Interest

[redacted]

| | | | |
|---|---|---|---|
| GE | Equity Value | $402 Bn | Cross-marketing and programming synergy opportunities |
| | Firm Value | $386 Bn | Expands Hispanic footprint |
| | FV / 2002E EBITDA | 21.7x | Valuation makes transaction difficult |
| | Debt / 2002E EBITDA | 0.2x | Minority position limits strategic value |
| UNIVISION | Equity Value | $10 Bn | Cross-marketing and programming synergy opportunities |
| | Firm Value | $11 Bn | Creates position for possible future acquisition |
| | FV / 2002E EBITDA | 32.8x | Valuation makes transaction difficult |
| | Debt / 2002E EBITDA | 4.2x | Minority position limits strategic value |
| AOL Time Warner | Equity Value | $122 Bn | Entry to high growth Hispanic radio sector |
| | Firm Value | $167 Bn | Valuation makes transaction difficult |
| | FV / 2002E EBITDA | 15.5x | Minority position limits strategic value |
| | Debt / 2002E EBITDA | 2.8x | Balance sheet constraints |
| | | | Not a player in radio |

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# Monetization Issues / Considerations

## Size of CCU Position in HSP

- 28.3 million shares
- $878.7 million [illegible]
- 66.7 days trading volume
- $4.70 per share basis

## Relative Size of Position

*Broadcasting Deal List:*

| Date | Issuer | Proceeds | % Public Float | Days Trading |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| | Mean | | [illegible] | [illegible] |
| | Median | | [illegible] | [illegible] |

*Larger Blocks:*

| Date | Issuer | Proceeds | % Public Float | Days Trading |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| | Mean | | [illegible] | [illegible] |
| | Median | | [illegible] | [illegible] |

[illegible] Common Stock price of $21.88 (as of 03/19/02)

## Legal Considerations

*Affiliate:*

- Approximately 2 million shares per quarter via 144 sales (7.6% of total position)
- A large (> 2 million shares) common offering will need to be registered
- Mandatory will need to be registered
- Non-mandatory exchangeable structures do not require registration at the time of the offering. SSB would still need time for due diligence on HSP, opinion letter and promise of registration after the offering
- Class B to Class A conversion issues related to Rule 144 sales

*Non-Affiliate:*

- Large common offerings or mandatory available without registration
- Exchangeable available
- Opinion letter

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# Pros / Cons of Strategies

| | [illegible] | Marketed Common Deal | CEICS | Exchangeable |
|---|---|---|---|---|
| [illegible] | • No slowdown<br>• Rating Agency credit<br>• Size limitations<br>• Tax gain<br>• Registration consideration | • Clean<br>• Rating Agency credit<br>• Registration consideration<br>• Stock price risk<br>• Tax gain | • Tax deferral<br>• Rating Agency credit<br>• Sell stock at a premium<br>• Registration consideration<br>• Stock price risk<br>• ATCF<br>• FAS 133 issues | • Speed to market<br>• Tax deferral<br>• Sell stock at a premium<br>• Downside risk<br>• Rating Agency credit<br>• FAS 133 issues |
| [illegible] | • Manner and volume of sale limitations | • Registration necessary | • Registration necessary | • Rule 144A available |
| [illegible] | • No legal size restrictions | • No registration required | • Registration necessary | • Rule 144A available |

