

CLEAR CHANNEL COMMUNICATIONS INC

Form 10-Q

November 09, 2007

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**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 AND 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____

**Commission file number 1-9645
CLEAR CHANNEL COMMUNICATIONS, INC.
(Exact name of registrant as specified in its charter)**

Texas
(State of Incorporation)

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

**200 East Basse Road
San Antonio, Texas**
(Address of principal executive offices)

78209
(Zip Code)

(210) 822-2828

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check One):
Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each class of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 7, 2007
Common Stock, \$.10 par value	497,919,884

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CONSOLIDATED BALANCE SHEETS****ASSETS****(In thousands)**

	September 30, 2007 (Unaudited)	December 31, 2006 (Audited)
CURRENT ASSETS		
Cash and cash equivalents	\$ 124,083	\$ 116,000
Accounts receivable, net of allowance of \$58,209 in 2007 and \$56,068 in 2006	1,707,797	1,619,858
Prepaid expenses	138,308	122,000
Other current assets	268,228	244,103
Income taxes receivable		7,392
Current assets from discontinued operations	98,625	96,377
Total Current Assets	2,337,041	2,205,730
PROPERTY, PLANT AND EQUIPMENT		
Land, buildings and improvements	805,431	767,792
Structures	3,815,503	3,601,653
Towers, transmitters and studio equipment	589,057	585,292
Furniture and other equipment	531,719	524,140
Construction in progress	112,067	89,823
	5,853,777	5,568,700
Less accumulated depreciation	2,898,824	2,604,036
	2,954,953	2,964,664
Property, plant and equipment from discontinued operations, net	230,009	271,546
INTANGIBLE ASSETS		
Definite-lived intangibles, net	482,893	522,482
Indefinite-lived intangibles licenses	4,187,511	4,197,580
Indefinite-lived intangibles permits	247,536	260,950
Goodwill	7,028,425	7,078,705
Intangible assets from discontinued operations, net	494,009	546,610
OTHER ASSETS		
Notes receivable	6,517	6,318
Investments in, and advances to, nonconsolidated affiliates	334,333	311,258
Other assets	277,212	249,524
Other investments	256,408	245,064
Other assets from discontinued operations	28,643	35,890

Total Assets	\$ 18,865,490	\$ 18,896,321
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See Notes to Consolidated Financial Statements

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CLEAR CHANNEL COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS EQUITY
(In thousands)

	September 30, 2007 (Unaudited)	December 31, 2006 (Audited)
CURRENT LIABILITIES		
Accounts payable	\$ 125,089	\$ 151,577
Accrued expenses	910,431	884,479
Accrued interest	88,166	112,049
Accrued income taxes	61,432	
Current portion of long-term debt	699,855	336,375
Deferred income	174,067	134,287
Current liabilities from discontinued operations	43,353	45,079
Total Current Liabilities	2,102,393	1,663,846
Long-term debt	6,320,624	7,326,700
Other long-term obligations	121,012	68,509
Deferred income taxes	764,594	746,960
Other long-term liabilities	559,444	673,953
Long-term liabilities from discontinued operations	30,872	24,621
Minority interest	406,482	349,391
Commitments and contingent liabilities (Note 6)		
SHAREHOLDERS EQUITY		
Common Stock	49,806	49,399
Additional paid-in capital	26,847,031	26,745,687
Retained deficit	(18,716,335)	(19,054,365)
Accumulated other comprehensive income	384,081	304,975
Cost of shares held in treasury	(4,514)	(3,355)
Total Shareholders Equity	8,560,069	8,042,341
Total Liabilities and Shareholders Equity	\$ 18,865,490	\$ 18,896,321

See Notes to Consolidated Financial Statements

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CLEAR CHANNEL COMMUNICATIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(In thousands, except per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2007	2006	2007	2006
Revenue	\$ 4,987,754	\$ 4,694,259	\$ 1,726,780	\$ 1,639,824
Operating expenses:				
Direct operating expenses (includes share-based payments of \$12,331, \$12,140, \$4,159 and \$4,034 for the nine and three months ended September 30, 2007 and 2006, respectively, and excludes depreciation and amortization)	1,976,875	1,830,788	683,830	637,075
Selling, general and administrative expenses (includes share-based payments of \$11,039, \$12,584, \$3,708 and \$4,190 for the nine and three months ended September 30, 2007 and 2006, respectively, and excludes depreciation and amortization)	1,265,539	1,232,216	421,311	406,174
Depreciation and amortization	419,356	436,158	139,894	147,076
Corporate expenses (includes share-based payments of \$9,150, \$7,995, \$3,068 and \$2,260 for the nine and three months ended September 30, 2007 and 2006, respectively, and excludes depreciation and amortization)	138,234	137,232	47,040	48,486
Merger expenses	6,372		2,002	
Gain (loss) on disposition of assets net	10,474	58,343	(567)	9,122
Operating income	1,191,852	1,116,208	432,136	410,135
Interest expense	347,525	365,950	113,026	128,276
Gain (loss) on marketable securities	661	2,072	676	5,396
Equity in earnings of nonconsolidated affiliates	23,832	25,305	7,133	8,681
Other income (expense) net	(1,075)	(5,858)	(1,403)	(601)
Income before income taxes, minority interest and discontinued operations	867,745	771,777	325,516	295,335
Income tax benefit (expense):				
Current	(162,464)	(163,434)	(2,480)	(60,717)
Deferred	(128,614)	(155,103)	(54,760)	(61,149)
Income tax benefit (expense)	(291,078)	(318,537)	(57,240)	(121,866)
Minority interest expense, net of tax	27,206	16,630	11,961	3,673
Income before discontinued operations	549,461	436,610	256,315	169,796
Income from discontinued operations, net	68,487	43,563	23,421	16,075
Net income	\$ 617,948	\$ 480,173	\$ 279,736	\$ 185,871

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Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	77,018	30,007	31,129	3,621
Unrealized gain (loss) on securities and derivatives:				
Unrealized holding gain (loss) on marketable securities	2,086	(68,961)	13,263	(6,002)
Unrealized holding gain (loss) on cash flow derivatives		76,132		15,131
Comprehensive income	\$ 697,052	\$ 517,351	\$ 324,128	\$ 198,621
Net income per common share:				
Income before discontinued operations Basic	\$ 1.11	\$.87	\$.52	\$.34
Discontinued operations Basic	.14	.08	.05	.04
Net income Basic	\$ 1.25	\$.95	\$.57	\$.38
Weighted average common shares basic				
Income before discontinued operations Diluted	\$ 1.11	\$.87	\$.52	\$.34
Discontinued operations Diluted	.14	.08	.04	.04
Net income Diluted	\$ 1.25	\$.95	\$.56	\$.38
Weighted average common shares diluted				
Dividends declared per share	\$.5625	\$.5625	\$.1875	\$.1875

See Notes to Consolidated Financial Statements

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CLEAR CHANNEL COMMUNICATIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Nine Months Ended September 30,	
	2007	2006
Cash flows from operating activities:		
Net income	\$ 617,948	\$ 480,173
(Income) loss from discontinued operations, net	(68,487)	(43,563)
	549,461	436,610
Reconciling items:		
Depreciation and amortization	419,356	436,158
Deferred taxes	128,614	155,103
(Gain) loss on disposal of assets	(10,474)	(58,343)
(Gain) loss forward exchange contract	11,924	(18,899)
(Gain) loss on trading securities	(12,586)	16,827
Provision for doubtful accounts	26,405	23,390
Share-based compensation	32,520	32,719
Equity in earnings of nonconsolidated affiliates	(23,832)	(25,305)
Other reconciling items net	29,433	26,603
Changes in operating assets and liabilities:		
Federal income tax refund		133,336
Decrease in income taxes receivable	3,234	28,421
Changes in other operating assets and liabilities, net of effects of acquisitions and dispositions	(169,459)	(88,421)
Net cash provided by operating activities	984,596	1,098,199
Cash flows from investing activities:		
Decrease (increase) in notes receivable net	(198)	(1,953)
Decrease (increase) in investments in and advances to nonconsolidated affiliates net	26,848	5,297
Purchases of investments	(422)	(461)
Purchases of property, plant and equipment	(223,416)	(226,615)
Proceeds from disposal of assets	20,069	73,496
Acquisition of operating assets, net of cash acquired	(71,593)	(270,614)
Decrease (increase) in other net	(12,547)	(53,750)
Net cash used in investing activities	(261,259)	(474,600)
Cash flows from financing activities:		
Draws on credit facilities	618,372	2,500,198
Payments on credit facilities	(1,026,040)	(2,098,358)
Proceeds from long-term debt	14,680	778,455
Payments on long-term debt	(277,523)	(111,827)
Payments for purchase of common shares	(435)	(1,371,462)
Payment on forward exchange contract		(83,132)

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Proceeds from exercise of stock options, stock purchase plan, common stock warrants and other	77,295	26,488
Dividends paid	(279,008)	(290,411)
Net cash used in financing activities	(872,659)	(650,049)
Cash flows from discontinued operations:		
Net cash provided by operating activities	50,230	84,598
Net cash provided by (used in) investing activities	107,175	(35,689)
Net cash provided by (used in) financing activities		
Net cash provided by discontinued operations	157,405	48,909
Net (decrease) increase in cash and cash equivalents	8,083	22,459
Cash and cash equivalents at beginning of period	116,000	84,337
Cash and cash equivalents at end of period	\$ 124,083	\$ 106,796

See Notes to Consolidated Financial Statements

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**CLEAR CHANNEL COMMUNICATIONS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Preparation of Interim Financial Statements

The consolidated financial statements were prepared by Clear Channel Communications, Inc. (the Company) pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) and, in the opinion of management, include all adjustments (consisting of normal recurring accruals and adjustments necessary for adoption of new accounting standards) necessary to present fairly the results of the interim periods shown. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. Due to seasonality and other factors, the results for the interim periods are not necessarily indicative of results for the full year. The financial statements contained herein should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2006 Annual Report on Form 10-K.

The consolidated financial statements include the accounts of the Company and its subsidiaries. Investments in companies in which the Company owns 20 percent to 50 percent of the voting common stock or otherwise exercises significant influence over operating and financial policies of the company are accounted for under the equity method. All significant intercompany transactions are eliminated in the consolidation process.

Merger Update

The Company's shareholders approved the adoption of the merger agreement, as amended, with a group led by T.H. Lee Partners, L.P. and Bain Capital Partners, LLC on September 25, 2007. The transaction remains subject to requisite regulatory approvals and customary closing conditions.

