WESTWOOD ONE INC /DE/
Form 10-K
March 15, 2004

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

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2003
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to ______

Commission file number 0-13020

WESTWOOD ONE, INC.
(Exact name of registrant as specified in its charter)

Delaware	95-3980449
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

40 West 57th Street New York, NY	10019
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 641-2000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value [$0.01] per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No ___

The aggregate market value of Common Stock held by non-affiliates of the registrant was approximately $2.88 billion based on the last reported sales

price of the registrant's Common Stock on June 30, 2003 and assuming solely for the purpose of this calculation that all directors and officers of the registrant are "affiliates." The determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 1, 2004, 98,559,367 shares (excluding treasury shares) of Common Stock, par value $0.01 per share, were outstanding and 703,466 shares of Class B Stock, par value $0.01 per share, were outstanding.

Documents Incorporated By Reference

Portions of the registrant's definitive proxy statement for its annual meeting of shareholders (which will be filed with the Commission within 120 days of the registrant's last fiscal year end) are incorporated by reference in Part III of this Form 10-K.

PART I

Item 1. Business

In this report, "Westwood One," "Company," "registrant," "we," "us" and "our" refer to Westwood One, Inc.

General

Westwood One supplies radio and television stations with information services and programming. The Company is the largest domestic outsource provider of traffic reporting services and the nation's largest radio network, producing and distributing national news, sports, talk, music and special event programs, in addition to local news, sports, weather, video news and other information programming.

The Company derives substantially all of its revenues from the sale of :10 second, :30 second and :60 second commercial airtime to advertisers. The Company obtains the commercial airtime it sells to advertisers from radio and television affiliates in exchange for the programming it provides to them and in some cases, for cash compensation. That commercial airtime is sold to local/regional advertisers (typically :10 second commercial airtime) and to national advertisers (typically :30 or :60 second commercial airtime). By purchasing commercial airtime from the Company, advertisers are able to have their commercial messages broadcast on radio and television stations throughout the United States, reaching demographically defined listening audiences.

The Company provides local traffic and information broadcast reports in over 95 Metro Survey Area markets (referred to herein as MSA markets) in the United States. The Company also offers radio stations traditional news services, including CBS Radio news and CNN Radio news, in addition to seven 24-hour satellite-delivered continuous play music formats ("24/7 Formats") and weekday and weekend news and entertainment features and programs. These programs include: major sporting events, including the National Football League, Notre Dame football and other college football and basketball games, the National Hockey League, the Masters and the Olympics, live, personality intensive talk shows, live concert broadcasts, countdown shows, music and interview programs; and exclusive satellite simulcasts with cable networks.

Westwood One is managed by Infinity Broadcasting Corporation ("Infinity"), a wholly-owned subsidiary of Viacom Inc, pursuant to a management agreement between the Company and Infinity which expires on March 31, 2009 (the "Agreement" or "Management Agreement").

Industry Background

Radio Broadcasting

There are approximately 10,300 commercial radio stations in the United States.

A radio station selects a style of programming ("format") to attract a target listening audience and thereby attracts advertisers that are targeting that audience demographic. There are many formats from which a station may select, including news, talk, sports and various types of music and entertainment programming.

A radio station has two principal ways of effectively competing for revenues. First, it can differentiate itself in its local market by selecting and successfully executing a format targeted at a particular audience thus enabling advertisers to place their commercial messages on stations aimed at audiences with certain demographic characteristics. A station can also broadcast special programming, syndicated shows, sporting events or national news products, such as those supplied by Westwood One, not available to its competitors within its format. National programming broadcast on an exclusive geographic basis can help differentiate a station within its market, and thereby enable a station to increase its audience and advertising revenue.

Radio Advertising

Radio advertising time can be purchased on a local, regional or national basis. Local and regional purchases allow an advertiser to select specific radio stations in chosen geographic markets for the broadcast of commercial messages. Local and regional purchases are typically best suited for an advertiser whose business or ad campaign is in a specific geographic area. Advertising purchased

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from a radio network allows an advertiser to target its commercial messages to a specific demographic audience, nationally on a cost-efficient basis. In addition, an advertiser can choose to emphasize its message in a certain market or markets by supplementing a national purchase with local and/or regional purchases.

To verify its network audience delivery and demographic composition, specific measurement information is available to advertisers from independent rating services such as Arbitron and their RADAR rating service. The rating service provides demographic information such as the age and gender composition of the listening audiences. Consequently, advertisers can verify that their advertisements are being heard by their target listening audience.

Business Strategy/Services

The Company's business strategy is to provide for the programming needs of radio stations by supplying to radio stations programs and services that individual stations may not be able to produce on their own on a cost effective basis. The Company offers radio stations traffic and news information as well as a wide selection of regularly scheduled and special event syndicated programming and 24/7 Formats. The information, programs and formats are produced by the Company and, therefore, the stations typically have virtually no production costs. With respect to the Company's programs and formats, each program or format is offered for broadcast by the Company exclusively to one station in its geographic market, which assists the station in competing for audience share in its local marketplace. In addition, except for news programming, Westwood One's programs contain available commercial airtime that the stations may sell to local

advertisers. Westwood One typically distributes promotional announcements to the stations and occasionally places advertisements in trade and consumer publications to further promote the upcoming broadcast of its programs.

In 1996, the Company expanded its product offerings to include providing local traffic, news, sports and weather programming to radio stations and other media outlets in selected cities across the United States. This expansion gave the Company's advertisers the ability to easily supplement their national purchases with local and regional purchases from the Company. It also allowed the Company to develop relationships with local and regional advertisers. In 1996 and 1998, the Company acquired the operating assets of Shadow Traffic in a total of 14 major metropolitan markets (4 in 1996 and 10 in 1998). In 1999, Westwood One significantly expanded its local and regional reach through its merger with the country's largest traffic service provider, Metro, which broadcast information reports in 67 of the 75 largest MSA markets in the United States. Since then, the Company has expanded its reach to more than 95 of the largest MSA markets. In late 2000, the Company continued its expansion of products with its acquisition of the operating assets of SmartRoute Systems, Inc. ("SmartRoute"), a company which collects, organizes and distributes a database of advanced traveller information through various electronic media and telecommunications.

Westwood One enters into affiliation agreements with radio stations which require the affiliate to provide the Company with a specific number of commercial positions which it aggregates by similar day and time periods and resells to its advertisers. Some affiliation agreements also require a station to broadcast the Company's programs and to use a portion of the program's commercial slots to air national advertisements and any related promotional spots. With respect to 24/7 Formats, the Company typically receives a portion of the commercial airtime and a cash fee from the affiliated stations in exchange for the stations receiving the right to broadcast the formats. Radio stations in the top 200 national markets typically also receive compensation for airing national advertising spots.

Affiliation agreements specify the number of times and the approximate daypart each program and advertisement may be broadcast. Westwood One requires that each station complete and promptly return to the Company an affidavit (proof-of-performance) that verifies the time of each broadcast. Affiliation agreements generally run for a period of at least one year, are automatically renewable for subsequent periods and are cancelable by either the Company or the station upon 90 days' notice.

The Company has personnel responsible for station sales and marketing its programs to radio stations. The Company's staff develops and maintains close, professional relationships with radio station personnel to provide them with quick programming assistance.

Local Traffic and Information Programming

The Company, through its Traffic and Information Division, provides traffic reports and local news, weather and sports information programming to radio and television affiliates.