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## Low Equity Content: Ex angeable Bond ternati ves

| | 3 Year Cash Pay Exchangeable Bond | 5 Year Cash Pay Exchangeable Bond | 7 Year Cash Pay Exchangeable Bond |
|---|---|---|---|
| Issuer: | Clear Channel | Clear Channel | Clear Channel |
| Underlying Stock: | Hispanic Broadcasting | Hispanic Broadcasting | Hispanic Broadcasting |
| Proceeds: | $200 - $400 million | $200 - $400 million | $200 - $400 million |
| Face Amount: ** | $200 - $400 million | $200 - $400 million | $200 - $400 million |
| Ranking: | Senior Notes | Senior Notes | Senior Notes |
| Maturity: | 3 Years | 5 Years | 7 Years |
| Coupon: | 2.25% - 2.75% | 2.50% - 3.00% | 3.625% - 4.125% |
| Yield to Maturity: | 2.25% - 2.75% | 2.50% - 3.00% | 3.625% - 4.125% |
| Conversion Premium: | 36.00% - 40.00% | 33.00% - 37.00% | 24.00% - 28.00% |
| Issue Price:** | 100% | 100% | 100% |
| Redemption Price:** | 100% | 100% | 100% |
| Investor Call Feature: | Non Call 3 | Non Call 5 | Non Call 3 |

(a) Assumes mid-point of yield to maturity and conversion premium
Note: Subject to offering memoranda

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## High Equity Content: Exchangeable DECS℠ Terms

| | Regular Premium Exchangeable DECS | High Premium Exchangeable DECS |
|---|---|---|
| Issuer | Clear Channel | |
| Underlying: | Hispanic Broadcasting | Hispanic Broadcasting |
| Offering Size: | $200 - $400 million | $200 - $400 million |
| Rank: | Senior Note Obligation of Clear Channel | Senior Note Obligation of Clear Channel |
| DECS Issue Price:(a) | $31.06 (HSP common stock price as of 03/19/02) | $31.06 (HSP common stock price as of 03/19/02) |
| Coupon: | 6.25% - 6.75% | 7.25% - 7.75% |
| Conversion Premium: | 18.00% - 22.00% | 28.00% - 30.00% |
| Maturity: | 3 years | 3 years |
| Call Feature: | Non Call Life | Non Call Life |
| Conversion Feature: | At option of investors as described below | At option of investors as described below |
| Conversion Ratio: (a)(b) | If HSP's stock price (x) is: | If HSP's stock price (x) is: |
| | $31.06 > x; 1 share | $31.06 > x; 1 share |
| | $37.28 > x > $31.06, 0.83 – 1 shares | $39.74 > x > $31.06, 0.78 – 1 shares |
| | x> $37.28; 0.83 shares | x> $39.74; 0.78 shares |

(a) Assumes a $31.06 HSP stock price and a 4% dividend yield, as of 03/19/02
(b) Assumes mid-point of yield to maturity and conversion premium

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## High Equity Content: Common Stock Terms

| | Overnight | 1 Day Book Build |
|---|---|---|
| | Clear Channel | Clear Channel |
| | Hispanic Broadcasting | Hispanic Broadcasting |
| | $200 - $400 million | $750 million |
| | 15% of Public Offering Size | 15% of Public Offering Size |
| | (5 - 10%) [a] | (2 - 10%) [a] |
| | $31.05 (based on current share price) | $31.05 (based on current share price) |
| | 5.44 – 12.88 million shares | 5.44 – 12.88 million shares |
| | 3.00% | 0.00% |
| | Form 144 concurrent with sale | Full SEC registration |
| Marketing Format: | Overnight | 1 day book build |

(a) SSB estimates based on deal size - HSP liquidity
(b) Based on standard deviation from average stock price becomes from announcement to pricing in 2002

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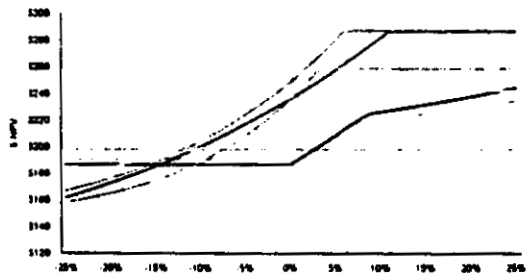
## NPV Analysis of HSP Monetization Alternatives

[redacted]