Under the terms of the merger agreement, as amended, the Company's shareholders will receive \$39.20 in cash for each share they own plus additional per share consideration, if any, if the closing of the merger occurs after December 31, 2007. For a description of the computation of any additional per share consideration and the circumstances under which it is payable, please refer to the joint proxy statement/prospectus dated August 21, 2007, filed with the Securities & Exchange Commission (the Proxy Statement). As an alternative to receiving the \$39.20 per share cash consideration, the Company's unaffiliated shareholders were offered the opportunity on a purely voluntary basis to exchange some or all of their shares of Clear Channel common stock on a one-for-one basis for shares of Class A common stock in the new corporation formed by the private equity group to acquire the Company (subject to aggregate and individual caps), plus the additional per share consideration, if any.

Holders of shares of the Company's common stock (including shares issuable upon conversion of outstanding options) in excess of the aggregate cap provided in the merger agreement, as amended, elected to receive the stock consideration. As a result, unaffiliated shareholders of the Company will own an aggregate of 30,612,245 shares of CC Media Holdings Class A common stock upon consummation of the merger.

Certain Reclassifications

The Company has reclassified certain selling, general and administrative expenses to direct operating expenses in 2006 to conform to current year presentation. The historical financial statements and footnote disclosures have been revised to exclude amounts related to the Company's television business and certain radio stations as discussed below.

Discontinued Operations and Assets Held for Sale

On November 16, 2006, the Company announced plans to sell certain radio markets, comprising 448 of its radio stations, as well as all of its television stations. The radio markets are located outside the top 100 U.S. media markets. As of September 30, 2007, the Company had sold 55 radio stations, 5 of which were not part of the announced 448 stations, and had definitive agreements to sell an additional 360 radio stations, 8 of which were not part of the announced 448 stations. The closing of the transactions under definitive asset purchase agreements are subject to antitrust clearances, FCC approval and other customary closing conditions. Further, the sale of these stations is not a condition to the closing of the merger described above. The Company determined that each of these markets represents a disposal group. Consistent with the provisions of Statement of Financial Accounting Standards No. 144,

Accounting for the Impairment or Disposal of Long-lived Assets (Statement 144), the Company classified these markets assets that are subject to transfer under the definitive asset purchase agreements as discontinued operations at September 30, 2007 and December 31, 2006. Accordingly, depreciation and amortization associated with these assets was discontinued. Additionally, the Company determined

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that these markets comprise operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. As of September 30, 2007, the Company determined that the estimated fair value less costs to sell attributable to these markets was in excess of the carrying value of their related net assets held for sale.

On April 20, 2007, the Company entered into a definitive agreement to sell its television business. The closing of the transaction is subject to regulatory approvals and other customary closing conditions. Further, the sale of the television business is not a condition to the closing of the merger described above. Consistent with its radio station divestitures, the Company classified its television business as discontinued operations at September 30, 2007 and December 31, 2006 and presented the results of operations as discontinued operations, net of tax, for all periods presented. As of September 30, 2007, the Company determined that the estimated fair value less costs to sell attributable to its television business was in excess of the carrying value of their related net assets held for sale. Summarized operating results for the nine and three months ended September 30, 2007 and 2006 from these businesses are as follows:

<i>(In thousands)</i>	Nine Months		Three Months	
	2007	2006	2007	2006
Revenue	\$ 416,909	\$ 461,294	\$ 132,470	\$ 156,932
Income before income taxes	\$ 109,120	\$ 70,258	\$ 46,621	\$ 25,923

Included in income from discontinued operations, net are income tax expenses of \$40.6 million, \$26.7 million, \$23.2 million and \$9.9 million for the nine and three months ended September 30, 2007 and 2006, respectively. Also included in income from discontinued operations for the nine and three months ended September 30, 2007 is a gain on the sale of certain radio stations of \$40.9 million and \$21.3 million, respectively.

The following table summarizes the carrying amount at September 30, 2007 and December 31, 2006 of the major classes of assets and liabilities of the Company's businesses classified as discontinued operations:

<i>(In thousands)</i>	September 30, 2007	December 31, 2006
Assets		
Accounts receivable, net	\$ 75,437	\$ 75,490
Other current assets	23,188	20,887
Total current assets	\$ 98,625	\$ 96,377
Land, buildings and improvements	\$ 107,120	\$ 133,203
Transmitter and studio equipment	279,013	300,810
Other property, plant and equipment	35,181	43,197
Less accumulated depreciation	(191,305)	(205,664)
Property, plant and equipment, net	\$ 230,009	\$ 271,546
Definite-lived intangibles, net	\$ 300	\$ 335
Licenses	128,963	134,082
Goodwill	364,746	412,193
Total intangible assets	\$ 494,009	\$ 546,610

Film rights	\$	20,308	\$	20,442
Other long-term assets		8,335		15,448
Total non current assets	\$	28,643	\$	35,890
Liabilities				
Accounts payable and accrued expenses	\$	9,987	\$	13,911
Film liability		21,243		21,765
Other current liabilities		12,123		9,403
Total current liabilities	\$	43,353	\$	45,079
Film liability		21,896		22,158
Other long-term liabilities		8,976		2,463
Total long-term liabilities	\$	30,872	\$	24,621

Recent Accounting Pronouncements

Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* including an amendment of FASB Statement No. 115 (Statement 159), was issued in February 2007. Statement 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. Statement 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. Statement 159 does not affect any existing accounting literature that requires certain assets and liabilities to be carried at fair value. Statement 159 does not eliminate disclosure

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requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in Statements No. 157, *Fair Value Measurements*, and No. 107, *Disclosures about Fair Value of Financial Instruments*. Statement 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company expects to adopt Statement 159 on January 1, 2008 and does not anticipate adoption to materially impact its financial position or results of operations.

New Accounting Standard

The Company adopted Financial Accounting Standard Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48) on January 1, 2007. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the financial statements. FIN 48 prescribes a recognition threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken within an income tax return. The adoption of FIN 48 resulted in a decrease of \$0.2 million to the January 1, 2007 balance of Retained deficit, an increase of \$101.7 million in Other long term-liabilities for unrecognized tax benefits and a decrease of \$123.0 million in Deferred income taxes. The total amount of unrecognized tax benefits at January 1, 2007 was \$416.1 million, inclusive of \$89.6 million for interest. Of this total, \$218.4 million represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods.

The Company continues to record interest and penalties related to unrecognized tax benefits in current income tax expense. The total amount of interest accrued during the nine months ended September 30, 2007 was \$10.2 million. During the three months ended September 30, 2007 the Company recorded a benefit of \$9.3 million for interest and penalties as a result of the settlement of several federal tax positions through the 2004 tax year. The total amount of unrecognized tax benefits at September 30, 2007 was \$181.8 million. Of this total, \$177.5 million represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective income tax rate in future periods.

The Company and its subsidiaries file income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. As stated above, the Company settled several federal tax positions with the Internal Revenue Service (IRS) during the three months ended September 30, 2007. As a result of the settlement the Company reduced its balance of unrecognized tax benefits by \$246.2 million. The IRS is currently auditing the Company's 2005 and 2006 tax years. The Company does not expect to resolve any material federal tax positions within the next twelve months. Substantially all material state, local, and foreign income tax matters have been concluded for years through 1999.

The Company's effective income tax rates for the nine and three months ended September 30, 2007 were 33.5% and 17.6%, respectively, as compared to 41.3% for the nine and three months ended September 30, 2006. For the three months ended September 30, 2007, the effective tax rate was primarily affected by the recording of current tax benefits of approximately \$45.7 million related to the settlement of several tax positions with the IRS for the 1999 through 2004 tax years and deferred tax benefits of approximately \$14.8 million related to the release of valuation allowances for the use of certain capital loss carryforwards.

Note 2: INTANGIBLE ASSETS AND GOODWILL

The Company has definite-lived intangible assets which consist primarily of transit and street furniture contracts and other contractual rights in its Americas and International outdoor segments, talent and program right contracts in its radio segment, and contracts for non-affiliated radio and television stations in the Company's media representation operations, all of which are amortized over the respective lives of the agreements. Other definite-lived intangible assets are amortized over the period of time the assets are expected to contribute directly or indirectly to the Company's future cash flows.

The following table presents the gross carrying amount and accumulated amortization for each major class of definite-lived intangible assets at September 30, 2007 and December 31, 2006:

<i>(In thousands)</i>	September 30, 2007		December 31, 2006	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization

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Transit, street furniture, and other outdoor contractual rights	\$ 860,276	\$ 596,450	\$ 821,364	\$ 530,063
Talent contracts	125,270	125,270	125,270	115,537
Representation contracts	376,206	202,613	349,493	175,658
Other	90,884	45,410	121,179	73,566
Total	\$ 1,452,636	\$ 969,743	\$ 1,417,306	\$ 894,824

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Total amortization expense from continuing operations related to definite-lived intangible assets for the nine and three months ended September 30, 2007 and for the year ended December 31, 2006 was \$79.7 million, \$25.0 million and \$150.7 million, respectively. The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets:

(In thousands)

2008	\$86,076
2009	73,294
2010	52,435
2011	42,106
2012	37,319

As acquisitions and dispositions occur in the future and as purchase price allocations are finalized, amortization expense may vary.

The Company's indefinite-lived intangible assets consist of FCC broadcast licenses and billboard permits. FCC broadcast licenses are granted to both radio and television stations for up to eight years under the Telecommunications Act of 1996. The Act requires the FCC to renew a broadcast license if: it finds that the station has served the public interest, convenience and necessity; there have been no serious violations of either the Communications Act of 1934 or the FCC's rules and regulations by the licensee; and there have been no other serious violations which taken together constitute a pattern of abuse. The licenses may be renewed indefinitely at little or no cost. The Company does not believe that the technology of wireless broadcasting will be replaced in the foreseeable future. The Company's billboard permits are issued in perpetuity by state and local governments and are transferable or renewable at little or no cost. Permits typically include the location which allows the Company the right to operate an advertising structure. The Company's permits are located on either owned or leased land. In cases where the Company's permits are located on leased land, the leases are typically from 10 to 20 years and renew indefinitely, with rental payments generally escalating at an inflation based index. If the Company loses its lease, the Company will typically obtain permission to relocate the permit or bank it with the municipality for future use.

The Company does not amortize its FCC broadcast licenses or billboard permits. The Company tests these indefinite-lived intangible assets for impairment at least annually using the direct method. Under the direct method, it is assumed that rather than acquiring indefinite-lived intangible assets as a part of a going concern business, the buyer hypothetically obtains indefinite-lived intangible assets and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flows model which results in value that is directly attributable to the indefinite-lived intangible assets.

Under the direct method, the Company aggregates its indefinite-lived intangible assets at the market level for purposes of impairment testing. The Company's key assumptions using the direct method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information.

