

CLEAR CHANNEL COMMUNICATIONS INC

Form DEFA14A

November 16, 2006

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CLEAR CHANNEL COMMUNICATIONS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

The following is an email from Mark P. Mays, Chief Executive Officer of Clear Channel Communications, Inc., dated November 16, 2006, to the employees of Clear Channel Communications, Inc.

note from mark

Good morning,

Today, our Board of Directors announced it has concluded its strategic review process and has decided to take the following actions:

Clear Channel Communications, Inc. will merge with an investment group consisting of Thomas H. Lee Partners, L.P., Bain Capital Partners, LLC, Randall Mays, Lowry Mays, and myself.

We plan to sell our television station group, and we also plan to sell 448 of our radio stations that operate outside the top 100 U.S. markets.

Please read the linked press releases [Clear Channel Communications, Inc. Enters into Merger Agreement with Private Equity Group Co-Led By Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P.](#) and [Clear Channel Announces Plan to Sell Radio Stations Outside the Top 100 Markets and Entire Television Station Group](#), detailing these actions, as well as the linked Q&A, which answers some of what may be your immediate questions.

I'd also like to invite you to join Randall and me for a company-wide conference call today at 11:00 a.m. CST (US). Lisa Dollinger will be sending you complete dial-in information prior to the call. We know that you must have questions about what has occurred over the past weeks and what this decision means for all of us as employees. We'll do our best to answer as many of your questions as we can, and we look forward to talking with you.

As with our other all-employee calls, please send any questions you'd like us to address in advance to question@clearchannel.com. You'll also be able to e-mail questions to us during the call. In addition, we have an Employee Hotline at 1-888-403-4722.

On a personal note, I'm very pleased to let you know that both Randall and I will be staying with the company in our current positions. Together with all of you, we have built a strong company that leads all of the businesses in which we operate... a company we are very proud of. We look forward to continuing our shared progress together and are excited about the possibilities for growing our businesses and leading our industries into a very bright future.

I'd like to thank you all for your great work, patience and continued focus on business during this process.

Until the call,

Mark

The following is an email from John Hogan, President and Chief Executive Officer of Clear Channel Radio, dated November 16, 2006, to the employees of Clear Channel Radio.

Good Morning,

Today the company announced that we will be going private and details on that were provided in an earlier e-mail from Mark Mays.

Additionally, we are announcing the intention to sell Clear Channel TV as well as 448 radio stations in some 90 markets and includes your market and stations. Attached is a list which details all markets we intend to sell. The decision to sell the stations in your market was not made quickly or easily nor is it a reflection on the efforts and performance of you and your team. It is a business decision that we believe will result in a better operating opportunity for your stations and is in keeping with the strategic direction of Clear Channel Radio.

The details on the process for selling this group of stations will be forthcoming. I know you will have many questions and we will answer them as the process develops. In the interim, the best direction I can provide is to continue to focus on the job at hand and perform at the highest level possible. Please know that the time, energy, and effort that you and your team give and continue to give on behalf of your stations is greatly appreciated.

John Hogan

Pres. & CEO

Attachment

| | | Market Rank |
|---------------------|------------|----------------|
| Boise, ID | Market 203 | 1A 108 |
| Lancaster, PA | Market 393 | 1A 113 |
| Victorville, CA | Market 344 | 1A 127 |
| Reading, PA | Market 147 | 1A 131 |
| Shreveport, LA | Market 208 | 1A 132 |
| Burlington, VT | Market 337 | 1A 136 |
| Fayetteville, AR | Market 267 | 1A 141 |
| Salisbury, MD | Market 347 | 1A 146 |
| Ann Arbor, MI | Market 350 | 1A 147 |
| Tyler, TX | Market 288 | 1A 149 |
| Albany, OR | Market 230 | 1A 150 |
| Montgomery, AL | Market 300 | 1A 151 |
| Huntington, WV | Market 329 | 1A 156 |
| Rome/Utica, NY | Market 151 | 1A 159 |
| Poughkeepsie, NY | Market 339 | 1A 162 |
| Anchorage, AK | Market 248 | 1A 172 |
| San Luis Obispo, CA | Market 384 | 1A 173 |
| Lincoln, NE | Market 273 | 1A 176 |
| Fort Smith, AR | Market 268 | 1A 177 |
| Binghamton, NY | Market 245 | 1A 179 |
| Lebanon, NH | Market 392 | 1A 180 |
| Lubbock, TX | Market 284 | 1A 182 |
| Midland/Odessa TX | Market 286 | 1A 188 |
| Tupelo, MS | Market 379 | 1A 189 |
| Amarillo, TX | Market 277 | 1A 195 |
| Yakima, WA | Market 242 | 1A 201 |