Note: Assumes HSP closing stock price of $31.05 (03/19/02), mid point of indicative terms, Clear Channel capital gains tax rate of 40%, a discount rate of 10% on OECS cash flows, and a $4.78 tax basis in HSP stock.
(a) Equivalent of 5.88 million shares underlying each security

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## Summary ATCF Impact Analysis

EFFECT OF $300 MM EXCHANGEABLE ISSUANCE ON AFTER-TAX CASH FLOW - NO CONVERSION

Amounts = Millions, Except Per Share Data

| 2002E | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|
| After-Tax Cash Flow | $1,349.5 | $1,349.5 | $1,349.5 | $1,349.5 | $1,349.5 |
| Incremental Interest Expense | (6.8) | (8.3) | (15.8) | (20.3) | – |
| Reduced Interest Expense (After Tax) | 12.6 | 12.6 | 12.6 | 12.6 | 8.5 (a) |
| Reduced Equity Earnings (After Tax) | – | – | – | – | (1.5) |
| Pro Forma ATCF | $1,355.4 | $1,353.8 | $1,343.4 | $1,341.8 | $1,356.4 |
| % Change | 0.4% | 0.3% | (0.5%) | (0.6%) | 0.5% |
| Fully Diluted Shares | 618.6 | 618.6 | 618.6 | 618.6 | 618.6 |
| ATCF / Share | $2.18 | $2.18 | $2.18 | $2.18 | $2.18 |
| Pro Forma ATCF / Share | 2.19 | 2.19 | 2.17 | 2.17 | 2.19 |
| % Change | 0.4% | 0.3% | (0.5%) | (0.6%) | 0.5% |

| 2003E | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|
| After-Tax Cash Flow | $1,369.8 | $1,369.8 | $1,369.8 | $1,369.8 | $1,369.8 |
| Incremental Interest Expense | (6.8) | (8.3) | (15.8) | (20.3) | – |
| Reduced Interest Expense (After Tax) | 12.6 | 12.6 | 12.6 | 12.6 | 8.5 |
| Reduced Equity Earnings (After Tax) | – | – | – | – | (1.5) |
| Pro Forma ATCF | $1,375.7 | $1,374.2 | $1,361.7 | $1,362.2 | $1,376.7 |
| % Change | 0.4% | 0.3% | (0.6%) | (0.5%) | 0.4% |
| Fully Diluted Shares | 618.6 | 618.6 | 618.6 | 618.6 | 618.6 |
| ATCF / Share | $2.34 | $2.34 | $2.34 | $2.34 | $2.34 |
| Pro Forma ATCF / Share | 2.35 | 2.34 | 2.33 | 2.33 | 2.35 |
| % Change | 0.4% | 0.3% | (0.6%) | (0.5%) | 0.4% |

[illegible]

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## Pro Forma HSP Share Buy-Back

(Dollars in Millions)

| | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|
| Share Price (3/19/02) | $31.06 | $31.06 | $31.06 | $31.06 |
| Fully Diluted Shares Outstanding | 108.6 | 103.1 | 97.4 | 91.6 |
| Net Equity Value | $3,377.3 | $3,201.5 | $3,025.7 | $2,849.6 |
| Plus: Total Debt | $0.0 | $175.8 | $351.6 | $527.5 |
| Less: Cash & Cash Equivalents (a) | (15.8) | (15.8) | (15.8) | (15.8) |
| Adjusted Firm Value | $3,361.5 | $3,361.5 | $3,361.5 | $3,361.5 |
| Debt / 2002E EBITDA | 0.0x | 2.2x | 4.4x | 6.5x |
| Debt / 2003E EBITDA | 0.0 | 1.7 | 3.4 | 5.1 |

Estimates Source: Salomon Smith Barney equity research.

