UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31,
1995

CLEAR CHANNEL COMMUNICATIONS, INC.

(State of Incorporation) [I.R.S. Employer Identification No.]

200 Concord Plaza, Suite 600
San Antonio, Texas

Address of Principal Executive Offices)

(210) 822-2828

Securities Registered Pursuant to Section 12(b) of the Act:
Title of each class Name of Exchange on which registered
Common Stock 5.10 par value New York Stock Exchange

Registrant's Telephone Number, Including Area Code: (210) 822-2828
duopoly and 100 percent foreign ownership, the Company recognized that it might provide attractive returns on investments. To that end, your company continues to be opportunistic, rather than expansionary, when evaluating acquisitions in global markets.

The pro forma results for 100% of ARN, after station divestitures, for the year ended December 31, 1995 are detailed below. At February 29, 1996, the foreign currency exchange rate was US $1 = A $1.31.

<table>
<thead>
<tr>
<th>Description</th>
<th>AS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>83,242,000</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>55,948,000</td>
</tr>
<tr>
<td>Station operating income before</td>
<td>21,294,000</td>
</tr>
<tr>
<td>depreciation and amortization</td>
<td>2,765,000</td>
</tr>
<tr>
<td>Corporate/other</td>
<td>24,529,000</td>
</tr>
<tr>
<td>EBITDA</td>
<td></td>
</tr>
</tbody>
</table>

Expansion within the United States

Heftel Broadcasting Corporation

In May of 1995, the opportunity to acquire a significant interest in the largest Spanish-language broadcasting company in the United States, Heftel Broadcasting Corporation, became available and the Company took a 21.4 percent equity position in Heftel's publicly-traded Class A common stock. Heftel's stock is traded on the NASCAP under the symbol HCCA.

Strategically, this acquisition positions the company in the attractive and rapidly growing Spanish-language broadcasting niche. Because the Hispanic population is the fastest growing population segment in the United States and because fewer stations per capita target the Spanish-language market, the Company believes that Spanish-language broadcasting is an attractive, long-term growth industry. Due to the fact that well-established market positions held by existing radio stations make it difficult to start new Spanish-language stations, the company opted to invest in an established Spanish-language broadcaster. Consistent with the Company's own long-term strategy to dominate its markets, Heftel's strategy is to become the dominant Spanish-language broadcaster in the U.S. Heftel should benefit from the increased consolidation of the Spanish-language niche made possible by the Telecommunications Act of 1996. The Company's initial investment in Heftel in May of 1995 has more than doubled in value and we look forward to increased growth in this investment.

US Radio, Inc.

In March of 1996, the Company entered into a definitive agreement to acquire US Radio, Inc. for $140 million. US Radio owns and/or operates 13 FM and 5 AM stations in eight markets in the U.S. This transaction will expand our broadcasting presence in some of our existing markets and give the Company an excellent foundation in other markets from which it can continue to grow.

Oklahoma City

We believe we have an obligation to the well-being of the communities in which we work. We further believe the future of the Company's core businesses is closely tied to public service and that the standards we set will be measured closely by the communities we serve and the regulators who license us.

Clear Channel's involvement in an event that challenged the entire nation's belief in the good of humanity, the April 19, 1995 bombing of the Alfred P. Murrah federal building in Oklahoma
Agenda

Welcome

Introduction

Hispanic Market

New Heftel

Financial Overview

Senior Secured Credit Facilities

Questions & Answers

Jim Kuster
Chase Securities Inc.

Randall Mays, Clear Channel

Randall Mays, Clear Channel

Jeff Hinson, Heftel Broadcasting

Jeff Hinson, Heftel Broadcasting

Patricia Deans
Chase Securities Inc.
Recent History

- May 1995
- Clear Channel Acquires 20% Heftel Stake

- June 1996
- Clear Channel Tender for Additional 43% of Heftel

- July 1996
- Heftel-Tichenor Merger Agreement Announced

- February 1997
- Anticipated Merger Closing
The Largest and Most Successful Spanish Radio Broadcaster

- New Heftel pro forma 1996 revenues approximate $120 million
- Combined revenues of the next 9 largest Spanish radio broadcasters approximate $100 million
- Only Spanish radio broadcaster to operate stations in each of the top ten Hispanic markets
- Operates the number one Spanish station in nine markets
- Operates the number one station in any format in four markets
Tichenor Merger Overview

- Acquiring top Hispanic broadcaster with superior management

- Stock merger. Heftel to issue 5.69 million shares and assume approximately $74 million in debt

- Estimated completion date February 1997

- FCC and DOJ approvals received

- Clear Channel to convert to non-voting stock with option to convert back to voting stock
Stable, Experienced Management

- Tichenor Management
  - Spanish radio operator since 1951
  - Combined 72 years experience
  - 27% ownership
  - Tichenor same station radio revenues grow faster than the market growth
  - Extensive start-up experience
  - Low turnover in station general managers
  - Low corporate overhead