Goodwill

The Company tests goodwill for impairment using a two-step process. The first step, used to screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. The second step, used to measure the amount of the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. The following table presents the changes in the carrying amount of goodwill in each of the Company's reportable segments for the nine month period ended September 30, 2007:

<i>(In thousands)</i>	Radio	Americas Outdoor	International Outdoor	Other	Total
Balance as of December 31, 2006	\$ 5,984,512	\$ 667,986	\$ 425,630	\$ 577	\$ 7,078,705
Acquisitions	6,565	9,094	7,410	1,994	25,063

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Dispositions	(4,909)				(4,909)
Foreign currency		148	27,105		27,253
Adjustments	(97,597)	(90)			(97,687)
Balance as of September 30, 2007	\$ 5,888,571	\$ 677,138	\$ 460,145	\$ 2,571	\$ 7,028,425

The Company recorded a \$97.4 million adjustment to its balance of goodwill related to tax positions established as part of various radio station acquisitions for which the IRS audit periods have now closed.

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The Company holds options under two secured forward exchange contracts that limit its exposure to and benefit from price fluctuations in American Tower Corporation (AMT) over the terms of the contracts (the AMT contracts). These options are not designated as hedges of the underlying shares of AMT. The AMT contracts had a value of \$22.2 million and \$10.3 million recorded in Other long term liabilities at September 30, 2007 and December 31, 2006, respectively. For the nine months ended September 30, 2007 and for the year ended December 31, 2006, the Company recognized losses of \$11.9 million and \$22.0 million, respectively, in Gain (loss) on marketable securities related to the change in fair value of the options. To offset the change in the fair value of these contracts, the Company has recorded AMT shares as trading securities. During the nine months ended September 30, 2007 and for the year ended December 31, 2006, the Company recognized gains of \$12.6 million and \$20.5 million, respectively, in Gain (loss) on marketable securities related to the change in the fair value of the shares.

The Company is exposed to foreign currency exchange risks related to its investment in net assets in foreign countries. To manage this risk, the Company entered into two United States dollar Euro cross currency swaps with an aggregate Euro notional amount of 706.0 million and a corresponding aggregate U.S. dollar notional amount of \$877.7 million. These cross currency swaps had a value of \$121.0 million at September 30, 2007 and \$68.5 million at December 31, 2006, which was recorded in Other long-term obligations . These cross currency swaps require the Company to make fixed cash payments on the Euro notional amount while it receives fixed cash payments on the equivalent U.S. dollar notional amount, all on a semiannual basis. The Company has designated these cross currency swaps as a hedge of its net investment in Euro denominated assets. The Company selected the forward method under the guidance of the Derivatives Implementation Group Statement 133 Implementation Issue H8, *Foreign Currency Hedges: Measuring the Amount of Ineffectiveness in a Net Investment Hedge*. The forward method requires all changes in the fair value of the cross currency swaps and the semiannual cash payments to be reported as a cumulative translation adjustment in other comprehensive income in the same manner as the underlying hedged net assets. As of September 30, 2007, a \$73.7 million loss, net of tax, was recorded as a cumulative translation adjustment to other comprehensive income related to the cross currency swap.

Note 4: RECENT DEVELOPMENTS**Acquisitions**

The Company acquired Americas outdoor display faces and additional equity interests in international outdoor companies for \$42.7 million in cash during the nine months ended September 30, 2007. The Company s national representation business acquired representation contracts for \$28.9 million in cash during the nine months ended September 30, 2007.

Disposition of Assets

The Company received proceeds of \$9.7 million primarily related to the sale of representation contracts and international street furniture assets recorded in cash flows from investing activities and recorded a gain of \$6.3 million in Gain (loss) on disposition of assets net during the nine months ended September 30, 2007. The Company also received proceeds of \$114.2 million related to the sale of radio stations recorded as investing cash flows from discontinued operations and recorded a gain of \$40.9 million as a component of Income from discontinued operations, net during the nine months ended September 30, 2007.

Debt Maturities

On February 1, 2007, the Company redeemed its 3.125% Senior Notes at their maturity for \$250.0 million plus accrued interest with proceeds from its bank credit facility.

Recent Legal Proceedings

The Company is currently involved in certain legal proceedings and, as required, has accrued its estimate of the probable costs for the resolution of these claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in management s assumptions or the effectiveness of its strategies related to these proceedings.

Note 5: RESTRUCTURING

The Company restructured its outdoor operations in France in the third quarter of 2005. As a result, the Company recorded \$26.6 million in restructuring costs as a component of selling, general and administrative expenses. Of the \$26.6 million, \$22.5 million was related to severance costs and \$4.1 million was related to other costs. During 2007, \$8.7 million of related costs were paid and charged to the restructuring accrual. As of September 30, 2007, the balance was \$2.5 million.

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Note 6: COMMITMENTS AND CONTINGENCIES

Certain agreements relating to acquisitions provide for purchase price adjustments and other future contingent payments based on the financial performance of the acquired companies. The Company will continue to accrue additional amounts related to such contingent payments if and when it is determinable that the applicable financial performance targets will be met. The aggregate of these contingent payments, if performance targets are met, would not significantly impact the financial position or results of operations of the Company.

As discussed in Note 4, there are various lawsuits and claims pending against the Company. Based on current assumptions, the Company has accrued its estimate of the probable costs for the resolution of these claims. Future results of operations could be materially affected by changes in these assumptions.

Note 7: GUARANTEES

Within the Company's \$1.75 billion credit facility, there exists a \$150.0 million sub-limit available to certain of the Company's international subsidiaries. This \$150.0 million sub-limit allows for borrowings in various foreign currencies, which are used to hedge net assets in those currencies and provide funds to the Company's international operations for certain working capital needs. Subsidiary borrowings under this sub-limit are guaranteed by the Company. At September 30, 2007, there was no outstanding balance on this portion of the \$1.75 billion credit facility. Within the Company's bank credit facility agreement is a provision that requires the Company to reimburse lenders for any increased costs that they may incur in an event of a change in law, rule or regulation resulting in their reduced returns from any change in capital requirements. In addition to not being able to estimate the potential amount of any future payment under this provision, the Company is not able to predict if such event will ever occur.

The Company guarantees \$40.2 million of credit lines provided to certain of its international subsidiaries by a major international bank. Most of these credit lines relate to intraday overdraft facilities covering participants in the Company's European cash management pool. As of September 30, 2007, no amounts were outstanding under these agreements.

As of September 30, 2007, the Company has outstanding commercial standby letters of credit and surety bonds of \$83.8 million and \$43.5 million, respectively. These letters of credit and surety bonds relate to various operational matters including insurance, bid, and performance bonds as well as other items. Letters of credit issued under the Company's \$1.75 billion credit facility reduce the borrowing availability on the credit facility, and are included in the Company's calculation of its leverage ratio covenant under the bank credit facilities. The surety bonds are not considered as borrowings under the Company's bank credit facilities.

Note 8: SEGMENT DATA

The Company has three reportable segments, which it believes best reflects how the Company is currently managed radio broadcasting, Americas outdoor advertising and International outdoor advertising. The Americas outdoor advertising segment consists primarily of operations in the United States, Canada and Latin America, and the International outdoor segment includes operations primarily in Europe, Asia, Africa and Australia. The category other includes media representation and other general support services and initiatives. Revenue and expenses earned and charged between segments are recorded at fair value and eliminated in consolidation.

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		Americas	International		Corporate, Merger and Gain on disposition of assets - net	Eliminations	Consolidated
	Radio Broadcasting	Outdoor Advertising	Outdoor Advertising	Other			
Nine Months Ended September 30, 2007							
Revenue	\$ 2,572,405	\$ 1,080,219	\$ 1,264,891	\$ 165,262	\$	\$ (95,023)	\$ 4,987,754
Direct operating expenses	704,728	427,138	830,682	62,883		(48,556)	1,976,875
Selling, general and administrative expenses	842,559	167,004	226,314	76,129		(46,467)	1,265,539
Depreciation and amortization	81,396	140,885	152,731	32,171	12,173		419,356
Corporate expenses					138,234		138,234
Merger expenses					6,372		6,372
Gain on disposition of assets net					10,474		10,474
Operating income (loss)	\$ 943,722	\$ 345,192	\$ 55,164	\$ (5,921)	\$ (146,305)	\$	\$ 1,191,852
Intersegment revenues	\$ 33,186	\$ 9,489	\$	\$ 52,348	\$	\$	\$ 95,023
Identifiable assets	\$ 11,581,709	\$ 2,816,825	\$ 2,542,316	\$ 746,236	\$ 327,118	\$	\$ 18,014,204
Capital expenditures	\$ 52,135	\$ 76,795	\$ 88,361	\$ 6,125	\$	\$	\$ 223,416
Share-based payments	\$ 16,751	\$ 5,451	\$ 1,168	\$	\$ 9,150	\$	\$ 32,520
Nine Months Ended September 30, 2006							
Revenue	\$ 2,546,052	\$ 965,733	\$ 1,101,293	\$ 170,317	\$	\$ (89,136)	\$ 4,694,259
Direct operating expenses	712,860	382,401	719,987	61,992		(46,452)	1,830,788
Selling, general and administrative expenses	841,861	150,846	202,212	79,981		(42,684)	1,232,216
Depreciation and amortization	89,159	129,382	169,888	33,430	14,299		436,158

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Corporate expenses					137,232		137,232
Gain on disposition of assets net					58,343		58,343
Operating income (loss)	\$ 902,172	\$ 303,104	\$ 9,206	\$ (5,086)	\$ (93,188)	\$	\$ 1,116,208
Intersegment revenues	\$ 30,244	\$ 6,770	\$	\$ 52,122	\$	\$	\$ 89,136
Identifiable assets	\$ 11,711,339	\$ 2,764,509	\$ 2,265,066	\$ 679,931	\$ 564,442	\$	\$ 17,985,287
Capital expenditures	\$ 59,241	\$ 60,367	\$ 103,613	\$ 3,394	\$	\$	\$ 226,615
Share-based payments	\$ 18,928	\$ 3,560	\$ 994	\$ 1,242	\$ 7,995	\$	\$ 32,719
Three Months Ended September 30, 2007							
Revenue	\$ 882,152	\$ 386,353	\$ 431,188	\$ 58,458	\$	\$ (31,371)	\$ 1,726,780
Direct operating expenses	242,686	147,339	287,133	21,282		(14,610)	683,830
Selling, general and administrative expenses	281,632	56,636	74,592	25,212		(16,761)	421,311
Depreciation and amortization	24,966	47,692	52,101	11,192	3,943		139,894
Corporate expenses					47,040		47,040
Merger expenses					2,002		2,002
Gain on disposition of assets net						(567)	(567)
Operating income (loss)	\$ 332,868	\$ 134,686	\$ 17,362	\$ 772	\$ (53,552)	\$	\$ 432,136
Intersegment revenues	\$ 10,557	\$ 2,755	\$	\$ 18,059	\$	\$	\$ 31,371
Share-based payments	\$ 5,610	\$ 1,859	\$ 398	\$	\$ 3,068	\$	\$ 10,935