The Company gathers traffic and other data utilizing the Company's information-gathering infrastructure, which includes aircraft (helicopters and

airplanes), broadcast-quality remote camera systems positioned at strategically located fixed positions and on aircraft, mobile units and wireless systems, and by accessing various government-based traffic tracking systems. The Company also gathers information from various third-party news and information services. The

information is processed, converted into broadcast copy and entered into the Company's computer systems by the Company's local writers and producers. This permits the Company to easily resell the information to third parties for distribution through the internet, wireless devices or personnel digital assistants ("PDA") and various other media systems. The Company's professional announcers read the customized reports on the air. The Company's information reports (including the length of report, content of report, specific geographic coverage area, time of broadcast, number of reports aired per day, broadcaster's style, etc.) are customized to meet each individual affiliate's requirements. The Company typically works closely with the program directors, news directors and general managers of its affiliates to ensure that the Company's services meet its affiliates' goals and standards. The Company and its affiliates jointly select the on-air talent to ensure that each on-air talent's style is appropriate for the station's format. The Company's on-air talent often become integral "personalities" on such affiliate stations as a result of their significant on-air presence and interaction with the stations' on-air personnel. In order to realize operating efficiencies, the Company endeavors to utilize its professional on-air talent on multiple affiliate stations within a particular market.

The Company believes that its extensive fleet of aircraft and other information-gathering technology and broadcast equipment have allowed the Company to provide high quality programming, enabling it to retain and expand its affiliate base. In the aggregate, the Company utilizes approximately: 125 helicopters and fixed-wing aircraft; 30 mobile units; 30 airborne camera systems; 125 fixed-position camera systems; 70 broadcast studios; and 1,400 broadcasters and producers. The Company also maintains a staff of computer programmers and graphics experts to supply customized graphics and other visual programming elements to television station affiliates. In addition, the Company's operations centers and broadcast studios have sophisticated computer technology, video and broadcast equipment and cellular and wireless technology, which enables the Company's on-air talent to deliver reports to its affiliates. The infrastructure and resources dedicated to a specific market by the Company are determined by the size of the market, the number of affiliates the Company serves in the market and the type of services being provided.

The Company generally does not require its affiliates to identify the Company as the supplier of its information reports. This provides the Company's affiliates with a high degree of customization and flexibility, as each affiliate has the right to present the information reports provided by the Company as if the affiliate had generated the reports with its own resources.

As a result of its extensive network of operations and talent, the Company regularly reports breaking and important news stories and provides its affiliates with live coverage of these stories. The Company is able to customize and personalize its reports of breaking stories using its individual affiliates' call letters from the scene of news events. Past examples have included, among others, providing live airborne coverage of the September 11 terrorist attack on the World Trade Center and the Seattle earthquake. By using our news helicopters, the Company feeds live video to television affiliates around the country. Moreover, by leveraging our infrastructure, the same reporters provide live customized airborne reports for the Company's radio affiliates via the Company's Metro Source service, which is described below. The Company believes that it is the only radio network news organization that has local studio operations that cover in excess of 95 markets and that is able to provide customized reports to these markets.

Metro Source, an information service available to subscribing affiliates, is an information system and digital audio workstation that allows the Company's news affiliates to receive via satellite and view, write, edit and report the latest news, features and show preparation material. With this product, the Company provides continuously updated and breaking news, weather, sports, business and

entertainment information to its affiliate stations which have subscribed to the service. Information and content for Metro Source is primarily generated from the Company's staff of news bureau chiefs, state correspondents and professional news writers and reporters.

Local, regional and national news and information stories are fed to the Company's national news operations center in Phoenix, Arizona where the information is verified, edited, produced and disseminated via satellite to the Company's internal Metro Source workstations located in each of its operations centers and to workstations located at affiliate radio stations nationwide. Metro Source includes proprietary software that allows for customizing reports and editing in both audio and text formats. The benefit to stations is that Metro Source allows them to substantially reduce time and cost from the news gathering and editing process at the station level, while providing greater volume and quality news and information coverage from a single source.

Television Programming Services

The Company supplies Television Traffic Services ("MetroTV Services") to over 200 television stations. Similar to its radio programming services, with its MetroTV Services the Company supplies customized information reports which are generally delivered on air by its reporters to its television station affiliates. In addition, the Company supplies customized graphics and other visual programming elements to its television station affiliates.

The Company utilizes live studio cameras in order to enable its traffic reporters to provide its Video News Services on television from the Company's local broadcast studios. In addition, the Company provides its Video News Services from its aircraft and fixed-position based camera systems. The Video News Services include: (i) live video coverage from strategically located fixed-position camera systems; (ii) live video news feeds from the Company's aircraft; and (iii) full-service, 24 hours per day/7 days per week video coverage from the Company's camera crews using broadcast quality camera equipment and news vehicles.

Information Services

The Company's Information Services ("IS") develops non-broadcast traffic information. IS develops innovative techniques for gathering local traffic and transportation information, as well as new methods of distributing such information to the public. The Company believes that in order to remain competitive and to continue to provide an information product of the highest quality to its affiliates, it is necessary to invest in and participate in the development of new technology. Accordingly, in 2000 the Company acquired the operating assets of SmartRoute. The Company is currently working with several public and private entities across the United States to improve dissemination of traffic and transportation information. The Company is a supplier of information to the wireless telephone industry, providing customized traffic information, direction services, and other local information to wireless subscribers via the Company's STAR JAM (TM) and STAR FIND (TM)services. IS revenues are not presently a significant source of revenues to the Company.

The Company, through SmartRoute, collects, organizes and distributes a database of advanced traveler information to automobiles, homes and offices through various electronic media and telecommunications. The Company delivers its information under the SmartTraveler brand name. In addition, the Company has participated in a number of federally funded Intelligent Transportation Systems Field Operational tests and Model Deployment Initiatives including the AZTech Model Deployment in Phoenix, the Smart Trek Model Deployment in Seattle, TravInfo, TransCal, St. Louis, Salt Lake City, the Atlanta Olympics Technology

Showcase, Partners in Motion in the Washington DC area, Advanced Regional Traffic Interactive Management and Information System Program in Ohio, Kentucky and Indianapolis, ORION City Model deployment with Minnesota DOT and Traffic Wise in Indianapolis, and Advanced Traveler Information System in Massachusetts, Connecticut, Pennsylvania and New Jersey.

The Company has been working with a variety of private companies to deploy commercial products and services involving traveler information. These relationships allow for the provision of information on a personalized basis through numerous delivery mechanisms, including the internet, paging, FM subcarrier, traditional cellular and newly-developed and evolving wireless systems. Information can be delivered to a wide array of devices including pagers, computers, and in-vehicle navigation and information systems.

National Radio Programming

The Company produces and distributes 24/7 Formats, regularly scheduled and special syndicated programs, including exclusive live concerts, music and interview shows, national music countdowns, lifestyle short features, news broadcasts, talk programs, sporting events, and sports features.

The Company controls most aspects of the production of its programs, thereby being able to tailor its programs to respond to current and changing listening preferences. The Company produces regularly scheduled short-form programs (typically five minutes or less), long-form programs (typically 60 minutes or longer) and 24/7 Formats. Typically, the short-form programs are produced at the Company's in-house facilities located in Culver City, California, and New York, New York. The long-form programs include shows produced primarily at the Company's in-house production facilities and recordings of live concert performances and sports events made on location. The 24/7 Formats are produced at the Company's facilities in Valencia, California.

Westwood One also produces and distributes special event syndicated programs. In 2003, the Company produced and distributed numerous special event programs,

including exclusive radio broadcasts of The Grammy Awards, VH-1's 2003 Rock & Roll Hall of Fame Induction, the Academy of Country Music Award, MTV Music Awards and the BET Awards, among others.