- Clear Channel
  - Largest Heftel owner - 33%
Investment Highlights

- Approximately 465 Spanish language stations nationwide versus 12,000 total
- 5.3% of Spanish listening and only 2.9% of radio advertising revenues
HISPANIC MARKET: LARGE AND GROWING
Hispanic Market is Growing Five Times Faster Than the Total U.S. Population

- Projected 31 million people by 2000

- Estimated 27% of the total population of the top ten Hispanic markets by 2000

- Hispanic Persons 12+ grew 3.5% in 1996 in the top ten Hispanic markets vs. -0.1% for Non-Hispanics

Estimated Population Growth Rates 1990-2050

<table>
<thead>
<tr>
<th>Race</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>36.5%</td>
</tr>
<tr>
<td>Black</td>
<td>91.7%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>290.5%</td>
</tr>
</tbody>
</table>

Source: US Bureau of the Census.
63% of the U.S. Hispanic Population Live in New Heftel's Markets

- 74% of the U.S. Hispanic population live in the top 15 Hispanic markets
- 85% of the U.S. Hispanic population live in the top 30 Hispanic markets

"The Franchise" Number One Spanish Language Stations in Nine Out of Top Ten Hispanic Markets
Spanish Advertising Expenditures are Growing

Total Spanish Media Expenditures

- $600 - $700 - $800 - $900 - $1,000 - $1,100 - $1,200 - $1,300


$702.4

$1,983.3

Source: Hispanic Business Magazine (as reported).
HISPANIC MARKET IS UNDERSERVED
Significant Upside Potential of Hispanic Ad Market

9.5% All data as a % of Total U.S.

6.3%

5.3%

2.9%


Source: Alex Brown; Hispanic Business Magazine; US Bureau of Census.
Spanish Radio Industry Revenue Potential

(Dollars in millions)

Source: Alex Brown, Hispanic Business Magazine; Veronis Suhler & Associates, Katz Hispanic Media.
1. Estimated Spanish radio industry revenue share assuming revenue share equaled audience share.
2. Estimated revenue share of all Spanish radio stations - 1995.
U.S. Hispanics Continue to Favor Spanish Language Media

- Preservation of cultural identity
- Geographic concentration of Hispanics
- Continued immigration
- Continued contact with countries of origin
- Proliferation of Spanish language media
- Radio can adapt its formats to meet the changing needs of the Hispanic community
New Heftel is Strategically Well Positioned

♦ Only radio broadcaster to deliver the top ten Hispanic markets - 63% of the U.S. Hispanic population live in New Heftel's Markets

♦ Stable, experienced management with proven value creation track record

♦ Opportunity to be leading consolidator of Spanish radio

♦ Opportunity to introduce new Spanish formats in top ten Hispanic markets
## Nine Number One Spanish Language Stations

<table>
<thead>
<tr>
<th>Hispanic Market Rank</th>
<th>Hispanic Markets</th>
<th>Number One Spanish Stations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Los Angeles</td>
<td>KLVE-FM</td>
</tr>
<tr>
<td>2</td>
<td>New York</td>
<td>WAMR-FM</td>
</tr>
<tr>
<td>3</td>
<td>Miami</td>
<td>KSOL/KZOL-FM</td>
</tr>
<tr>
<td>4</td>
<td>San Francisco</td>
<td>WOJO-FM</td>
</tr>
<tr>
<td>5</td>
<td>Chicago</td>
<td>KLTN-FM</td>
</tr>
<tr>
<td>6</td>
<td>Houston</td>
<td>KXTN-AM/FM</td>
</tr>
<tr>
<td>7</td>
<td>San Antonio</td>
<td>KIWW-FM</td>
</tr>
<tr>
<td>8</td>
<td>McAllen/Brownsville/Harlingen</td>
<td>KESS-AM</td>
</tr>
<tr>
<td>9</td>
<td>Dallas</td>
<td>KBNA-AM/FM</td>
</tr>
<tr>
<td>10</td>
<td>El Paso</td>
<td></td>
</tr>
</tbody>
</table>

Source: Arbitron, 1996 Summer Book, Adults 25-54
2. Station owned by a competitor.
4. Also includes simulcast with KLTO/KLTP-FM.
### Four Number One Stations in Any Format

<table>
<thead>
<tr>
<th>Rank</th>
<th>Hispanic Market</th>
<th>Stations</th>
</tr>
</thead>
<tbody>
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<td>1</td>
<td>Los Angeles</td>
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<td>San Antonio</td>
<td>KXTN-AM/FM</td>
</tr>
<tr>
<td>8</td>
<td>McAllen/ Brownsville/ Harlingen</td>
<td>KIWW-FM</td>
</tr>
<tr>
<td>10</td>
<td>El Paso</td>
<td>KBNA-AM/FM</td>
</tr>
</tbody>
</table>

- No other Spanish radio operator currently operates the number one general market station in any of the top ten Hispanic markets