| | | Market Rank |
|----------------------------------|----|-------------|
| Tri-Cities, WA Market 407 | 1A | 202 |
| Duluth, MN Market 424 | 1A | 204 |
| Santa Barbara, CA Market 186 | 1A | 207 |
| Medford, OR Market 231 | 1A | 212 |
| Bangor, ME Market 352 | 1A | 216 |
| Fargo, ND Market 361 | 1A | 223 |
| Laurel, MS Market 381 | 1A | 227 |
| Rochester, MN Market 371 | 1A | 230 |
| Charlottesville, VA Market 174 | 1A | 231 |
| Muskegon, MI Market 375 | 1A | 232 |
| Marion/Carbondale, IL Market 380 | 1A | 235 |
| Eau Claire, WI Market 348 | 1A | 242 |
| Abilene, TX Market 360 | 1A | 243 |
| Wheeling, WV Market 330 | 1A | 248 |
| Lima, OH Market 220 | 1A | 249 |
| Parkersburg, WV Market 410 | 1A | 249.1 |
| Battle Creek, MI Market 294 | 1A | 258 |
| Billings, MT Market 403 | 1A | 260 |
| Wichita Falls, TX Market 387 | 1A | 261 |
| Texarkana, TX Market 287 | 1A | 262 |
| Augusta, ME Market 377 | 1A | 266 |
| Williamsport, PA Market 159 | 1A | 269 |
| Sioux City, IA Market 395 | 1A | 272 |
| Mankato, MN Market 370 | 1A | 273 |
| Lawton, OK Market 276 | 1A | 282 |
| Cookeville, TN Market 107 | 1A | 284 |
| Bismarck, ND Market 211 | 1A | 285 |
| Grand Forks, ND Market 244 | 1A | 287 |
| Jonesboro, AR Market 374 | 1A | 289 |
| Cheyenne, WY Market 240 | 1A | 290 |
| The Florida Keys, FL Market 123 | 1A | 291 |
| Mason City, IA Market 372 | 1A | 292 |
| Meridian, MS Market 408 | 1A | 295 |
| Casper, WY Market 239 | 1A | 297 |
| Ashland/Mansfield, OH Market 369 | 1A | NR |
| Ashtabula, OH Market 368 | 1A | NR |
| Bozeman, MT Market 404 | 1A | NR |
| Burlington, IA Market 197 | 1A | NR |
| Centralia, WA Market 237 | 1A | NR |
| Chillicothe, OH Market 214 | 1A | NR |
| Defiance, OH Market 217 | 1A | NR |
| Dickinson, ND Market 363 | 1A | NR |
| Fairbanks, AK Market 249 | 1A | NR |
| Farmington, NM Market 262 | 1A | NR |
| Findlay/Tiffin, OH Market 218 | 1A | NR |
| Fort Dodge, IA Market 200 | 1A | NR |

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Frankfort, KY Market 411
Gadsden, AL Market 298

1A
1A

NR
NR

| | | Market Rank |
|-----------------|------------|-------------|
| Gallup, NM | Market 362 | 1A NR |
| Laramie, WY | Market 420 | 1A NR |
| Lufkin, TX | Market 285 | 1A NR |
| Marion, OH | Market 222 | 1A NR |
| Minot, ND | Market 246 | 1A NR |
| Missoula, MT | Market 405 | 1A NR |
| Ogallala, NE | Market 274 | 1A NR |
| Pocatello, ID | Market 204 | 1A NR |
| Randolph, VT | Market 390 | 1A NR |
| Sandusky, OH | Market 223 | 1A NR |
| Shelby, MT | Market 406 | 1A NR |
| Somerset, KY | Market 391 | 1A NR |
| Springfield, IL | Market 292 | 1A NR |
| Twin Falls, ID | Market 206 | 1A NR |
| Victoria, TX | Market 289 | 1A NR |
| Yuma, AZ | Market 260 | 1A NR |

The following is an email from John Hogan, President and Chief Executive Officer of Clear Channel Radio, dated November 16, 2006, to the employees of Clear Channel Radio.

Good Morning,

Today the company announced that we will be going private and details on that were in an earlier e-mail from Mark Mays. Additional details will be forthcoming as will the opportunity for you to hear about this from Mark and Randall via a teleconference later today.

Additionally, we are announcing the intention to sell Clear Channel Television and 448 of our radio stations in 90 markets, all of which are outside of the top 100 markets. The attached list details all markets we intend to sell. Your market and stations are NOT intended for sale.