Westwood One obtains most of the programming for its concert series by recording live concert performances of prominent recording artists. The agreements with these artists often provide the exclusive right to broadcast the concerts worldwide over the radio (whether live or pre-recorded) for a specific period of time. The Company may also obtain interviews with the recording artist and retain a copy of the recording of the concert and the interview for use in its radio programs and as additions to its extensive tape library. The agreements provide the artist with master recordings of their concerts and nationwide exposure on affiliated radio stations. In certain cases, the artists may receive compensation.

Westwood One's syndicated programs are primarily produced at its in-house production facilities. The Company determines the content and style of a program based on the target audience it wishes to reach. The Company assigns a producer, writer, narrator or host, interviewer and other personnel to record and produce the programs. Because Westwood One controls the production process, it can refine the programs' content to respond to the needs of its affiliated stations and national advertisers. In addition, the Company can alter program content in response to current and anticipated audience demand.

The Company produces and distributes seven 24/7 Formats providing music, news and talk programming for Country, Hot Country, Adult Contemporary, Soft AC, Oldies, Adult Standards, and the Adult Rock and Roll formats. Using its production facilities in Valencia, California, the Company provides all the programming for stations affiliated with each of these formats. Affiliates compensate the Company for these formats by providing the Company with a portion of their commercial air time and, in most cases, cash fees.

The Company believes that its tape library is a valuable asset for its future programming and revenue generating capabilities. The library contains previously broadcast programs, live concert performances, interviews, daily news programs, sports and entertainment features, Capitol Hill hearings and other special events. New programs can be created and developed at a low cost by excerpting material from the library.

Advertising Sales and Marketing

The Company packages its radio commercial airtime on a network basis, covering all affiliates in relevant markets, either locally, regionally or nationally. This packaged airtime typically appeals to advertisers seeking a broad demographic reach. Because the Company generally sells its commercial airtime on a network basis rather than station-by-station, the Company does not compete for advertising dollars with its local radio station affiliates. The Company believes that this is a key factor in maintaining its affiliate relationships. The Company packages its television commercial airtime on a local regional and national network basis. The Company has developed a separate sales force to sell its television commercial airtime and to optimize the efforts of the Company's national internal structure of sales representatives. The Company's advertising sales force is comprised of approximately 300 sales representatives.

In most of the markets in which the Traffic and Information Division conducts operations, the Company maintains an advertising sales office as part of its operations center. The Company's advertising sales force is able to sell available commercial airtime in any and all of the Company's markets in addition to selling such airtime in each local market, which the Company believes affords its sales representatives an advantage over certain of its competitors. For example, an airline advertiser can purchase sponsorship advertising packages in multiple markets from the Company's local sales representative in the city in which the airline is headquartered.

The Company's typical radio advertisement for traffic and information programming consists of an opening announcement and a ten-second commercial message presented immediately prior to, in the middle of, or immediately following a regularly scheduled information report. Because the Company has numerous radio station affiliates in each of its markets (averaging approximately 25 affiliates per market), the Company believes that its traffic and information broadcasts reach more people, more often, in a higher impact manner than can be achieved using any other advertising medium. The Company combines its commercial airtime into multiple "sponsorship" packages which it then sells as an information sponsorship package to advertisers throughout its networks on a local, regional or national basis, primarily during morning and afternoon drive periods. The Company generally does not allow an advertiser to select individual stations from its networks on which to run its advertising campaign.

The Company believes that the positioning of advertisements within or adjacent to its information reports appeals to advertisers because the advertisers' messages are broadcast along with regularly scheduled programming during peak

morning and afternoon drive times when a majority of the radio audience is listening. Radio advertisements broadcast during these times typically generate premium rates. Moreover, surveys commissioned by the Company demonstrate that because the Company's customized information reports are related to topics of significant interest to listeners, listeners often seek out the Company's information reports. Since advertisers' messages are embedded in the Company's information reports, such messages have a high degree of impact on listeners and generally will not be "pre-empted" (i.e., moved by the radio station to another time slot). Most of the Company's advertisements are read live by the Company's on-air talent, providing the Company's advertisers with the added benefit of an implied endorsement for their product.

Westwood One's Network Division provides national advertisers with a cost-effective way to communicate their commercial messages to large listening audiences nationwide through purchases of commercial airtime in its national radio networks and programs. An advertiser can obtain both frequency (number of exposures to the target audience) and reach (size of listening audience) by purchasing advertising time from the Company. By purchasing time in networks or programs directed to different formats, advertisers can be assured of obtaining high market penetration and visibility as their commercial messages will be broadcast on several stations in the same market at the same time. The Company, on occasion, supports its national sponsors with promotional announcements and advertisements in trade and consumer publications. This support promotes the upcoming broadcasts of Company programs and is designed to increase the advertisers' target listening audience.

Generally, the Company provides its MetroTV Services to television stations in exchange for thirty-second commercial airtime that the Company packages and sells on a regional and national basis. The amount and placement of the commercial airtime that the Company receives from television stations varies by market and the type of service provided by the Company. As the Company has provided enhanced television video services, it has been able to acquire more valuable commercial airtime. The Company believes that it offers advertisers significant benefits because, unlike traditional television networks, the Company often delivers more than one station in major markets and advertisers may select specific markets.

The Company has established a morning TV news network for its advertisers' commercials to air during local news programming and local news breaks from 5:30 a.m. to 9:00 a.m. Because the Company has affiliated a large number of network television stations in major markets, its morning news network delivers a significant national household rating in an efficient and compelling local news environment. As the Company continues to expand its service offerings for local television affiliates, it plans to create additional news networks to leverage its television news gathering infrastructure.

Competition

In the MSA markets in which it operates, the Company competes for advertising revenue with local print and other forms of communications media including magazines, outdoor advertising, network radio and network television advertising, transit advertising, direct response advertising, yellow page directories, internet/new media and point-of-sale advertising. Although the Company is significantly larger than the next largest provider of traffic and local information services, there are several multi-market operations providing local radio and television programming services in various markets. In addition, the recent consolidation of the radio industry has created opportunities for large radio groups, such as Clear Channel Communications, to gather information on their own.

In marketing its programs to national advertisers, the Company directly competes

with other radio networks as well as with independent radio syndication producers and distributors. More recently, as a result of consolidation in the radio industry, companies owning large groups of stations have begun to create competing networks that have resulted in additional competition for network radio advertising expenditures. In addition, the Company competes for advertising revenue with network television, cable television, print and other forms of communications media. The Company believes that the quality of its programming and the strength of its station relations and advertising sales forces enable it to compete effectively with other forms of communication media. Westwood One markets its programs to radio stations, including affiliates of other radio networks, that it believes will have the largest and most desirable listening audience for each of its programs. The Company often has different programs airing on a number of stations in the same geographic market at the same time. The Company believes that in comparison with any other independent radio syndication producer and distributor or radio network it has a more diversified selection of programming from which national advertisers and radio stations may choose. In addition, the Company both produces and distributes programs, thereby enabling it to respond more effectively to the demands of advertisers and radio stations.

The increase in the number of program formats has led to increased competition among local radio stations for audience. As stations attempt to differentiate themselves in an increasingly competitive environment, their demand for quality programming available from outside programming sources increases. This demand

has been intensified by high operating and production costs at local radio stations and increased competition for local advertising revenue.

Government Regulation

Radio broadcasting and station ownership are regulated by the Federal Communications Commission (the "FCC"). Westwood One, as a producer and distributor of radio programs and information services, is generally not subject to regulation by the FCC. The Traffic and Information Division utilizes FCC regulated two-way radio frequencies pursuant to licenses issued by the FCC.