(a) Pro forma for station upgrade and Phoenix, Fresno and Las Vegas acquisitions

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# Appendix

## F ious Clear C ai l Stock Offe ngs

CLEAR CHANNEL COMMUNICATIONS STOCK OFFERINGS:

| Date | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|
| Dec-98 | $48.38 | $723 | 18.8x | 3.8x | 2.9x |
| Mar-98 | 99.13 | 583 | 18.5 | 2.5 | 1.6 |
| Sep-97 | 63.00 | 504 | 21.4 | 3.9 | 2.4 |
| May-97 | 49.00 | 537 | 15.7 | 2.3 | 0.7 |
| Jun-96 | 84.00 | 292 | 16.9 | 1.9 | 0.4 |
| Current | $53.42 | $1,000 | 19.0 | 4.7 | 4.2 |
| | | 2,000 | 19.0 | 4.7 | 3.8 |
| | | 3,000 | 19.0 | 4.7 | 3.3 |

Source: Company filings and Wall Street research.
Note: Assumes all proceeds used to repay indebtedness.

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# Primary New Issue Considerations

| Consideration | Common Stock Sale | Regular Cash Pay Convertible Structure | Convertible Plus+ Cash Pay Structure |
|---|---|---|---|
| Offering Size: | $2,000 mm +/- | $500 - $1,000 million | $500 - $1,000 million |
| Rationale: | Equity Infusion | Fund 2 5/8% Call | Fund 2 5/8% Call |
| Pros : | • Highest capacity available<br>• Highest rating agency equity content<br>• Lowest cash dividend<br>• Cleanest structure / security for balance sheet<br>• Shelf available | • Potentially sell stock at premium<br>• Standard structure<br>• Most efficient pricing<br>• Can utilize Rule 144A<br>• Improved dilution<br>• Improved dividend possible<br>• ATCF positive | • Achieves above market conversion premium<br>• Achieves low fixed income term funding<br>• Lower equity dilution than traditional convertible<br>• Market sees traditional convertible with traditional terms<br>• Efficient pricing<br>• Achieves full tax deductibility on interest expense |
| Cons : | ♦ Potential discount of 3 - 8%<br>♦ Most dilutive alternative<br>♦ Not 144A eligible<br>♦ Shelf amendment required | ♦ Rating Agency neutral<br>♦ Refinancing risk<br>♦ Subject to standard premium range | ♦ Interest expense commensurate with higher conversion premium<br>♦ More complex than traditional convertible bond<br>♦ Call spread premium only tax-deductible if purchased directly from the SSB Trust<br>♦ Convertible needs to be structured without call features |

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# Indicative Primary Convertible Bond Terms

| | 3 Year Cash Pay Convertible Bond | 5 Year Cash Pay Convertible Bond |
|---|---|---|
| Issuer: | Clear Channel | Clear Channel |
| Underlying Stock: | Clear Channel | Clear Channel |
| Proceeds: | $500 - $1,000 million | $500 - $1,000 million |
| Face Amount: (a) | $500 - $1,000 million | $500 - $1,000 million |
| Ranking: | Senior Notes | Senior Notes |
| Maturity: | 3 Years | 5 Years |
| Coupon: | 2.25% - 2.75% | 2.25% - 2.75% |
| Yield to Maturity: | 2.25% - 2.75% | 2.25% - 2.75% |
| Conversion Premium: | 36.00% - 42.00% | 33.00% - 37.00% |
| Issue Price: (b) | 100% | 100% |
| Redemption Price: (b) | 100% | 100% |
| Investor Call Feature: | Non Call 3 | Non Call 5 |

(a) Assumed mid-point of yield to maturity and conversion premium.
Note: Subject to offeree commitment.