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	Radio Broadcasting	Americas Outdoor Advertising	International Outdoor Advertising	Other	Corporate, Merger and Gain on disposition of assets - net	Eliminations	Consolidated
Three Months Ended							
September 30, 2006							
Revenue	\$ 890,219	\$ 356,384	\$ 363,870	\$ 58,506	\$	\$ (29,155)	\$ 1,639,824
Direct operating expenses	246,599	133,468	250,365	20,266		(13,623)	637,075
Selling, general and administrative expenses	275,844	52,029	66,395	27,438		(15,532)	406,174
Depreciation and amortization	29,100	45,897	56,226	10,748	5,105		147,076
Corporate expenses					48,486		48,486
Gain on disposition of assets net					9,122		9,122
Operating income (loss)	\$ 338,676	\$ 124,990	\$ (9,116)	\$ 54	\$ (44,469)	\$	\$ 410,135
Intersegment revenues	\$ 10,136	\$ 1,852	\$	\$ 17,167	\$	\$	\$ 29,155
Share-based payments	\$ 6,309	\$ 1,173	\$ 328	\$ 414	\$ 2,260	\$	\$ 10,484

Revenue of \$1.4 billion and \$1.2 billion derived from foreign operations are included in the data above for the nine months ended September 30, 2007 and 2006, respectively. Revenue of \$462.3 million and \$388.0 million derived from foreign operations are included in the data above for the three months ended September 30, 2007 and 2006, respectively. Identifiable assets of \$2.8 billion and \$2.5 billion derived from foreign operations are included in the data above for the nine months ended September 30, 2007 and 2006, respectively.

Note 9: SUBSEQUENT EVENTS

Subsequent to September 30, 2007, the Company entered into definitive agreements for the sale of 11 additional radio stations and closed on the sales of 91 radio stations. As of November 7, 2007, the Company had definitive asset purchase agreements for the sale of 93 radio stations. The closing of the radio stations under definitive agreements is subject to antitrust clearances, FCC approval and other customary closing conditions. Further, the closing of these stations is not a condition to the closing of the merger described above. Agreements to sell 187 stations that were under definitive agreement at September 30, 2007 were subsequently terminated. However, the Company continues to actively market these radio stations and they continue to meet the criteria in Statement 144 for classification as discontinued operations. Therefore, the assets, results of operations and cash flows from these stations remain classified as discontinued operations in the Company's consolidated financial statements.

On April 20, 2007, the Company entered into a definitive agreement with an affiliate (the Buyer) of Providence Equity Partners Inc. (Providence) to sell its television business. A representative of Providence has informed the Company that the Buyer is considering its options under the definitive agreement including not closing the acquisition on the terms and conditions in the definitive agreement. The definitive agreement is in full force and effect and has not

been terminated. There have been no allegations that the Company has breached any of the terms or conditions of the definitive agreement or that there is a failure of a condition to closing the acquisition.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Approved Merger with a Group led by Thomas H. Lee Partners, L.P. and Bain Capital Partners, LLC

Our shareholders approved the adoption of the merger agreement, as amended, with a group led by T.H. Lee Partners, L.P. and Bain Capital Partners, LLC on September 25, 2007. The transaction remains subject to requisite regulatory approvals and customary closing conditions.

Under the terms of the merger agreement, as amended, our shareholders will receive \$39.20 in cash for each share they own plus additional per share consideration, if any, if the closing of the merger occurs after December 31, 2007. For a description of the computation of any additional per share consideration and the circumstances under which it is payable, please refer to the joint proxy statement/prospectus dated August 21, 2007, filed with the Securities & Exchange Commission (the Proxy Statement). As an alternative to receiving the \$39.20 per share cash consideration, our unaffiliated shareholders were offered the opportunity on a purely voluntary basis to exchange some or all of their shares of our common stock on a one-for-one basis for shares of Class A common stock in the new corporation formed by the private equity group to acquire us (subject to aggregate and individual caps), plus the additional per share consideration, if any.

Holders of shares of our common stock (including shares issuable upon conversion of outstanding options) in excess of the aggregate cap provided in the merger agreement, as amended, elected to receive the stock consideration. As a result, unaffiliated shareholders of us will own an aggregate of 30,612,245 shares of CC Media Holdings Class A common stock upon consummation of the merger.

Sale of Radio Stations and all of our Television Stations

On November 16, 2006, we announced plans to sell 448 radio stations and all of our television stations. The sale of these assets is not contingent on the closing of the merger described above. Definitive asset purchase agreements were signed for 360 radio stations, 8 of which were not part of the announced 448 stations, as of September 30, 2007. These stations, along with 55 stations which were sold in the fourth quarter of 2006 and first nine months of 2007, 5 of which were not part of the announced 448 stations, were classified as assets from discontinued operations in our consolidated balance sheet and as discontinued operations in our consolidated statements of operations. Through November 7, 2007, we had definitive asset purchase agreements for the sale of 11 additional radio stations. The closing of these sales is subject to antitrust clearances, FCC approval and other customary closing conditions. Further, the closing of these sales is not a condition to the closing of the merger described above. Also through November 7, 2007, we completed the sales of 91 radio stations that were under definitive agreement at September 30, 2007.

Agreements to sell 187 stations that were under definitive agreement at September 30, 2007 were subsequently terminated. However we continue to actively market these radio stations and they continue to meet the criteria in Statement 144 for classification as discontinued operations. Therefore, the assets, results of operations and cash flows from these stations remain classified as discontinued operations in our consolidated financial statements.

On April 20, 2007, we entered into a definitive agreement with an affiliate, or the Buyer, of Providence Equity Partners Inc., or Providence, to sell our television business. The closing of the transaction is subject to regulatory approvals and other customary closing conditions. Further, the sale of the television business is not a condition to the closing of the merger described above. A representative of Providence has informed us that the Buyer is considering its options under the definitive agreement including not closing the acquisition on the terms and conditions in the definitive agreement. The definitive agreement is full force and effect and has not been terminated. There have been no allegations that we have breached any of the terms or conditions of the definitive agreement or that there is a failure of a condition to closing the acquisition. Our television business is reported as assets and liabilities of discontinued operations on our consolidated balance sheet and the results of operations as discontinued operations on our statements of operations.

Format of Presentation

Management's discussion and analysis of our results of operations and financial condition should be read in conjunction with the consolidated financial statements and related footnotes. Our discussion is presented on both a consolidated and segment basis. Our reportable operating segments are Radio Broadcasting, or radio, which includes our national syndication business, Americas Outdoor Advertising, or Americas, and International Outdoor

Advertising, or International. Included in the other segment are our media representation business, Katz Media, as well as other general support services and initiatives.

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

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Radio Broadcasting

Our revenues are derived from selling advertising time, or spots, on our radio stations, with advertising contracts typically less than one year. The formats are designed to reach audiences with targeted demographic characteristics that appeal to our advertisers. Management monitors average advertising rates, which are principally based on the length of the spot and how many people in a targeted audience listen to our stations, as measured by an independent ratings service. The size of the market influences rates as well, with larger markets typically receiving higher rates than smaller markets. Also, our advertising rates are influenced by the time of day the advertisement airs, with morning and evening drive-time hours typically the highest. Management monitors yield in addition to average rates because yield allows management to track revenue performance across our inventory. Yield is defined by management as revenue earned divided by commercial capacity available.

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

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

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

A portion of our radio segment's expenses vary in connection with changes in revenue. These variable expenses primarily relate to costs in our sales department, such as salaries, commissions and bad debt. Our programming and general and administrative departments incur most of our fixed costs, such as talent costs, rights fees, utilities and office salaries. Lastly, our highly discretionary costs are in our marketing and promotions department, which we primarily incur to maintain and/or increase our audience share.

Americas and International Outdoor Advertising

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

Our advertising rates are based on the gross rating points, or total number of impressions delivered by a display or group of displays, expressed as a percentage of a market population. The number of impressions delivered by a display is measured by the number of people passing the site during a defined period of time and, in some international markets, is weighted to account for such factors as illumination, proximity to other displays and the speed and viewing angle of approaching traffic. Management typically monitors our business by reviewing the average rates, average revenues per display, or yield, occupancy, and inventory levels of each of our display types by market. In addition, because a significant portion of our advertising operations are conducted in foreign markets, principally France and the United Kingdom, management reviews the operating results from our foreign operations on a constant dollar basis. A constant dollar basis allows for comparison of operations independent of foreign exchange movements. Because revenue-sharing and minimum guaranteed payment arrangements are more prevalent in our International operations, the margins in our International operations typically are less than the margins in our Americas operations.

The significant expenses associated with our operations include (i) direct production, maintenance and installation expenses, (ii) site lease expenses for land under our displays and (iii) revenue-sharing or minimum guaranteed amounts payable under our street furniture and transit display contracts. Our direct production, maintenance and

installation expenses include costs for printing, transporting and changing the advertising copy on our displays, the related labor costs, the vinyl and paper costs and the costs for cleaning and maintaining our displays. Vinyl and paper costs vary according to the complexity of the advertising copy and the quantity of displays. Our site lease expenses include lease payments for use of the land under our displays, as well as any revenue-sharing arrangements or minimum guaranteed amounts payable that we may have with the landlords. The terms of our site leases and revenue-sharing or minimum guaranteed contracts generally range from 1 to 20 years.

Our street furniture and transit display contracts, the terms of which range from 3 to 20 years, generally require us to make upfront investments in property, plant and equipment. These contracts may also include upfront lease payments and/or minimum

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annual guaranteed lease payments. We can give no assurance that our cash flows from operations over the terms of these contracts will exceed the upfront and minimum required payments.

The results in 2007 include our acquisition of Interspace Airport Advertising, or Interspace, which we acquired in July 2006.