Employees

On February 1, 2004, Westwood One had approximately 2,500 employees, including an advertising sales force of approximately 300 people and 800 part-time employees. In addition, the Company maintains continuing relationships with approximately 175 independent writers, program hosts, technical personnel and producers. Approximately 600 of the Company's employees are covered by collective bargaining agreements. The Company believes relations with its employees, unions, and independent contractors are satisfactory.

Available Information

We are a Delaware corporation. We re-incorporated in Delaware on June 21, 1985. Our current and periodic reports filed with the Securities and Exchange Commission, including amendments to those reports, may be obtained through our internet website at www.westwoodone.com free of charge as soon as reasonably practicable after we file these reports with the SEC.

Item 2. Properties

The Company owns a 7,600 square-foot building in Culver City, California, which houses the syndicated program production facilities and a 14,000 square-foot building in Culver City, California, which contains administrative, and sales and marketing offices. The Company also owns a 10,000 square-foot building adjacent to its administrative and sales and marketing offices, which it subleases. In addition, the Company leases operation centers/broadcast studios and marketing and administrative offices across the United States consisting of over 275,000 square feet in the aggregate, pursuant to the terms of various lease agreements.

The Company believes that its facilities are adequate for its current level of operations.

Item 3. Legal Proceedings

None.

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

No matters were submitted to a vote of the Company's shareholders during the fourth quarter of the year ended December 31, 2003.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

On March 1, 2004 there were approximately 219 holders of record of the Company's Common Stock, several of which represent "street accounts" of securities brokers. Based upon the number of proxies requested by brokers in conjunction with its 2003 shareholders' meeting, the Company estimates that the total number of beneficial holders of the Company's Common Stock exceeds 5,000. Since December 15, 1998, the Company's Common Stock has been traded on the New York Stock Exchange ("NYSE") under the symbol "WON". The following table sets forth the range of high and low last sales prices on the NYSE for the Common Stock for the calendar quarters indicated.

2003	High	Low
First Quarter	$39.15	$29.60
Second Quarter	35.56	31.05
Third Quarter	33.73	29.30
Fourth Quarter	34.40	29.60
2002		
First Quarter	$40.00	$28.80
Second Quarter	39.73	32.46
Third Quarter	37.04	25.66
Fourth Quarter	38.98	31.72

The last sales price for our Common Stock on the NYSE on March 10, 2004 was $29.76.

The Company does not intend to pay cash dividends. No cash dividend was paid on

the Company's stock during 2003 or 2002, and the payment of dividends may be restricted by the terms of its loan agreements.

There is no established public trading market for our Class B Stock. However, the Class B Stock is convertible to Common Stock on a share-for-share basis.

Equity Compensation Plan Information

The following table contains information regarding equity compensation plans and warrants issued to Infinity as of December 31, 2003:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights
Equity compensation plans		
Options (1)	10,319,549	$21.27
Warrants (2)	4,500,000	49.44
Equity compensation plans not		
Total	14,819,549	

(1) - Options included herein were granted or are available for grant as part of the Company's 1989 and/or 1999 stock option plans that were approved by shareholders of the Company. The Company's 1999 stock option plan provides for mandatory grants of options to members of the Company's Board of Directors on an annual basis. The Compensation Committee of the Board of Directors approves periodic option grants to Executive Officers and other employees based on their contributions to the operations of the Company.

(2) - Warrants included herein were granted to Infinity in conjunction with the Infinity Management Agreement, and were approved by shareholders of the Company on May 29, 2002. Of the seven warrants issued, two warrants to

purchase an aggregate of 2,000,000 shares of Common Stock each have an exercise price of $43.11 and $48.36, respectively, and become exercisable only if the average price of the Company's Common Stock reaches a price of $64.67 and $77.38, respectively, for at least 20 out of 30 consecutive trading days for any period throughout the ten year term of the warrants. Of the remaining five warrants to purchase an aggregate of 2,500,000 shares of Common Stock, the exercise price for each of the five warrants is equal to $38.87, $44.70, $51.40, $59.11, and $67.98, respectively. The five warrants have a term of 10 years (only if they become exercisable) and become exercisable on January 2, 2005, 2006, 2007, 2008, and 2009, respectively. However, in order for the warrants to become exercisable, the average price of the Company's Common Stock for each of the 15 trading days prior to January 2 of such year (commencing on January 2, 2005 with respect to the first 500,000 warrant tranche and each January 2 thereafter for each of the remaining four warrants) must be at least equal to both the exercise price of the warrant and 120% of the corresponding prior year 15 day trading average. In the case of the $38.87 warrants, the Company's average stock price for the 15 trading days prior to January 2, 2005 must equal or exceed $40.56 for the warrants to become exercisable.

Item 6. Selected Financial Data
(In thousands except per share data)

	2003 (1)	2002 (1)	2001	2
OPERATING RESULTS FOR YEAR ENDED DECEMBER 31:				
Net Revenues	$539,226	$550,751	$515,940	$
Operating and Corporate Costs, Excluding Depreciation and Amortization	357,688	360,390	349,936	
Depreciation and Amortization	11,513	11,464	67,611	
Operating Income	170,025	178,897	98,393	
Net Income	$100,039	$109,115	$43,195	
Income Per Basic Share	$.99	$ 1.03	$.40	
Income Per Diluted Share	$.97	$ 1.00	$.38	
BALANCE SHEET DATA AT DECEMBER 31:				
Current Assets	$165,495	$153,628	$140,527	$
Working Capital	85,622	63,542	35,012	
Total Assets	1,262,034	1,266,312	1,210,017	1,
Long-Term Debt	300,366	232,135	152,000	
Total Shareholders' Equity	835,950	903,040	915,371	

(1) Results for the years ended December 31, 2003 and 2002 include the effects of adopting Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142"). Retroactive application prior to January 1, 2002 was prohibited.

(2) Results for the year ended December 31, 1999 include the results of Metro from the date of the merger on September 22, 1999.

-- No cash dividend was paid on the Company's Common Stock during the periods presented above.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (In thousands except for share and per share amounts)

EXECUTIVE OVERVIEW

Westwood One supplies radio and television stations with information services and programming. The Company is the largest domestic outsource provider of traffic reporting services and the nation's largest radio network, producing and distributing national news, sports, talk, music and special event programs, in addition to local news, sports, weather, video news and other information programming. The commercial airtime that we sell to our advertisers is acquired from radio and television affiliates in exchange for our programming, content, information, and in certain circumstances, cash compensation.

The radio broadcasting industry has experienced a significant amount of consolidation in recent years. As a result, certain major radio station groups, including Infinity and Clear Channel Communications, have emerged as powerful forces in the industry. Westwood One is managed by Infinity under a Management Agreement, which expires on March 31, 2009. While Westwood One provides programming to all major radio station groups, the Company has affiliation agreements with most of Infinity's owned and operated radio stations, which in the aggregate, provide the Company with a significant portion of the audience that it sells to advertisers. Accordingly, the Company's operating performance could be materially adversely impacted by its inability to continue to renew its affiliate agreements with Infinity stations.

The Company derives substantially all of its revenues from the sale of :10 second, :30 second and :60 second commercial airtime to advertisers. Our advertisers who target local/regional audiences generally find the most effective method is to purchase shorter duration :10 second advertisements, which are principally correlated to traffic and information related programming and content. Our advertisers who target national audiences generally find the most cost effective method is to purchase longer :30 or :60 second advertisements, which are principally correlated to news, talk, sports and music and entertainment related programming and content. Generally, the greater amount of programming we provide our affiliates the greater amount of commercial airtime is available for the Company to sell. Additionally, over an extended period of time an increase in the listening audience results in our ability to generate more revenues. Our goal is to maximize the yield of our available commercial airtime to optimize revenues.