Source: Arbitron, 1996 Summer Book, Adults 25-54

Tichenor Same Station Radio Revenues is Faster Than the Market Growth

Station Revenue Growth Indexed Against Radio Market Revenue Growth

1. Market growth is based on the growth rates achieved in company's broadcast markets.
2. For the nine months ended September 30, 1996.
3. Composite of Tichenor's markets including general market stations.
Tichenor Start-up Experience

- Start-up Strategy
  - Entrench and grow franchise position
  - Develop underserved markets

- 9 out of 20 Tichenor Stations were start-ups

- Proven ability to successfully convert stations to Spanish language formats
Current Start-Up Stations

<table>
<thead>
<tr>
<th>Hispanic Market Rank</th>
<th>Hispanic Market</th>
<th>Station</th>
<th>Start-up Commencement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Los Angeles</td>
<td>KSCA-FM</td>
<td>41-97</td>
</tr>
<tr>
<td>2</td>
<td>New York</td>
<td>WPAT-AM</td>
<td>Q1-97</td>
</tr>
<tr>
<td>4</td>
<td>San Francisco</td>
<td>KSOL/KZOL-FM</td>
<td>43-96</td>
</tr>
<tr>
<td>6</td>
<td>Houston</td>
<td>KRTX-FM</td>
<td>Q2-96</td>
</tr>
</tbody>
</table>
KLTN-FM (Houston)

- Start-up: July 1992
- Number one Spanish station
- KLTN-FM Genera  Market Ranking:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1994</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34</td>
<td>#11</td>
<td>#4</td>
</tr>
<tr>
<td>12+</td>
<td>#17</td>
<td>#9</td>
</tr>
<tr>
<td>25-54</td>
<td>#17</td>
<td>#9</td>
</tr>
</tbody>
</table>

Source: Arbitron, 1994 & 1996 Summer Book, 12+
The San Francisco/San Jose Market

- Start-up: KSOL-FM / KZOL-FM
  - Purchase price: $40 million
  - Simulcast signals cover from north of San Francisco to San Jose to Salinas-Monterey
  - First full coverage Spanish FM signal in the Bay area
  - Commenced roll out of format in September 19
The San Francisco / San Jose Opportunity

- The San Francisco / San Jose Hispanic population is estimated at 1,120,100
- Hispanics represent 16.9% of the San Francisco / San Jose population
- The Hispanic population increased 78.3% from 1980-1996
- Hispanic Persons 12+ is growing at 4.4% compared to 0.3% for the Non-Hispanic population in San Francisco / San Jose
- The existing line-up of Spanish stations underserves the San Francisco / San Jose Hispanic market

Source: 1996 SRC, Updated Census Tracts
Spanish Radio Underserves Hispanics in San Francisco

Comparison of San Francisco Hispanic Ratings against Hispanic Universe

- Number one Spanish station is an AM
- No prior full market FM coverage
- No one dominant Spanish station

   1. Company estimates. Adjusted for percent Hispanic population in each market.
KSOL/KZOL-FM Trends

- Station launched Labor Day
- Full scale promotion commenced late October
- By December, KSOL/ KZOL-FM was the number one Spanish station
- KSOL/ KZOL-FM Arbitron, 1996 Fall Book General Market ranking

<table>
<thead>
<tr>
<th>Age Range</th>
<th>_ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-34</td>
<td>#4</td>
</tr>
<tr>
<td>25-54</td>
<td>#13</td>
</tr>
<tr>
<td>12+</td>
<td>#16</td>
</tr>
</tbody>
</table>

Source: Arbitron, 1996 Fall Book
Los Angeles Market

◆ KLVE-FM:
  ◦ Number one station in the market - in all demographics

◆ KTNQ-AM:
  ◦ Number two ranked AM station in the market
  ◦ Number six ranked station in the market

◆ Start-up: KSCA
  ◦ TBA for nominal price commencing January, 1997
  ◦ Option to purchase KSCA-FM for approximately $12.5 million
  ◦ Option price: $10 million up-front and $3.0 million per annum thereafter. All payments credited to purchase price

The Los Angeles Market Opportunity

- Hispanic Persons 12+ comprise 36.7% of the population in Los Angeles
- There are over 6,000,000 Hispanics in Los Angeles
- Hispanic Persons 12+ is growing at 4.2% compared to -1.7% for Non-Hispanics in Los Angeles
- Only Two Full signal Spanish-FM stations broadcasting in Los Angeles
- The leading format in the Los Angeles market is Spanish

HBC 053647

1. LA Metro Spring 1996 Arbitron Current US Census
3. Los Angeles Metro, Summer 1996 Arbitron, Adults 12+ AQH Share: Total Week
Large Revenue Potential for Spanish Broadcasters in Los Angeles

(Dollars in millions)

$76.0

$105.5

Estimated 1996 Spanish Radio Revenues 1

Revenue Potential 2

Assuming Spanish Radio's Revenue Share Equals Audience Share

1. Company estimate.
Commitment to Growth

- Same station growth
- Revenue growth from start-up stations
- Concentration on cost controls
- Increasing profit margins
- Accretive acquisitions