FAS 123(R), Share-Based Payment

As of September 30, 2007, there was \$102.1 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of approximately three years. The following table details compensation costs related to share-based payments for the three and nine months ended September 30, 2007 and 2006:

<i>(In millions)</i>	Three Months ended September 30,		Nine Months ended September 30,	
	2007	2006	2007	2006
Radio Broadcasting				
Direct Operating Expenses	\$ 2.5	\$ 2.7	\$ 7.5	\$ 8.3
SG&A	3.1	3.6	9.2	10.6
Americas Outdoor Advertising				
Direct Operating Expenses	\$ 1.3	\$ 0.9	\$ 3.9	\$ 2.6
SG&A	0.5	0.3	1.5	0.9
International Outdoor Advertising				
Direct Operating Expenses	\$ 0.3	\$ 0.2	\$ 0.9	\$ 0.6
SG&A	0.1	0.1	0.3	0.3
Other				
Direct Operating Expenses	\$	\$ 0.2	\$	\$ 0.6
SG&A		0.2		0.8
Corporate	\$ 3.1	\$ 2.3	\$ 9.2	\$ 8.0

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The comparison of Three and Nine Months Ended September 30, 2007 to Three and Nine Months Ended September 30, 2006 is as follows:

<i>(In thousands)</i>	Three Months Ended			Nine Months Ended		
	September 30, 2007	2006	% Change	September 30, 2007	2006	% Change
Revenue	\$ 1,726,780	\$ 1,639,824	5%	\$ 4,987,754	\$ 4,694,259	6%
Operating expenses:						
Direct operating expenses	683,830	637,075	7%	1,976,875	1,830,788	8%
Selling, general and administrative expenses	421,311	406,174	4%	1,265,539	1,232,216	3%
Depreciation and amortization	139,894	147,076	(5%)	419,356	436,158	(4%)
Corporate expenses	47,040	48,486	(3%)	138,234	137,232	1%
Merger expenses	2,002			6,372		
Gain (loss) on disposition of assets net	(567)	9,122		10,474	58,343	
Operating income	432,136	410,135	5%	1,191,852	1,116,208	7%
Interest expense	113,026	128,276		347,525	365,950	
Gain (loss) on marketable securities	676	5,396		661	2,072	
Equity in earnings of nonconsolidated affiliates	7,133	8,681		23,832	25,305	
Other income (expense) net	(1,403)	(601)		(1,075)	(5,858)	
Income before income taxes, minority interest and discontinued operations	325,516	295,335		867,745	771,777	
Income tax benefit (expense):						
Current	(2,480)	(60,717)		(162,464)	(163,434)	
Deferred	(54,760)	(61,149)		(128,614)	(155,103)	
Income tax benefit (expense)	(57,240)	(121,866)		(291,078)	(318,537)	
Minority interest expense, net of tax	11,961	3,673		27,206	16,630	
Income before discontinued operations	256,315	169,796		549,461	436,610	
Income from discontinued operations, net	23,421	16,075		68,487	43,563	
Net income	\$ 279,736	\$ 185,871		\$ 617,948	\$ 480,173	

Consolidated Revenue

Three Months

Our consolidated revenues increased \$87.0 million during the third quarter of 2007 compared to the same period of 2006. Our International revenue increased \$67.3 million, including approximately \$30.7 million related to movements in foreign exchange. In addition to foreign exchange, International revenue growth was primarily led by increased billboards and street furniture revenues. Our Americas revenue increased \$30.0 million from increases across our display inventory including bulletins, posters, street furniture, airports and taxi displays. Our radio revenue declined \$8.1 million primarily from declines in both local and national advertising partially offset by increases in our syndicated radio programming, traffic and on-line businesses.

Nine Months

Our consolidated revenues increased \$293.5 million during the nine months of 2007 compared to the same period of 2006. Our International revenue increased \$163.6 million, including approximately \$90.0 million related to movements in foreign exchange. In addition to foreign exchange, International revenue growth was led by billboards and street furniture revenues. Our Americas revenue increased \$114.5 million with Interspace, which we acquired in July 2006, contributing approximately \$31.7 million of the increase. In addition to Interspace, our Americas revenue growth was driven by increases across our display inventory. Our radio revenue increased \$26.4 million primarily from an increase in our syndicated radio programming, traffic and on-line businesses. These increases were partially offset by declines from operations classified in our other segment.

Consolidated Direct Operating Expenses

Three Months

Our consolidated direct operating expenses increased approximately \$46.8 million during the third quarter of 2007 compared to the same period of 2006. International direct operating expenses increased \$36.8 million primarily from \$20.4 million related to movements in foreign exchange. Americas direct operating expenses increased \$13.8 million principally related to increased site-

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lease expenses. Partially offsetting these increases was a decline in our radio direct operating expenses of approximately \$3.9 million primarily from a decline in programming expenses.

Nine Months

Our consolidated direct operating expenses increased approximately \$146.1 million during the first nine months of 2007 compared to the same period of 2006. International direct operating expenses increased \$110.7 million principally from \$61.4 million related to movements in foreign exchange. Americas direct operating expenses increased \$44.7 million with Interspace contributing approximately \$14.7 million and the remainder primarily attributable to increased site-lease expenses. Partially offsetting these increases was a decline in our radio direct operating expenses of approximately \$8.1 million primarily from a decline in programming expenses.

Consolidated Selling, General and Administrative Expenses, or SG&A*Three Months*

Our consolidated SG&A expenses increased approximately \$15.1 million during the third quarter of 2007 compared to the same period of 2006. International SG&A expenses increased \$8.2 million primarily related to movements in foreign exchange. Americas SG&A expenses increased \$4.6 million attributable to selling expenses primarily associated with the increase in revenue. Our radio SG&A expenses increased \$5.8 million for the same period primarily driven by an increase in selling expenses in our syndicated radio and on-line businesses associated with the increase in revenue for these businesses. We also experienced expense declines from operations classified in our other segment.

Nine Months

Our consolidated SG&A expenses increased approximately \$33.3 million during the first nine months of 2007 compared to the same period of 2006. International SG&A expenses increased \$24.1 million primarily related to movements in foreign exchange. Americas SG&A expenses increased \$16.2 million attributable to \$7.3 million from Interspace and the rest primarily attributable to sales expenses associated with the increase in revenue. Our radio SG&A expenses were essentially unchanged during the first nine months of 2007 compared to the same period of 2006. We also experienced declines in our SG&A expenses from operations classified in our other segment.

Gain (loss) on Disposition of Assets Net

The loss of \$0.6 million in the third quarter 2007 primarily relates to the sale of two radio stations in a certain market where we continue to own radio stations. The gain of \$9.1 million in 2006 relates to a \$6.7 gain from an LMA termination fee, \$1.4 million gain on the sale of sports rights and \$1.0 million gain on various other items.

The gain for the nine months ended September 30, 2007 related primarily to a \$5.5 million gain from the sale of street furniture assets. The gain for the nine months ended September 30, 2006 primarily relates to the items discussed above as well as gains recognized in the first quarter of 2006 including a \$13.2 million gain in our Americas outdoor segment from the exchange of assets in one of our markets for the assets of a third party located in a different market and \$22.5 million in our radio segment primarily from the sale of programming rights in one of our markets.

Interest Expense

Interest expense declined \$15.3 million and \$18.4 million in the third quarter of 2007 and nine months ended September 30, 2007, respectively, compared to the same periods of 2006. The declines were primarily from a reduction in our outstanding debt.

Gain (loss) on marketable securities

The \$0.7 million gain on marketable securities for the third quarter of 2007 related to changes in fair value of the AMT shares and the related forward exchange contracts. The gain on marketable securities of \$5.4 million in the third quarter of 2006 related to a \$1.6 million gain associated with the changes in fair value of our AMT securities and the related secured forward exchange contracts, plus \$3.8 million from terminating our secured forward exchange contract associated with our investment in XM Satellite Radio Holdings, Inc.

The \$0.7 million and \$2.1 million gains for the nine months ended September 30, 2007 and 2006, respectively, relates to the items discussed above.

Table of Contents**Income Tax Benefit (Expense)****Three Months**

Current tax expense for the three months ended September 30, 2007 decreased \$58.2 million compared to the three months ended September 30, 2006 primarily due to current tax benefits of approximately \$45.7 million recorded in 2007 related to the settlement of several tax positions with the IRS for the 1999 through 2004 tax years.

Deferred tax expense decreased \$6.4 million for the three months ended September 30, 2007 primarily due to additional deferred tax expense of \$8.3 million recorded during the third quarter of 2006 related to the uncertainty of our ability to utilize certain tax losses in the future for international operations. In addition, we recorded a deferred tax benefit of \$14.8 million in 2007 related to the release of valuation allowances for the use of certain capital loss carryforwards. This deferred tax benefit was offset by additional deferred tax expense recorded in 2007 related to the true up of the 2006 federal tax return filed in 2007.

Nine Months

Current tax expense for the nine months ended September 30, 2007 decreased \$1.0 million compared to the nine months ended September 30, 2006 primarily due to current tax benefits of approximately \$45.7 million recorded in 2007 related to the IRS settlement, partially offset by additional current tax expense recorded in 2007 due to an increase in Income before income taxes, minority interest and discontinued operations of \$96.0 million.

Deferred tax expense for the nine months ended September 30, 2007 decreased \$26.5 million compared to the nine months ended September 30, 2006 primarily due to additional deferred tax expense of approximately \$16.7 million recorded during 2006 related to the uncertainty of our ability to utilize certain tax losses in the future for international operations. In addition, we recorded a deferred tax benefit of \$14.8 million during 2007 related to the release of valuation allowances for the use of certain capital loss carryforwards. This deferred tax benefit was offset by additional deferred tax expense recorded in 2007 related to the true up of the 2006 federal tax return filed in 2007.

Segment Revenue and Divisional Operating Expenses**Radio Broadcasting**

<i>(In thousands)</i>	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2007	2006	Change	2007	2006	Change
Revenue	\$ 882,152	\$ 890,219	(1)%	\$ 2,572,405	\$ 2,546,052	1%
Direct operating expenses	242,686	246,599	(2)%	704,728	712,860	(1)%
Selling, general and administrative expenses	281,632	275,844	2%	842,559	841,861	0%
Depreciation and amortization	24,966	29,100	(14)%	81,396	89,159	(9)%
Operating income	\$ 332,868	\$ 338,676	(2)%	\$ 943,722	\$ 902,172	5%

Three Months

Our radio revenue decreased 1% during the third quarter of 2007 as compared to the same period of 2006 primarily from a decline in both local and national revenues. Local and national revenues were down partially as a result of declines in automotive, retail and political advertising categories. The decline in revenues was partially offset by increases in network, traffic, syndicated radio and on-line revenues. During the quarter, we increased our average unit rates compared to the third quarter of 2006, however, total minutes sold declined during this same period.

Our direct operating expenses decreased approximately \$3.9 million during the third quarter of 2007 as compared to the same period of 2006 primarily from a decline of \$3.6 million in programming expenses and a \$2.0 million decline in research and other ancillary expenses. Partially offsetting these declines were increases of \$1.5 million in traffic expenses and \$1.4 million in programming expenses in our syndicated radio business associated with the increased revenues in these businesses. SG&A expenses increased \$5.8 million during the third quarter of 2007 as compared to the same period of 2006 primarily from an increase in commission expenses in our syndicated radio

business and salaries and commission expenses in our on-line business, both associated with the increase in revenue from these businesses.