In managing our business, we develop programming and exploit the commercial airtime by concurrently taking into consideration the demands of our advertisers on both a market specific and national basis, the demands of the owners and management of our radio station affiliates, and the demands of our programming partners and talent. Our continued success and prospects for growth are dependent upon our ability to manage the aforementioned factors in a cost effective manner. Our results may also be impacted by overall economic conditions, trends in demand for radio related advertising, competition, and risks inherent in our customer base, including customer attrition and our ability to generate new business opportunities to offset any attrition.

There are a variety of factors that influence the Company's revenues on a periodic basis including but not limited to: (i) economic conditions and the relative strength or weakness in the United States economy, (ii) advertiser spending patterns and the timing of the broadcasting of our programming, principally the seasonal nature of sports programming, (iii) advertiser demand on a local/regional or national basis for radio related advertising products, (iv) increases or decreases in our portfolio of program offerings and related audiences, including changes in the demographic composition of our audience base and (v) competitive and alternative programs and advertising mediums.

Our ability to specifically isolate the relative historical aggregate impact of price and volume is not practical as commercial airtime is sold and managed on an order-by-order basis. It should be noted, however, that the Company closely monitors advertiser commitments for the current calendar year, with particular emphasis placed on the next three month period. Factors impacting the pricing of commercial airtime include, but are not limited to: (i) the dollar value, length and breadth of the order, (ii) the desired reach and audience demographic, (iii) the level of commercial airtime available for the desired demographic requested by the advertiser for sale at the time their order is negotiated; and (iv) the proximity of the date of the order placement to the desired broadcast date of the commercial airtime. Our commercial airtime is perishable, and accordingly, our revenues are significantly impacted by the commercial airtime available at the time we enter into an arrangement with an advertiser.

The principal critical components of our operating expenses are programming, production and distribution costs (including affiliate compensation and broadcast rights fees), selling expenses (including bad debt expenses, commissions and promotional expenses), depreciation and amortization, and

corporate, general and administrative expenses. Corporate general and administrative expenses are primarily comprised of costs associated with the Infinity Management Agreement, personnel costs and other administrative expenses, including those associated with new corporate governance regulations.

We consider the Company's operating cost structure to be predominantly fixed in nature, and as a result, the Company needs at least several months lead-time to make reductions in its cost structure to react to what it believes are more than temporary declines in advertiser demand. This factor is important in predicting the Company's performance in periods when advertiser revenues are increasing or decreasing. In periods where advertiser revenues are increasing, the fixed nature of a substantial portion of our costs means that Operating Income will grow faster than the related growth in revenue. Conversely, in a period of declining revenue Operating Income will decrease by a greater percentage than the decline in revenue because of the lead-time needed to reduce the Company's operating cost structure. Furthermore, if the Company perceives a decline in revenue to be temporary, it may choose not to reduce its fixed costs, or may even increase its fixed costs, so as to not limit its future growth potential when the advertising marketplace rebounds.

Revenues

Revenues presented by type of commercial advertisements are as follows for the years ending December 31,:

	2003		2002		
	$	% of Total	$	% of Total	$
Local/Regional	$283,687	53%	$302,554	55%	$290,760
National	255,539	47%	248,197	45%	225,180
Total (1)	$539,226	100%	$550,751	100%	$515,940

(1) As described above, the Company currently aggregates revenue data based on the type of commercial airtime sold. A number of advertisers purchase both local/regional and national commercial airtime. Accordingly, this factor should be considered in evaluating the relative revenues generated on a local/regional versus national basis. Our objective is to optimize total revenues from those advertisers.

Revenues for the year ended December 31, 2003 decreased $11,525, or 2%, compared with the year ended December 31, 2002. The decrease was due principally to the absence of approximately $6,000 of revenues recorded in the prior year from the Company's exclusive 2002 Winter Olympics radio broadcast, an overall reduction in advertiser demand for our products immediately prior to and concurrent with the commencement of the war with Iraq, weaker relative demand in certain local/regional markets, reduced fee based traffic information revenues of approximately $1,000 due to the expiration of certain contracts, partially offset by approximately $7,000 of incremental revenues attributable to new

programming developed to reach national audiences.

During the year ended December 31, 2003, revenues aggregated from the sale of local/regional airtime declined approximately 6%, or approximately $18,900, while national based revenues increased approximately 3%, or $7,300. The decrease in local/regional revenue was greatest in the northeast and Texas regions, while revenue in the western region increased. Despite the decrease in local/regional revenues, the Company continued to invest in new traffic and information markets.

In 2003, the increase in our aggregated national based revenues was accomplished through attaining higher revenues in the news and sports programming categories through adding new sports programming and effective management of our commercial airtime partially offset by the absence of revenues from the 2002 Winter Olympics.

Revenues for the year ended December 31, 2002 increased $34,811, or 7%, compared with the year ended December 31, 2001. The increase in revenue was attributable to higher advertiser demand and a better economic climate compared with 2001 where the 2001 annual results were adversely affected by the September 11, 2001 terrorist attacks.

During the year ended December 31, 2002, revenues derived from the sale of local/regional and national airtime increased by approximately 4%, or $11,800, and 10%, or $23,000, respectively. During 2002, the Company invested in new traffic and information markets which contributed to revenue growth on a local/regional level.

In 2002, the increase in our national based revenues was attributable to the addition of new programming (approximately $14,600) including the radio broadcast of the 2002 Winter Olympics as well as a result of the overall improvement in economic conditions as further discussed above.

We expect our revenues in 2004 to increase compared with 2003, resulting primarily from an anticipated overall increase in demand for our product offerings due to higher audience delivery, the Company's exclusive U.S. radio broadcast of the 2004 Summer Olympics, inventory management initiatives, and the development of new distribution alternatives for our content.

Operating Costs

Operating costs for the years ended December 31, 2003, 2002 and 2001 were as follows:

	2003		2002		
	$	% of total	$	% of total	$
Programming, production and distribution expenses	$227,141	65%	$218,646	62%	$208
Selling expenses	43,059	12%	47,829	14%	45
Other operating expenses	80,382	23%	85,910	24%	88
	$350,582	100%	$352,385	100%	$343

Operating costs decreased 1% to $350,582 in 2003 from $352,385 in 2002, and increased 3% in 2002 from $343,120 in 2001. The 2003 decrease was principally

attributable to approximately $3,200 of proceeds from an insurance settlement related to claims resulting from the September 11, 2001 terrorist attacks (included in Other operating expenses in the table above). Excluding this item, operating costs increased approximately $1,400, or less than 1% in 2003. The net increase is primarily attributable to: (i) increases in programming, production and distribution expenses resulting from costs related to the development of new or expanded program offerings, new traffic and information markets, higher sports rights fees resulting from both new programming and contractual rate increases with respect to existing program commitments and additional news costs to cover the war with Iraq, partially offset by the absence of costs associated with the Company's broadcast of the 2002 Winter Olympics, (ii) lower Selling expenses including lower bad debt expense (approximately $2,800), resulting from the absence of a significant customer's bankruptcy in 2002, and lower employee related expenses, principally resulting from lower commissions earned by the Company's sales personnel due to lower revenues and (iii) lower Other operating expenses due principally to the insurance settlement discussed above.