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## Indicative Convertible Plus+Term Sheet – 5 Year Maturities

- The Convertible Plus* structure would allow Clear Channel to issue a security with a yield of 5.41%, up 60%

| | | | | | |
|---|---|---|---|---|---|
| Issuer: | Clear Channel | Clear Channel | Clear Channel | Clear Channel | Clear Channel |
| Underlying Stock: | Clear Channel | Clear Channel | Clear Channel | Clear Channel | Clear Channel |
| Proceeds | $500 - $1,000 million | $500 - $1,000 million | $500 - $1,000 million | $500 - $1,000 million | $500 - $1,000 million |
| Coupon | 2.25% - 2.75% | 2.25% - 2.75% | 2.25% - 2.75% | 2.25% - 2.75% | 2.25% - 2.75% |
| Conversion Premium | 33.00% - 37.00% | 33.00% - 37.00% | 33.00% - 37.00% | 33.00% - 37.00% | 33.00% - 37.00% |
| Maturity | 5 Years | 5 Years | 5 Years | 5 Years | 5 Years |
| Ranking | Senior | Senior | Senior | Senior | Senior |
| Issue Price | 100% | 100% | 100% | 100% | 100% |
| Issuer Call Feature | NC-Life | NC-Life | NC-Life | NC-Life | NC-Life |
| Option Strategy | Buy 35% OTM Call Option<br>Sell 50% OTM Call Option<br>5 Year Tenor | Buy 35% OTM Call Option<br>Sell 60% OTM Call Option<br>5 Year Tenor | Buy 35% OTM Call Option<br>Sell 70% OTM Call Option<br>5 Year Tenor | Buy 35% OTM Call Option<br>Sell 80% OTM Call Option<br>5 Year Tenor | Buy 35% OTM Call Option<br>Sell 90% OTM Call Option<br>3 Year Tenor |
| Effective Conversion Premium | 50% | 60% | 70% | 80% | 90% |
| Cost of Option | 10.25% | 12.61% | 14.59% | 16.27% | 17.89% |
| Effective Yield | 4.83% | 5.41% | 5.91% | 6.35% | 6.72% |

Note: Does not include the public market convertible tax on the transaction.

## Indicative Primary Convertible Plus+Term Sheet – 3 Year Maturities

- The Convertible Plus* structure would allow Clear Channel to issue a security with a yield of 5.66%, up 60%

| | Convertible Plus | | | | |
|---|---|---|---|---|---|
| Issuer: | Clear Channel | Clear Channel | Clear Channel | Clear Channel | Clear Channel |
| Underlying Stock: | Clear Channel | Clear Channel | Clear Channel | Clear Channel | Clear Channel |
| Proceeds | $500 - $1,000 million | $500 - $1,000 million | $500 - $1,000 million | $500 - $1,000 million | $500 - $1,000 million |
| Coupon | 2.25% - 2.75% | 2.25% - 2.75% | 2.25% - 2.75% | 2.25% - 2.75% | 2.25% - 2.75% |
| Conversion Premium | 38.00% - 42.00% | 38.00% - 42.00% | 38.00% - 42.00% | 38.00% - 42.00% | 38.00% - 42.00% |
| Maturity | 3 Years | 3 Years | 3 Years | 3 Years | 3 Years |
| Ranking | Senior | Senior | Senior | Senior | Senior |
| Issue Price | 100% | 100% | 100% | 100% | 100% |
| Issuer Call Feature | NC-Life | NC-Life | NC-Life | NC-Life | NC-Life |
| Option Strategy | Buy 40% OTM Call Option<br>Sell 50% OTM Call Option<br>3 Year Tenor | Buy 40% OTM Call Option<br>Sell 60% OTM Call Option<br>3 Year Tenor | Buy 40% OTM Call Option<br>Sell 70% OTM Call Option<br>3 Year Tenor | Buy 40% OTM Call Option<br>Sell 80% OTM Call Option<br>3 Year Tenor | Buy 40% OTM Call Option<br>Sell 90% OTM Call Option<br>3 Year Tenor |
| Effective Conversion Premium | 50% | 60% | 70% | 80% | 90% |
| Cost of Option | 7.24% | 9.11% | 10.63% | 11.87% | 12.88% |
| Effective Yield | 5.14% | 5.66% | 6.48% | 6.95% | 7.38% |

Note: Does not include the public market convertible tax on the transaction.

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