Nine Months

Our radio revenue increased 1% during the first nine months of 2007 as compared to the same period of 2006 primarily from an increase in our syndicated radio programming, traffic and on-line businesses. Our radio direct operating expenses decreased approximately \$8.1 million primarily from an \$11.4 million decline in programming expenses and a \$4.6 million decline in research and other ancillary expenses. Partially offsetting these declines were increases of \$5.1 million in traffic expenses and \$1.4 million in

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engineering expenses. SG&A expenses were essentially unchanged during the nine months ended September 30, 2007 as compared to the same period of 2006. Increases in commission expenses in our syndicated radio business and salaries and commission expenses in our on-line business were partially offset by declines in expenses associated with non-traditional revenues and commission expenses for our radio sales personnel.

Americas Outdoor Advertising

<i>(In thousands)</i>	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2007	2006	Change	2007	2006	Change
Revenue	\$ 386,353	\$ 356,384	8%	\$ 1,080,219	\$ 965,733	12%
Direct operating expenses	147,339	133,468	10%	427,138	382,401	12%
Selling, general and administrative expenses	56,636	52,029	9%	167,004	150,846	11%
Depreciation and amortization	47,692	45,897	4%	140,885	129,382	9%
Operating income	\$ 134,686	\$ 124,990	8%	\$ 345,192	\$ 303,104	14%

Three Months

Americas revenue increased \$30.0 million, or 8%, during the third quarter of 2007 as compared to the same period of 2006. The growth occurred across our inventory, including bulletins, posters, street furniture, airports and taxi displays. The revenue growth was led by bulletin revenue which was driven by increased rates and by increased airport display revenue which had both increased rates and occupancy. Leading advertising categories during the quarter were telecommunications, beverages, retail, financial services, amusements and real estate. Revenue growth occurred across our markets, led by Los Angeles, New York, Washington/Baltimore, Atlanta and Albuquerque.

Direct operating expenses increased \$13.8 million in the third quarter of 2007 as compared to the same period of 2006 primarily from an \$11.6 million increase in site lease expenses related to new contracts and the increase in airport, street furniture and taxi revenues. SG&A expenses increased \$4.6 million primarily from an increase in selling expenses associated with the increase in revenue.

Nine Months

Our Americas revenue increased 12%, or \$114.5 million, during the nine months ended September 30, 2007 as compared to the same period of 2006. Interspace contributed approximately \$31.7 million to the increase. Bulletin, posters, street furniture, airports and taxi displays all contributed to the increase in revenues. Direct operating expenses increased \$44.7 million in the nine months ended September 30, 2007 over the same period of 2006 primarily from an increase of \$14.7 million related to Interspace and a \$24.6 million increase in site lease expenses associated with new contracts and the increase in airport, street furniture and taxi revenues. Our SG&A expenses increased \$16.2 million in the first nine months of 2007 over the same period of 2006. Interspace contributed approximately \$7.3 million to the increase and the rest of the increase was primarily attributable to bonus, commission and bad debt expenses associated with the increase in revenues.

Depreciation and amortization increased \$11.5 million for the nine months ended September 30, 2007 compared to the same period of the prior year primarily associated with \$6.3 million from Interspace.

International Outdoor Advertising

<i>(In thousands)</i>	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2007	2006	Change	2007	2006	Change
Revenue	\$ 431,188	\$ 363,870	19%	\$ 1,264,891	\$ 1,101,293	15%
Direct operating expenses	287,133	250,365	15%	830,682	719,987	15%
	74,592	66,395	12%	226,314	202,212	12%

Selling, general and administrative expenses						
Depreciation and amortization	52,101	56,226	(7)%	152,731	169,888	(10)%
Operating income	\$ 17,362	\$ (9,116)	NA	\$ 55,164	\$ 9,206	499%

Three Months

International revenue increased \$67.3 million, or 19%, in the third quarter of 2007 as compared to the same period of 2006. Included in the increase was approximately \$30.7 million related to movements in foreign exchange. Revenue growth occurred across

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inventory categories including billboards, street furniture and transit, primarily driven by both increased rates and occupancy. Growth was led by increased revenues in France, Italy, Australia, Ireland and China.

Direct operating expenses increased \$36.8 million during the third quarter of 2007 as compared to the same period of 2006. Included in the increase was approximately \$20.4 million related to movements in foreign exchange. The remaining increase in direct operating expenses was primarily attributable to an increase in site-lease expense associated with the increase in revenue. SG&A expenses increased \$8.2 million from approximately \$5.3 million related to movements in foreign exchange with the remaining increase primarily attributable to selling expenses associated with the increase in revenue.

Nine Months

Revenue in our international outdoor segment increased \$163.6 million, or 15%, in the first nine months of 2007 compared to the same period of 2006. Included in the increase was approximately \$90.0 million related to movements in foreign exchange. Also contributing to the increase was growth in billboard and street furniture revenues during the nine months ended September 30, 2007 compared to the same period of 2006. Direct operating expenses increased \$110.7 million during the nine months ended September 30, 2007 as compared to the same period of 2006 primarily from approximately \$61.4 million related to movements in foreign exchange as well as an increase in site-lease expenses associated with new contracts and the increase in revenue. Our SG&A expenses increased \$24.1 million primarily attributable to \$16.7 million related to movements in foreign exchange and the remaining increase primarily attributable with selling expenses associated with the increase in revenue.

Depreciation and amortization declined \$17.1 million during the first nine months of 2007 compared to the same period of the prior year primarily from contracts which were fully amortized at December 31, 2006.

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

<i>(In thousands)</i>	Three Months ended September 30,		Nine Months ended September 30,	
	2007	2006	2007	2006
Radio Broadcasting	\$ 332,868	\$ 338,676	\$ 943,722	\$ 902,172
Americas Outdoor Advertising	134,686	124,990	345,192	303,104
International Outdoor Advertising	17,362	(9,116)	55,164	9,206
Other	772	54	(5,921)	(5,086)
Gain on disposition of assets net	(567)	9,122	10,474	58,343
Corporate	(52,985)	(53,591)	(156,779)	(151,531)
Consolidated operating income	\$ 432,136	\$ 410,135	\$ 1,191,852	\$ 1,116,208

LIQUIDITY AND CAPITAL RESOURCES**Cash Flows**

<i>(In thousands)</i>	Nine Months Ended September 30,	
	2007	2006
Cash provided by (used in):		
Operating activities	\$ 984,596	\$ 1,098,199
Investing activities	\$ (261,259)	\$ (474,600)
Financing activities	\$ (872,659)	\$ (650,049)
Discontinued operations	\$ 157,405	\$ 48,909

Operating Activities

Cash flow from operating activities during the nine months of 2007 primarily reflected income before discontinued operations of \$549.5 million plus depreciation and amortization of \$419.4 million and deferred taxes of \$128.6 million. Cash flow from operating activities for the nine months ended September 30, 2006 principally

reflected income before discontinued operations of \$436.6 million plus depreciation and amortization of \$436.2 million plus deferred taxes of \$155.1 million. Also contributing to cash flow from operating activities was an income tax refund of \$133.3 million from the overpayment of 2005 taxes due to a foreign exchange loss from the restructuring of our international business in anticipation of our strategic realignment, as well as the application of a portion of the capital loss generated from our spin-off of Live Nation.

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Table of Contents**Investing Activities**

Cash used in investing activities during the first nine months of 2007 principally reflects the purchase of property, plant and equipment of \$223.4 million. Cash used in investing activities for the nine months ended September 30, 2006 principally reflected cash used for the acquisition of operating assets of \$270.6 million which primarily related to the acquisition of radio stations and a music scheduling company in our radio segment, the acquisition of Interspace and the acquisition of an outdoor advertising business in the United Kingdom. Cash used in investing activities for the nine months ended September 30, 2006 also reflected \$226.6 million used for the purchase of property, plant and equipment.

Financing Activities

Cash used in financing activities for the nine months ended September 30, 2007 principally reflected net payments on our credit facility of \$407.7 million, \$250.0 million related to the February 2007 maturity of our 3.125% Senior Notes and \$279.0 million in dividends paid. Cash used in financing activities for the nine months ended September 30, 2006 primarily reflected \$1.4 billion used for the purchase of our common stock, \$290.4 million used for the payment of dividends, partially offset by net draws on our credit facility of \$401.8 million and \$778.5 million from the issuance of long term debt.

Discontinued Operations

We had definitive asset purchase agreements signed for the sale of 360 of our radio stations and all of our television stations as of September 30, 2007. The cash flows from these businesses, along with 55 radio stations which were sold in the fourth quarter of 2006 and first nine months of 2007, are reported for both years as cash flows from discontinued operations.

Disposition of Assets

We received proceeds of \$9.7 million primarily related to the sale of representation contracts and international street furniture assets recorded in cash flows from investing activities during the nine months ended September 30, 2007. We also received proceeds of \$114.2 million related to the sale of radio stations recorded as investing cash flows from discontinued operations during the nine months ended September 30, 2007.

Anticipated Cash Requirements

We expect to fund anticipated cash requirements (including payments of principal and interest on outstanding indebtedness and commitments, acquisitions, anticipated capital expenditures, quarterly dividends and share repurchases) for the foreseeable future with cash flows from operations and various externally generated funds.

SOURCES OF CAPITAL

As of September 30, 2007 and December 31, 2006, we had the following debt outstanding:

<i>(In millions)</i>	September 30, 2007	December 31, 2006
Credit facilities	\$ 593.0	\$ 966.5
Long-term bonds (a)	6,297.7	6,531.6
Other borrowings	129.7	164.9
Total Debt	7,020.4	7,663.0
Less: Cash and cash equivalents	124.1	116.0
	\$ 6,896.3	\$ 7,547.0

(a) Includes
\$4.3 million and
\$7.1 million at
September 30,

2007 and
December 31,
2006,
respectively, in
unamortized fair
value purchase
accounting
adjustment
premiums
related to the
merger with
AMFM. Also
includes
negative
\$12.3 million
and
\$29.8 million
related to fair
value
adjustments for
interest rate
swap
agreements at
September 30,
2007 and
December 31,
2006,
respectively.

Credit Facility

We have a multi-currency revolving credit facility in the amount of \$1.75 billion, which can be used for general working capital purposes including commercial paper support as well as to fund capital expenditures, share repurchases, acquisitions and the refinancing of public debt securities. At September 30, 2007, the outstanding balance on this facility was \$593.0 million and, taking

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into account letters of credit of \$75.7 million, \$1.1 billion was available for future borrowings, with the entire balance to be repaid on July 12, 2009.