The 2002 increase in Operating costs was principally attributable to: (i) an increase in programming, production and distribution expenses resulting from expenses associated with our radio broadcast of the 2002 Winter Olympics, higher sports rights fees and the opening of new traffic and information markets, partially offset by reductions in affiliate compensation and personnel costs, (ii) higher bad debt expenses resulting from a significant customer's bankruptcy (approximately $4,400), and lower personnel costs resulting from reductions and/or changes in sales related staffing levels and commission rates and (iii) lower other operating expenses due principally to reductions in personnel costs.

We currently anticipate that operating costs will increase in 2004 compared with 2003 due to expenses attributable with the Company's broadcast of the 2004 Summer Olympics, additional investments in our national network audiences and programs and normal recurring contractual cost increases. In addition, we expect to make certain continued investments in our sales support functions to support our planned growth in revenues.

Depreciation and Amortization

Depreciation and amortization increased nominally to $11,513 in 2003 from $11,464 in 2002, and decreased 83% in 2002 from $67,611 in 2001. The decrease in 2002 was principally attributable to the Company's adoption of SFAS 142, which prohibits the Company from continuing to amortize goodwill and lower depreciation expense resulting from a change in useful lives surrounding certain studio and broadcasting equipment as well as a result of certain assets becoming fully depreciated. As a result of the extension of the Management Agreement with Viacom - approved by Shareholders on May 29, 2002, starting with the second quarter of 2004 and through the first quarter of 2009, the Company's quarterly amortization expense will increase by approximately $2,100. The increase will result from the higher amortization attributable to the fair market value of the warrants issued to Infinity as part of the extension of the Management Agreement.

Corporate General and Administrative Expenses

Corporate general and administrative expenses decreased 11% to $7,106 in 2003 from $8,005 in 2002, and increased 17% in 2002 from $6,816 in 2001. The 2003 decrease was principally attributable to lower compensation expense to Infinity

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as no incentive bonus was earned, partially offset by higher expenses associated with our corporate governance activities, including fees incurred for professional services. The 2002 increase was principally attributable to a higher incentive bonus earned by Infinity pursuant to the terms of the

Management Agreement and higher insurance costs.

We expect our corporate general and administrative costs to increase in 2004 compared with 2003. We expect to incur increased expenses relating to our compliance and corporate governance activities. Further, we note that our incentive bonus arrangement with Infinity is variable, contingent upon our performance.

Operating Income

Operating income decreased 5% to $170,025 in 2003 from $178,897 in 2002, and increased 82% in 2002 from $98,393 in 2001. The 2003 decrease was principally attributable to the decline in revenues. The 2002 increase was primarily attributable to higher net revenue and lower depreciation and amortization expense resulting from the adoption of SFAS 142. On a pro forma basis, assuming the Company had adopted the provisions of SFAS 142 on January 1, 2001, the Company's operating income would have increased by approximately 24% in 2002.

Interest Expense

Interest expense was $10,132, $6,955 and $8,705 in 2003, 2002 and 2001, respectively. The 2003 increase was attributable to higher outstanding debt in 2003 and higher average interest rates as a result of the Company's issuance of $200,000 in a combination of 7 and 10-year fixed rate Senior Unsecured Notes in the fourth quarter of 2002. The 2002 decrease was attributable to lower interest rates, partially offset by higher debt levels resulting from increased share repurchases. Our average effective interest rate for 2003, 2002 and 2001 was 3.1%, 2.9% and 4.9%, respectively. The increase in the 2003 and 2002 debt levels results from share and warrant repurchases pursuant to the Company's stock repurchase program, which is further described below.

We expect that our interest expense will increase in 2004 commensurate with our anticipated higher average debt levels.

Provision for income taxes

The income tax provisions for 2003, 2002 and 2001 are based on annual effective tax rates of 37.5%, 36.6% and 51.3%, respectively, resulting in income tax expense of $59,906, $62,937 and $45,564 in 2003, 2002 and 2001, respectively. The Company's effective income tax rate in 2003 was slightly higher than in 2002 principally as a result of higher state taxes resulting from recently enacted tax law changes in the states in which we operate. Both the Company's effective income tax rates and reported income tax expense in 2002 were affected by the Company's adoption of SFAS 142. On a pro forma basis, assuming the Company had adopted the provisions of SFAS 142 on January 1, 2001, the Company's effective income tax rate would have been approximately 35% in 2001. For the years ended December 31, 2003, 2002 and 2001 a portion of the Company's income tax expense is non-cash as a result of tax deductions related to stock option exercises and warrant purchases of $3,911, $39,245 and $32,901 respectively, which are credited directly to additional paid in capital.

Net income

Net income in 2003 decreased 8% to $100,039 ($.99 per basic share and $.97 per diluted share) from $109,115 ($1.03 per basic share and $1.00 per diluted share) in 2002 and increased 153% in 2002 from $43,195 ($.40 per basic share and $.38 per diluted share) in 2001. On a pro forma basis, assuming the Company had adopted the provisions of SFAS 142 on January 1, 2001, the Company's net income, net income per basic share and net income per diluted share would have increased by approximately 24%, 26% and 28%, respectively, in 2002.

Earnings per share

Weighted averages shares outstanding for purposes of computing basic earnings per share were 101,243,000, 105,992,000 and 107,551,000 in 2003, 2002 and 2001, respectively. The decreases in 2003 and 2002 were primarily attributable to Common Stock repurchases under the Company's stock repurchase program partially offset by additional share issuances as a result of stock option exercises. Weighted average shares outstanding for purposes of computing diluted earnings per share were 103,625,000, 109,101,000 and 112,265,000 in 2003, 2002 and 2001, respectively. The changes in weighted average diluted shares are due principally to the decrease in basic shares and the reduction in the dilutive effect of warrants issued pursuant to the Management Agreement due to the warrant repurchases in 2002 and 2001.

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Liquidity and Capital Resources

The Company continually projects anticipated cash requirements, which include share repurchases, acquisitions, capital expenditures, and principal and interest payments on its outstanding indebtedness. Funding requirements are financed through cash flow from operations and the issuance of short-term borrowings and/or long-term debt.

At December 31, 2003, the Company's principal sources of liquidity were its cash and cash equivalents of $8,665 and available borrowings under its bank facility which is further described below.

The Company has and continues to expect to generate significant cash flows from operating activities. For the years ended December 31, 2003, 2002 and 2001, net cash provided by operating activities were $107,870, $147,618 and $145,673, respectively. For 2003, net cash from operating activities decreased $39,748 from 2002. The reduction is primarily attributable to an increase in cash taxes paid resulting from lower tax benefits from the exercise of stock options and warrants.

At December 31, 2003, the Company had an unsecured $205,000 bank revolving credit facility (the "Facility"), $50,000 in senior unsecured notes due in 2009 and $150,000 in senior unsecured notes due in 2012 (collectively the "Notes"). At December 31, 2003, the Company had available borrowings of $105,000 under its Facility ($205,000 at December 31, 2002). The amount of the Facility was scheduled to be reduced by $10,000 at the end of each quarter during 2004 until it matured on September 30, 2004. In March 2004, the Company refinanced its existing Facility, obtaining a five-year $120,000 term loan, which was fully borrowed on the closing date and the proceeds of which were used to repay outstanding borrowings under the Facility, and a five-year $180,000 revolving credit facility (collectively the "New Facility"). The terms of the New Facility are substantially the same as those contained in the Company's existing Facility, with the exception that the New Facility does not contain any provisions with respect to mandatory reductions. In addition, the Company has entered into, fixed to floating interest rate swap agreements for 50% of the notional amount of the Notes. The New Facility and/or Notes contain covenants relating to dividends, liens, indebtedness, and interest coverage and leverage ratios. None of these covenants are expected to have an impact on the Company's ability to operate and manage its business.