Please understand, the markets we are selling are valuable, well run properties and the efforts of the staff and management at those stations are greatly appreciated. They do not fit into the strategic plan for Clear Channel Radio and we believe are much better served operating under different ownership.

Undoubtedly, you and your team will have questions as to Clear Channel going private and what it means to you. We are working to provide answers to all your questions and will do as quickly as possible. In the interim, also understand that the best thing for you to do is continue to focus on your job at hand and perform to the highest possible level. Performance is what is measured and is what matters most and the more effectively we focus on continuing the strong performance we have seen in 2006, the better we will all be.

I am personally excited and enthused about these developments and look forward to sharing with you more of the details as they become available.

Thank you for sharing the above with your team.

John Hogan

Pres. & CEO

Attachment

| | | Market Rank |
|---------------------|------------|-------------|
| Boise, ID | Market 203 | 1A 108 |
| Lancaster, PA | Market 393 | 1A 113 |
| Victorville, CA | Market 344 | 1A 127 |
| Reading, PA | Market 147 | 1A 131 |
| Shreveport, LA | Market 208 | 1A 132 |
| Burlington, VT | Market 337 | 1A 136 |
| Fayetteville, AR | Market 267 | 1A 141 |
| Salisbury, MD | Market 347 | 1A 146 |
| Ann Arbor, MI | Market 350 | 1A 147 |
| Tyler, TX | Market 288 | 1A 149 |
| Albany, OR | Market 230 | 1A 150 |
| Montgomery, AL | Market 300 | 1A 151 |
| Huntington, WV | Market 329 | 1A 156 |
| Rome/Utica, NY | Market 151 | 1A 159 |
| Poughkeepsie, NY | Market 339 | 1A 162 |
| Anchorage, AK | Market 248 | 1A 172 |
| San Luis Obispo, CA | Market 384 | 1A 173 |
| Lincoln, NE | Market 273 | 1A 176 |
| Fort Smith, AR | Market 268 | 1A 177 |
| Binghamton, NY | Market 245 | 1A 179 |

| | | Market Rank |
|-----------------------|------------|-------------|
| Lebanon, NH | Market 392 | 1A 180 |
| Lubbock, TX | Market 284 | 1A 182 |
| Midland/Odessa TX | Market 286 | 1A 188 |
| Tupelo, MS | Market 379 | 1A 189 |
| Amarillo, TX | Market 277 | 1A 195 |
| Yakima, WA | Market 242 | 1A 201 |
| Tri-Cities, WA | Market 407 | 1A 202 |
| Duluth, MN | Market 424 | 1A 204 |
| Santa Barbara, CA | Market 186 | 1A 207 |
| Medford, OR | Market 231 | 1A 212 |
| Bangor, ME | Market 352 | 1A 216 |
| Fargo, ND | Market 361 | 1A 223 |
| Laurel, MS | Market 381 | 1A 227 |
| Rochester, MN | Market 371 | 1A 230 |
| Charlottesville, VA | Market 174 | 1A 231 |
| Muskegon, MI | Market 375 | 1A 232 |
| Marion/Carbondale, IL | Market 380 | 1A 235 |
| Eau Claire, WI | Market 348 | 1A 242 |
| Abilene, TX | Market 360 | 1A 243 |
| Wheeling, WV | Market 330 | 1A 248 |
| Lima, OH | Market 220 | 1A 249 |
| Parkersburg, WV | Market 410 | 1A 249.1 |
| Battle Creek, MI | Market 294 | 1A 258 |
| Billings, MT | Market 403 | 1A 260 |
| Wichita Falls, TX | Market 387 | 1A 261 |
| Texarkana, TX | Market 287 | 1A 262 |
| Augusta, ME | Market 377 | 1A 266 |
| Williamsport, PA | Market 159 | 1A 269 |
| Sioux City, IA | Market 395 | 1A 272 |
| Mankato, MN | Market 370 | 1A 273 |
| Lawton, OK | Market 276 | 1A 282 |
| Cookeville, TN | Market 107 | 1A 284 |
| Bismarck, ND | Market 211 | 1A 285 |
| Grand Forks, ND | Market 244 | 1A 287 |
| Jonesboro, AR | Market 374 | 1A 289 |
| Cheyenne, WY | Market 240 | 1A 290 |
| The Florida Keys, FL | Market 123 | 1A 291 |
| Mason City, IA | Market 372 | 1A 292 |
| Meridian, MS | Market 408 | 1A 295 |
| Casper, WY | Market 239 | 1A 297 |
| Ashland/Mansfield, OH | Market 369 | 1A NR |
| Ashtabula, OH | Market 368 | 1A NR |
| Bozeman, MT | Market 404 | 1A NR |
| Burlington, IA | Market 197 | 1A NR |
| Centralia, WA | Market 237 | 1A NR |
| Chillicothe, OH | Market 214 | 1A NR |