During the nine months ended September 30, 2007, we made principal payments totaling \$1.0 billion and drew down \$618.4 million on the credit facility. As of November 7, 2007, the credit facility's outstanding balance was \$359.7 million and, taking into account outstanding letters of credit, \$1.3 billion was available for future borrowings.

Shelf Registration

On August 30, 2006, we filed a Registration Statement on Form S-3 covering the issuance of debt securities, junior subordinated debt securities, preferred stock, common stock, warrants, stock purchase contracts and stock purchase units. The shelf registration statement also covers preferred securities that may be issued from time to time by our three Delaware statutory business trusts and guarantees of such preferred securities by us. This shelf registration statement was automatically effective on August 31, 2006 for a period of three years.

Debt Covenants

The significant covenants on our \$1.75 billion five-year, multi-currency revolving credit facility relate to leverage and interest coverage contained and defined in the credit agreement. The leverage ratio covenant requires us to maintain a ratio of consolidated funded indebtedness to operating cash flow (each as defined by the credit agreement) of less than 5.25x. The interest coverage covenant requires us to maintain a minimum ratio of operating cash flow (each as defined by the credit agreement) to interest expense of 2.50x. In the event that we do not meet these covenants, we are considered to be in default on the credit facility at which time the credit facility may become immediately due. At September 30, 2007, our leverage and interest coverage ratios were 3.2x and 4.9x, respectively. This credit facility contains a cross default provision that would be triggered if we were to default on any other indebtedness greater than \$200.0 million, and also contains a provision whereby the credit facility becomes immediately due upon any change of control.

Our other indebtedness does not contain provisions that would cause a default if we were to default on our credit facility.

The fees we pay on our \$1.75 billion, five-year multi-currency revolving credit facility depend on the highest of our long-term debt ratings, unless there is a split rating of more than one level in which case the fees depend on the long-term debt rating that is one level lower than the highest rating. Based on our current ratings level of B+/Baa3, our fees on borrowings are a 52.5 basis point spread to LIBOR and are 22.5 basis points on the total \$1.75 billion facility. In the event our ratings improve, the fee on borrowings and facility fee decline gradually to 20.0 basis points and 9.0 basis points, respectively, at ratings of A/A3 or better. In the event that our ratings decline, the fee on borrowings and facility fee increase gradually to 120.0 basis points and 30.0 basis points, respectively, at ratings of BB/Ba2 or lower.

We believe there are no other agreements that contain provisions that trigger an event of default upon a change in long-term debt ratings that would have a material impact to our financial statements.

Additionally, our 8% senior notes due 2008, which were originally issued by AMFM Operating Inc., a wholly-owned subsidiary of Clear Channel, contain certain restrictive covenants that limit the ability of AMFM Operating Inc. to incur additional indebtedness, enter into certain transactions with affiliates, pay dividends, consolidate, or effect certain asset sales.

At September 30, 2007 we were in compliance with all debt covenants.

USES OF CAPITAL**Dividends**

Our Board of Directors declared quarterly cash dividends as follows:

(In millions, except per share data)

Declaration Date	Amount per Common Share	Record Date	Payment Date	Total Payment
October 25, 2006	0.1875	December 31, 2006	January 15, 2007	\$92.6
February 21, 2007	0.1875	March 31, 2007	April 15, 2007	93.0

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April 19, 2007	0.1875	June 30, 2007	July 15, 2007	93.4
July 27, 2007	0.1875	September 30, 2007	October 15, 2007	93.4
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Table of Contents**Acquisitions**

We acquired Americas outdoor display faces and additional equity interests in international outdoor companies for \$42.7 million in cash during the nine months ended September 30, 2007. Our national representation business acquired representation contracts for \$28.9 million in cash during the nine months ended September 30, 2007.

Capital Expenditures

Capital expenditures were \$223.4 million and \$226.6 million in the nine months ended September 30, 2007 and 2006, respectively.

(In millions)

	Nine Months Ended September 30, 2007 Capital Expenditures					
	Americas		International		Corporate and Other	Total
	Radio	Outdoor Advertising	Outdoor Advertising			
<i>Non-revenue producing</i>	\$ 52.1	\$ 23.3	\$ 30.4	\$ 6.1	\$ 111.9	
Revenue producing		53.5	58.0		111.5	
	\$ 52.1	\$ 76.8	\$ 88.4	\$ 6.1	\$ 223.4	

Commitments, Contingencies and Guarantees

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

Certain agreements relating to acquisitions provide for purchase price adjustments and other future contingent payments based on the financial performance of the acquired companies generally over a one to five year period. We will continue to accrue additional amounts related to such contingent payments if and when it is determinable that the applicable financial performance targets will be met. The aggregate of these contingent payments, if performance targets are met, would not significantly impact our financial position or results of operations.

Debt Maturities

On February 1, 2007, we redeemed our 3.125% Senior Notes at their maturity for \$250.0 million plus accrued interest with proceeds from our bank credit facility.

MARKET RISK**Interest Rate Risk**

At September 30, 2007, approximately 25% of our long-term debt, including fixed-rate debt on which we have entered into interest rate swap agreements, bears interest at variable rates. Accordingly, our earnings are affected by changes in interest rates. Assuming the current level of borrowings at variable rates and assuming a two percentage point change in the average interest rate under these borrowings, it is estimated that our interest expense for the nine months ended September 30, 2007 would have changed by \$26.1 million and that our net income for the nine months ended September 30, 2007 would have changed by \$15.4 million. In the event of an adverse change in interest rates, management may take actions to further mitigate its exposure. However, due to the uncertainty of the actions that would be taken and their possible effects, this interest rate analysis assumes no such actions. Further, the analysis does not consider the effects of the change in the level of overall economic activity that could exist in such an environment.

At September 30, 2007, we had interest rate swap agreements with a \$1.1 billion aggregate notional amount that effectively float interest at rates based upon LIBOR. These agreements expire from May 2009 to March 2012. The fair value of these agreements at September 30, 2007 was a liability of \$12.3 million.

Equity Price Risk

The carrying value of our available-for-sale and trading equity securities is affected by changes in their quoted market prices. It is estimated that a 20% change in the market prices of these securities would change their carrying value at September 30, 2007 by \$49.0 million and would change comprehensive income and net income by \$18.6 million and \$10.3 million, respectively. At

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September 30, 2007, we also held \$11.2 million of investments that do not have a quoted market price, but are subject to fluctuations in their value.

We maintain derivative instruments on certain of our trading equity securities to limit our exposure to and benefit from price fluctuations on those securities.

Foreign Currency

We have operations in countries throughout the world. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we have operations. To mitigate a portion of the exposure of international currency fluctuations, we maintain a natural hedge through borrowings in currencies other than the U.S. dollar. In addition, we have U.S. dollar Euro cross currency swaps which are also designated as a hedge of our net investment in foreign denominated assets. These hedge positions are reviewed monthly. Our foreign operations reported net income of \$34.4 million for the nine months ended September 30, 2007. It is estimated that a 10% change in the value of the U.S. dollar to foreign currencies would change net income for the nine months ended September 30, 2007 by \$3.4 million.

Our earnings are also affected by fluctuations in the value of the U.S. dollar as compared to foreign currencies as a result of our investments in various countries, all of which are accounted for under the equity method. It is estimated that the result of a 10% fluctuation in the value of the dollar relative to these foreign currencies at September 30, 2007 would change our equity in earnings of nonconsolidated affiliates by \$2.4 million and would change our net income by approximately \$1.4 million for the nine months ended September 30, 2007.

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

Recent Accounting Pronouncements

Statement of Financial Accounting Standards No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities including an amendment of FASB Statement No. 115* (Statement 159), was issued in February 2007. Statement 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. Statement 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. Statement 159 does not affect any existing accounting literature that requires certain assets and liabilities to be carried at fair value. Statement 159 does not eliminate disclosure requirements included in other accounting standards, including requirements for disclosures about fair value measurements included in Statements No. 157, *Fair Value Measurements*, and No. 107, *Disclosures about Fair Value of Financial Instruments*. Statement 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. We expect to adopt Statement 159 on January 1, 2008 and do not anticipate adoption to materially impact our financial position or results of operations.

Inflation

Inflation has affected our performance in terms of higher costs for wages, salaries and equipment. Although the exact impact of inflation is indeterminable, we believe we have offset these higher costs in various manners.

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges is as follows:

Nine Months Ended		Year Ended December 31,				
September 30,		2006	2005	2004	2003	2002
2007	2006	2006	2005	2004	2003	2002
2.32	2.15	2.22	2.20	2.69	3.49	2.38

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

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Risks Regarding Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Except for the historical information, this report contains various forward-looking statements which represent our expectations or beliefs concerning future events, including our future levels of cash flow from operations. Management believes that all statements that express expectations and projections with respect to future matters, including the success of our Merger Agreement and the planned sale of radio and television assets; our ability to negotiate contracts having more favorable terms; and the availability of capital resources; are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. We caution that these forward-looking statements involve a number of risks and uncertainties and are subject to many variables which could impact our financial performance. These statements are made on the basis of management's views and assumptions, as of the time the statements are made, regarding future events and business performance. There can be no assurance, however, that management's expectations will necessarily come to pass. We do not intend to update any forward looking statements.

A wide range of factors could materially affect future developments and performance, including:

the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement;

the outcome of any legal proceedings that have been or may be instituted against us relating to the Merger Agreement;

our inability to complete the merger due to the failure to obtain shareholder approval or to satisfy any other conditions to completion of the merger;

the impact of the substantial indebtedness incurred to finance the consummation of the merger;

the occurrence of any event, change or other circumstance that could give rise to the termination of agreements to sell our radio and television assets;

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

the impact of the geopolitical environment;

our ability to integrate the operations of recently acquired companies;

shifts in population and other demographics;

industry conditions, including competition;

fluctuations in operating costs;

technological changes and innovations;

changes in labor conditions;

fluctuations in exchange rates and currency values;

capital expenditure requirements;

the outcome of pending and future litigation settlements;

legislative or regulatory requirements;

interest rates;

the effect of leverage on our financial position and earnings;

taxes;

access to capital markets; and

certain other factors set forth in our filings with the Securities and Exchange Commission.

This list of factors that may affect future performance and the accuracy of forward-looking statements are illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Required information is within Item 2 of this Part I.

ITEM 4. CONTROLS AND PROCEDURES

Our principal executive and financial officers have concluded, based on their evaluation as of the end of the period covered by this Form 10-Q, that our disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, are effective to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information we are required to disclose in such reports is accumulated and

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communicated to management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting that occurred during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Table of Contents**Part II OTHER INFORMATION****Item 1. Legal Proceedings**

We are currently involved in certain legal proceedings and, as required, have accrued our estimate of the probable costs for the resolution of these claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings.