In conjunction with the Company's objective of enhancing shareholder value, the Company's Board of Directors has authorized a stock repurchase program. In 2003, the Company purchased 5,534,000 shares of the Company's Common Stock for a total cost of $180,412. In 2002, the Company purchased approximately 7,414,000 shares of the Company's Common Stock and warrants for a total cost of $239,407 and in 2001, purchased approximately 6,152,000 shares of the Company's Common Stock and warrants for a total cost of $146,278. In 2004 (through February 2004), the

Company repurchased an additional 855,000 shares of Common Stock at a cost of $26,888. The Company expects to continue to use its cash flow to repurchase its Common Stock. At the end of February 2004, the Company had authorization to repurchase up to an additional $351,753 of its Common Stock.

The Company's business does not require, and is not expected to require, significant cash outlays for capital expenditures.

The Company believes that its cash, other liquid assets, operating cash flows and available bank borrowings, taken together, provide adequate resources to fund ongoing operating requirements.

Contractual Obligations and Commitments

The following table lists the Company's future contractual obligations and commitments as of December 31, 2003:

			Payments due by Pe
Contractual Obligations	Total	Less Than 1 Year	1 - 3 years
Long-term Debt (1)	$300,000	-	-
Capital Lease Obligations	7,360	$ 960	$ 1,920
Operating Leases	37,512	6,921	12,077
Other Long-term Obligations	275,745	75,490	96,886
Total Contractual Obligations	$620,617	$83,371	$110,883

(1) In March 2004, the Company refinanced its existing Facility, obtaining a five-year $120,000 term loan and a five-year $180,000 revolving credit facility.

The Company has long-term noncancelable operating lease commitments for office space and equipment. The Company has also entered into capital leases for satellite transponders.

Included in Other Long-term Obligations enumerated in the table above, are various contractual agreements to pay for talent, broadcast rights, research and various related party arrangements, including $154,533 of payments due under the Management and Representation Agreements. See Related Parties below and Note 2 to the consolidated financial statements for further discussion.

Related Parties

Infinity holds a common equity position in the Company and provides ongoing management services to the Company under the terms of the Management Agreement. In return for receiving services under the Management Agreement, the Company compensates Infinity via an annual base fee and provides Infinity the opportunity to earn an incentive bonus if the Company exceeds pre-determined targeted cash flows. For the year ended December 31, 2003, 2002 and 2001, Infinity earned cash compensation of $2,793, $5,012 and $3,983, respectively.

In addition to the base fee and incentive compensation described above, the Company granted to Infinity two vested and non-forfeitable warrants to purchase 4,000,000 shares in the aggregate (one warrant with an exercise price of $10.00 per share and the other warrant with an exercise price of $12.50 per share - each warrant represents 2,000,000 shares of Common Stock) in connection with extending the term of the Management Agreement in March 1999 for an additional term of five years commencing April 1, 1999. Such warrants were only exercisable to the extent the Company's Common Stock reached certain market prices, which have subsequently been achieved. In 2002 Infinity sold its $12.50 warrants, representing 2 million shares of Common Stock, to the Company receiving net proceeds aggregating $51,070. In 2001, Infinity sold its $10.00 warrants, representing 2 million shares of Common Stock, to the Company receiving net proceeds aggregating $41,350. The repurchase of the Infinity warrants for cash consideration has been reflected as a reduction to additional paid in capital during 2002 and 2001.

On May 29, 2002, the Company's shareholders ratified an extension of the Management Agreement for an additional five-year term, which commences April 1, 2004 and expires on March 31, 2009. In return for receiving services under the Management Agreement, the Company will continue to compensate Infinity via an annual base fee and an opportunity to earn an annual incentive bonus provided certain performance objectives are met. Additionally, the Company granted to Infinity seven warrants convertible into 4,500,000 fully vested and nonforfeitable shares (comprised of two warrants to purchase 1,000,000 Common shares per warrant and five warrants to purchase 500,000 Common shares per warrant) to purchase Company Common Stock. For additional information on these warrants see Note 2 to our consolidated financial statements.

In addition to the Management Agreement described above, the Company also enters into other transactions with Infinity in the normal course of business. Such arrangements include a representation agreement (including a related news programming agreement, a license agreement and a technical services agreement with an affiliate of Infinity - the "Representation Agreement") to operate the CBS Radio Networks, affiliation agreements with many of Infinity's radio stations and the purchase of programming rights from Infinity and affiliates of Infinity. The Management Agreement provides that all transactions, other than the Management Agreement and Representation Agreement to operate the CBS Radio Networks which were ratified by the Company's shareholders, between the Company and Infinity or its affiliates must be on a basis that is at least as favorable to the Company as if the transaction were entered into with an independent third party. In addition, subject to specified exceptions, all agreements between the Company and Infinity or any of its affiliates must be approved by the Company's Board of Directors. During 2003, the Company incurred expenses aggregating approximately $80,659 for the Representation Agreement, affiliation agreements and the purchase of programming rights from Infinity and affiliates ($77,566 in 2002 and $77,444 in 2001).

Critical Accounting Policies and Estimates

Westwood One's financial statements are prepared in accordance with accounting principles that are generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. Management continually evaluates its estimates and judgments including those related to allowances for doubtful accounts, useful lives of property, plant and equipment and intangible assets, and other contingencies. Management bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. We believe that of our

significant accounting policies, the following may involve a higher degree of judgment or complexity.

Allowances for doubtful accounts - we maintain allowances for doubtful accounts for estimated losses which may result from the inability of our customers to make required payments. We base our allowances on the likelihood of recoverability of accounts receivable by aging category, based on past experience and taking into account current collection trends that are expected to continue. If economic or specific industry trends worsen beyond our estimates, we would be required to increase our allowances for doubtful accounts. Alternatively, if trends improve beyond our estimates, we would be required to decrease our allowance for doubtful accounts. Our estimates are reviewed periodically, and adjustments are reflected through bad debt expense in the period they become known. Our bad debt expense approximated $3,600, or .7% of revenue, in 2003, $6,400, or 1.2% of revenue, in 2002, and $2,000, or .4% of revenue, in 2001 and changes in our bad debt experience can materially affect our results of operations. Our allowance for bad debts requires us to consider anticipated collection trends and requires a high degree of judgment. In addition, as fully described herein, our results in any reporting period could be impacted by relatively few significant bad debts.

Estimated useful lives of property, plant and equipment and intangible assets - we estimate the useful lives of property, plant and equipment and intangible assets in order to determine the amount of depreciation and amortization expense to be recorded during any reporting period. The useful lives, which are disclosed in Note 1 of the consolidated financial statements, are estimated at the time the asset is acquired and are based on historical experience with similar assets as well as taking into account anticipated technological or other changes. If technological changes were to occur more rapidly than anticipated or in a different form than anticipated, the useful lives assigned to these assets may need to be shortened, resulting in the recognition of increased depreciation and amortization expense in future periods. During 2002, the Company changed the useful lives of certain studio and broadcasting equipment. Alternately, these types of technological changes could result in the recognition of an impairment charge to reflect the write-down in value of the asset. We review these types of assets for impairment annually, or when events or circumstances indicate that the carrying amount may not be recoverable over the remaining lives of the assets. If an event occurs which would cause us to revise our estimates and assumptions used in analyzing the value of our goodwill or other intangibles, such revision could result in an impairment charge that could have a material impact on our financial results. Beginning January 1, 2002, in accordance with the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), we no longer amortize goodwill but review at least annually for impairment.