| | | | |
|---------------|------------|----|----|
| Defiance, OH | Market 217 | 1A | NR |
| Dickinson, ND | Market 363 | 1A | NR |

| | | Market Rank |
|--------------------|------------|----------------|
| Fairbanks, AK | Market 249 | 1A NR |
| Farmington, NM | Market 262 | 1A NR |
| Findlay/Tiffin, OH | Market 218 | 1A NR |
| Fort Dodge, IA | Market 200 | 1A NR |
| Frankfort, KY | Market 411 | 1A NR |
| Gadsden, AL | Market 298 | 1A NR |
| Gallup, NM | Market 362 | 1A NR |
| Laramie, WY | Market 420 | 1A NR |
| Lufkin, TX | Market 285 | 1A NR |
| Marion, OH | Market 222 | 1A NR |
| Minot, ND | Market 246 | 1A NR |
| Missoula, MT | Market 405 | 1A NR |
| Ogallala, NE | Market 274 | 1A NR |
| Pocatello, ID | Market 204 | 1A NR |
| Randolph, VT | Market 390 | 1A NR |
| Sandusky, OH | Market 223 | 1A NR |
| Shelby, MT | Market 406 | 1A NR |
| Somerset, KY | Market 391 | 1A NR |
| Springfield, IL | Market 292 | 1A NR |
| Twin Falls, ID | Market 206 | 1A NR |
| Victoria, TX | Market 289 | 1A NR |
| Yuma, AZ | Market 260 | 1A NR |

About the Transaction

In connection with the proposed merger, Clear Channel will file a proxy statement with the Securities and Exchange Commission. INVESTORS AND SECURITY HOLDERS ARE STRONGLY ADVISED TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement (when available) and other documents filed by Clear Channel Communications, Inc. at the Securities and Exchange Commission's Web site at <http://www.sec.gov>. The proxy statement and such other documents may also be obtained for free by directing such request to Clear Channel Communications, Inc. at 200 East Basse Road, San Antonio, TX 78209 or on the company's website at www.clearchannel.com.

Clear Channel and its directors, executive officers and certain other members of its management and employees may be deemed to be participants in the solicitation of proxies from its shareholders in connection with the proposed merger. Information regarding the interests of such directors and executive officers is included in Clear Channel's Proxy Statement for its 2006 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on March 14, 2006, and information concerning all of Clear Channel's participants in the solicitation will be included in the proxy statement relating to the proposed merger when it becomes available. Each of these documents is, or will be, available free of charge at the Securities and Exchange Commission's Web site at www.sec.gov and from Clear Channel Communications, Inc. at 200 East Basse Road, San Antonio, TX 78209 or on the company's website at www.clearchannel.com.

Clear Channel and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies from its shareholders in connection with the proposed merger. Information concerning the interests of Clear Channel's participants in the solicitation, which may be different than those of Clear Channel shareholders generally, is set forth in Clear Channel's proxy statement for its 2006 Annual Meeting of Shareholders previously filed with the Securities and Exchange Commission, and in the proxy statement relating to the merger when it becomes available.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements based on current Clear Channel management expectations. Those forward-looking statements include all statements other than those made solely with respect to historical fact. Numerous risks, uncertainties and other factors may cause actual results to differ materially from those expressed in any forward-looking statements. These factors include, but are not limited to, (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; (2) the outcome of any legal proceedings that may be instituted against Clear Channel and others following announcement of the merger agreement; (3) the inability to complete the merger due to the failure to obtain shareholder approval or the failure to satisfy other conditions to completion of the merger, including the receipt of shareholder approval and expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976; (4) the failure to obtain the necessary debt financing arrangements set forth in commitment letters received in connection with the merger; (5) risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger; (6) the ability to recognize the benefits of the merger; (7) the amount of the costs, fees, expenses and charges related to the merger and the actual terms of certain financings that will be obtained for the merger; and (8) the impact of the substantial indebtedness incurred to finance the consummation of the merger; and other risks that are set forth in the Risk Factors, Legal Proceedings and Management Discussion and Analysis of Results of Operations and Financial Condition sections of Clear Channel's SEC filings. Many of the factors that will determine the outcome of the subject matter of this press release are beyond Clear Channel's ability to control or predict. Clear Channel undertakes no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.