On September 9, 2003, the Assistant United States Attorney for the Eastern District of Missouri caused a Subpoena to Testify before Grand Jury to be issued to us. The Subpoena requires us to produce certain information regarding commercial advertising run by us on behalf of offshore and / or online (Internet) gambling businesses, including sports bookmaking and casino-style gambling. On October 5, 2006, we received a subpoena from the Assistant United States Attorney for the Southern District of New York requiring us to produce certain information regarding substantially the same matters as covered in the subpoena from the Eastern District of Missouri. We are cooperating with such requirements.

On February 7, 2005, we received a subpoena from the State of New York Attorney General's office, requesting information on policies and practices regarding record promotion on radio stations in the state of New York. We are cooperating with this subpoena.

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

Merger related litigation

Eight putative class action lawsuits were filed in the District Court of Bexar County, Texas, in 2006 in connection with the merger. Of the eight, three have been voluntarily dismissed and five are still pending. The remaining putative class actions, *Teitelbaum v. Clear Channel Communications, Inc., et al.*, No. 2006CI17492 (filed November 14, 2006), *City of St. Clair Shores Police and Fire Retirement System v. Clear Channel Communications, Inc., et al.*, No. 2006CI17660 (filed November 16, 2006), *Levy Investments, Ltd. v. Clear Channel Communications, Inc., et al.*, No. 2006CI17669 (filed November 16, 2006), *DD Equity Partners LLC v. Clear Channel Communications, Inc., et al.*, No. 2006CI7914 (filed November 22, 2006), and *Pioneer Investments Kapitalanlagegesellschaft MBH v. L. Lowry Mays, et al.* (filed December 7, 2006), are consolidated into one proceeding and all raise substantially similar allegations on behalf of a purported class of our shareholders against the defendants for breaches of fiduciary duty in connection with the approval of the merger.

Three other lawsuits filed in connection with the merger are also still pending, *Rauch v. Clear Channel Communications, Inc., et al.*, Case No. 2006-CI17436 (filed November 14, 2006), *Pioneer Investments Kapitalanlagegesellschaft mbH v. Clear Channel Communications, Inc., et al.*, (filed January 30, 2007 in the United States District Court for the Western District of Texas) and *Alaska Laborers Employees Retirement Fund v. Clear*

Channel Communications, Inc., et. al., Case No. SA-07-CA-0042 (filed January 11, 2007). These lawsuits raise substantially similar allegations to those found in the pleadings of the consolidated class actions.

We continue to believe that the allegations contained in each of the pleadings in the above-referenced actions are without merit and we intend to contest the actions vigorously. We cannot assure you that we will successfully defend the allegations included in the complaints or that pending motions to enjoin the transactions contemplated by the merger agreement will not be granted. If we are unable to resolve the claims that are the basis for the lawsuits or to prevail in any related litigation we may be required to pay

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substantial monetary damages for which we may not be adequately insured, which could have a material adverse effect on our business, financial position and results of operations. Regardless of whether the merger is consummated or the outcome of the lawsuits, we may incur significant related expenses and costs that could have an adverse effect on our business and operations. Furthermore, the cases could involve a substantial diversion of the time of some members of management. Accordingly, we are unable to estimate the impact of any potential liabilities associated with the complaints.

Item 1A. Risk Factors

For information regarding risk factors, please refer to Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2006. There have not been any material changes in the risk factors disclosed in this Annual Report on Form 10-K.

Additional information relating to risk factors is described in Management's Discussion and Analysis of Financial Condition and Results of Operations under Risks Regarding Forward-Looking Statements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchases.

On September 6, 2006, our Board of Directors authorized a share repurchase program, permitting us to repurchase \$1.0 billion of our common stock. This program expired on September 6, 2007. During the three months ended September 30, 2007, we did not repurchase any shares through this program; however, we accepted shares in payment of income taxes due upon the vesting of restricted stock awards as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Programs
July 1 through July 31	340	\$ 36.90	-0-	\$ 1,000,000,000
August 1 through August 31	431	\$ 36.55	-0-	\$ 1,000,000,000
September 1 through September 30	168	\$ 37.51	-0-	\$ -0-
Total	939		-0-	\$ -0-

Item 4. Submission of Matters to a Vote of Security Holders

A special meeting of the shareholders of Clear Channel Communications, Inc., was held on September 25, 2007 to vote on the following three proposals:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of November 16, 2006, by and among Clear Channel, BT Triple Crown Merger Co., Inc. (Merger Sub), B Triple Crown Finco, LLC and T Triple Crown Finco, LLC (together with B Triple Crown Finco, LLC, the Fincos), as amended by Amendment No. 1 thereto, dated April 18, 2007, by and among Clear Channel, Merger Sub and the Fincos, and as further amended by Amendment No. 2 thereto, dated May 17, 2007, by and among Clear Channel, Merger Sub, the Fincos and CC Media Holdings, Inc. (as amended, the merger agreement);
2. To consider and vote upon a proposal to adjourn or postpone the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve and adopt the merger agreement, as amended; and
- 3.

To transact such other business that may properly come before the special meeting or any adjournment or postponement thereof.

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The results of voting at the special meeting of the shareholders were as follows:

Proposal No. 1

For	Against	Abstain	Not Voted
364,084,022	5,814,983	3,277,672	124,769,494

Proposal No. 2

For	Against	Abstain	Not Voted
342,230,682	27,673,532	3,272,463	124,769,494

Proposal No. 3

For	Against	Abstain	Not Voted
199,440,775	132,533,707	41,202,195	124,769,494

Item 6. Exhibits

See the Index to Exhibits, which is incorporated into and made a part of this Quarterly Report on Form 10-Q.

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CLEAR CHANNEL
COMMUNICATIONS, INC.

November 9, 2007

/s/ Randall T. Mays
Randall T. Mays
President and Chief Financial Officer

November 9, 2007

/s/ Herbert W. Hill, Jr.
Herbert W. Hill, Jr.
Senior Vice President and Chief
Accounting Officer

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INDEX TO EXHIBITS

Exhibit

Number	Description
2.1	Agreement and Plan of Merger among BT Triple Crown Merger Co., Inc., B Triple Crown Finco, LLC, T Triple Crown Finco, LLC and Clear Channel Communications, Inc., dated as of November 16, 2006 (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated November 16, 2006).
2.2	Amendment No. 1, dated April 18, 2007, to the Agreement and Plan of Merger, dated as of November 16, 2006, by and among BT Triple Crown Merger Co., Inc., B Triple Crown Finco, LLC, T Triple Crown Finco, LLC and Clear Channel Communications, Inc. (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated April 18, 2007).
2.3	Amendment No. 2, dated May 17, 2007, to the Agreement and Plan of Merger, dated as of November 16, 2006, by and among BT Triple Crown Merger Co., Inc., B Triple Crown Finco, LLC, T Triple Crown Finco, LLC, BT Triple Crown Holdings III, Inc. and Clear Channel Communications, Inc., as amended (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated May 18, 2007).
2.4	Asset Purchase Agreement dated April 20, 2007, between Clear Channel Broadcasting, Inc., ABO Broadcasting Operations, LLC, Ackerley Broadcasting Fresno, LLC, AK Mobile Television, Inc., Bel Meade Broadcasting, Inc., Capstar Radio Operating Company, Capstar TX Limited Partnership, CCB Texas Licenses, L.P., Central NY News, Inc., Citicasters Co., Clear Channel Broadcasting Licenses, Inc., Clear Channel Investments, Inc. and TV Acquisition LLC (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated April 26, 2007).
3.1	Current Articles of Incorporation of the Company (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-3 (Reg. No. 333-33371) dated September 9, 1997).
3.2	Current Bylaws of the Company (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q dated May 9, 2007).
3.3	Amendment to the Company's Articles of Incorporation (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998).
3.4	Second Amendment to Clear Channel's Articles of Incorporation (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
3.5	Third Amendment to Clear Channel's Articles of Incorporation (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended May 31, 2000).
4.1	Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays, B.J. McCombs, John M. Schaefer and John W. Barger, dated August 3, 1998 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
4.2	Waiver and Second Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated August 17, 1998 (incorporated by

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reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).

- 4.3 Waiver and Third Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated July 26, 2002 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).
- 4.4 Waiver and Fourth Agreement Concerning Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays and B.J. McCombs, dated September 27, 2002 (incorporated by reference to the exhibits to Clear Channel's Schedule 13-D/A, dated October 10, 2002).

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Exhibit

Number	Description
4.5	Buy-Sell Agreement by and between Clear Channel Communications, Inc., L. Lowry Mays, B. J. McCombs, John M. Schaefer and John W. Barger, dated May 31, 1977 (incorporated by reference to the exhibits of the Company's Registration Statement on Form S-1 (Reg. No. 33-289161) dated April 19, 1984).
4.6	Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York as Trustee (incorporated by reference to the exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997).
4.7	Second Supplemental Indenture dated June 16, 1998 to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and the Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated August 27, 1998).
4.8	Third Supplemental Indenture dated June 16, 1998 to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and the Bank of New York, as Trustee (incorporated by reference to the exhibits to the Company's Current Report on Form 8-K dated August 27, 1998).
4.9	Ninth Supplemental Indenture dated September 12, 2000, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.10	Eleventh Supplemental Indenture dated January 9, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York as Trustee (incorporated by reference to the exhibits to Clear Channel's Annual Report on Form 10-K for the year ended December 31, 2002).
4.11	Twelfth Supplemental Indenture dated March 17, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated March 18, 2003).
4.12	Thirteenth Supplemental Indenture dated May 1, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated May 2, 2003).
4.13	Fourteenth Supplemental Indenture dated May 21, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated May 22, 2003).
4.14	Sixteenth Supplemental Indenture dated December 9, 2003, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated December 10, 2003).
4.15	Seventeenth Supplemental Indenture dated September 15, 2004, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated

September 15, 2004).

- 4.16 Eighteenth Supplemental Indenture dated November 22, 2004, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated November 17, 2004).

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Exhibit

Number	Description
4.17	Nineteenth Supplemental Indenture dated December 13, 2004, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated December 13, 2004).
4.18	Twentieth Supplemental Indenture dated March 21, 2006, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated March 21, 2006).
4.19	Twenty-first Supplemental Indenture dated August 15, 2006, to Senior Indenture dated October 1, 1997, by and between Clear Channel Communications, Inc. and The Bank of New York, as Trustee (incorporated by reference to the exhibits to Clear Channel's Current Report on Form 8-K dated August 16, 2006).
11	Statement re: Computation of Per Share Earnings.
12	Statement re: Computation of Ratios.
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.