Valuation of stock options and warrants -- For purposes of computing the value of stock options and warrants, various valuation methods and assumptions can be used. The selection of a different valuation method or use of different assumptions may result in a value that is significantly different from that computed by the Company. In certain circumstances, usually depending on the complexity of the calculation, we may employ the services of a valuation expert.

Recent Accounting Pronouncements Affecting Future Results

In January 2003, the FASB issued FASB Interpretation No. 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51" which was replaced in December 2003 by the issuance of FIN 46R ("FIN 46R"). FIN 46R explains how to identify variable interest entities ("VIEs") and how a company should assess its interests in a variable interest entity to decide whether to consolidate that entity. FIN 46R requires existing unconsolidated variable interest entities to

be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved.

The provisions of FIN 46R are effective for special purpose entities as of December 31, 2003. The Company has completed its review of its special purpose entities under FIN 46R and has determined that the application of FIN 46R did not impact the Company's consolidated financial position, results of operations or cash flows.

The provisions of FIN 46R must be applied to VIEs as of March 31, 2004. The Company has determined that the adoption of the remaining provisions of FIN 46R will not have an impact on the Company.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities". SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." In general, SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of SFAS 149 did not have any impact on the Company's financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." In accordance

with SFAS 150, financial instruments that embody obligations for the issuer are required to be classified as liabilities. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise shall be effective at the beginning of the first interim period beginning after June 15, 2003, except for the provisions relating to mandatorily redeemable financial instruments which have been deferred indefinitely. The adoption of SFAS 150 did not have any impact on the Company's financial position.

On December 17, 2003, the Staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 104 ("SAB 104"), Revenue Recognition, which supercedes SAB 101, Revenue Recognition in Financial Statements. SAB 104's primary purpose is to rescind accounting guidance contained in SAB 101 related to multiple element revenue arrangements, superceded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." The adoption of SAB 104 did not have a material impact on the Company's financial position, results of operations or cash flows.

Forward-Looking Statements and Factors Affecting Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on the behalf of the Company. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are based on management's views and assumptions at the time the statements are made, however no assurances can be given that management's expectations will come to pass. The forward-looking statements included in this document are only made as of the date of this document and the Company does not have any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.

Factors That May Affect Forward-Looking Statements

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

-- The Company is managed by Infinity under the terms of the Management Agreement, which expires in 2009. In addition, the Company has extensive business dealings with Infinity and its affiliates in its normal course of business. The Company's business prospects could be adversely affected by its inability to retain Infinity's services under the Management Agreement beyond the contractual term.

-- The Company competes in a highly competitive business. Its radio programming competes for audiences and advertising revenues directly with radio and television stations and other syndicated programming, as well as with such other media as newspapers, magazines, cable television, outdoor advertising and direct mail. Audience ratings and revenue shares are subject to change and any adverse change in a particular geographic area could have a material and adverse effect on the Company's ability to attract not only advertisers in that region, but national advertisers as well. Future operations are further subject to many factors which could have an adverse effect upon the Company's financial performance. These factors include:

- economic conditions, both generally and relative to the broadcasting industry;
- shifts in population and other demographics;
- the level of competition for advertising dollars;
- fluctuations in programming costs;
- technological changes and innovations;
- changes in labor conditions; and
- changes in governmental regulations and policies and actions of federal regulatory bodies.

Although the Company believes that its radio programming will be able to compete effectively and will continue to attract audiences and advertisers, there can be no assurance that the Company will be able to maintain or increase the current audience ratings and advertising revenues.

-- The radio broadcasting industry has experienced a significant amount of consolidation in recent years. As a result, certain major station groups, including Infinity and Clear Channel Communications, have emerged as powerful forces in the industry. Given the size and financial resources of these station groups, they may be able to develop their own programming as a substitute to that offered by the Company. Alternatively, they could seek to obtain programming from the Company's competitors. Any such occurrences, or merely the threat of such occurrences, could adversely affect the Company's ability to negotiate favorable terms with its station affiliates, to attract audiences and to attract advertisers.

-- Changes in U.S. financial and equity markets, including market disruptions and significant interest rate fluctuations, could impede the Company's access to, or increase the cost of, external financing for its operations and investments.

-- Changes in tax rates may adversely affect the Company's profitability.

-- The Company believes relations with its employees and independent contractors are satisfactory. However, the Company may be adversely affected by future labor disputes, which may lead to increased costs or disruption of operations in any of the Company's business units.

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

Item 7A. Qualitative and Quantitative Disclosures about Market Risk

In the normal course of business, the Company employs established policies and procedures to manage its exposure to changes in interest rates using financial instruments. The Company uses derivative financial instruments (fixed-to-floating interest rate swap agreements) for the purpose of hedging specific exposures and holds all derivatives for purposes other than trading. All derivative financial instruments held reduce the risk of the underlying hedged item and are designated at inception as hedges with respect to the underlying hedged item. Hedges of fair value exposure are entered into in order to hedge the fair value of a recognized asset, liability, or a firm commitment.

In order to achieve a desired proportion of variable and fixed rate debt, in December 2002, the Company entered into a seven year interest rate swap agreement covering $25 million notional value of its outstanding borrowing to effectively float the interest rate at three-month LIBOR plus 74 basis points and two ten year interest rate swap agreements covering $75 million notional value of its outstanding borrowing to effectively float the interest rate at three-month LIBOR plus 80 basis points.

These swap transactions allow the Company to benefit from short-term declines in interest rates. The instruments meet all of the criteria of a fair-value hedge. The Company has the appropriate documentation, including the risk management objective and strategy for undertaking the hedge, identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the hedging instrument's effectiveness offsets the exposure to changes in the hedged item's fair value or variability in cash flows attributable to the hedged risk.

With respect to the borrowings pursuant to the Company's revolving credit facility, the interest rate on the borrowings is based on the prime rate plus an applicable margin of up to .25%, or LIBOR plus an applicable margin of up to 1.25%, as chosen by the Company. Historically, the Company has typically chosen the LIBOR option with a three month maturity. Every .25% change in interest rates has the effect of increasing or decreasing our annual interest expense by $5,000 for every $2 million of outstanding debt.

The Company continually monitors its positions with, and the credit quality of, the financial institutions that are counterparties to its financial instruments, and does not anticipate nonperformance by the counterparties.

The Company's receivables do not represent a significant concentration of credit risk due to the wide variety of customers and markets in which the Company operates.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements and the related notes and schedules were prepared by and are the responsibility of management. The financial statements and related notes were prepared in conformity with generally accepted accounting

principles and include amounts based upon management's best estimates and judgments. All financial information in this annual report is consistent with the consolidated financial statements.

The Company maintains internal accounting control systems and related policies and procedures designed to provide reasonable assurance that assets are
'
authorization and properly recorded, and that accounting records may be relied

upon for the preparation of consolidated financial statements and other financial information. The design, monitoring, and revision of internal accounting control systems involve, among other things, management's judgment with respect to the relative cost and expected benefits of specific control measures.

Westwood One's consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants, who have expressed their opinion with respect to the presentation of these statements.

The Audit Committee of the Board of Directors, which is comprised solely of directors who are not employees of the Company, meets periodically with the independent auditors, as well as with management, to review accounting, auditing, internal accounting controls and financial reporting matters. The Audit Committee, pursuant to its Charter, is also responsible for retaining the Company's independent accountants. The independent accountants have full and free access to the Audit Committee with and without management's presence. Further, as a result of changes in the listing standards for the New York Stock Exchange and as a result of the Sarbanes-Oxley Act of 2002, members of the Audit Committee will be required to meet stringent independence standards and at least one member must have financial expertise. The majority of our Audit Committee members satisfy the new independence standards and, the Audit Committee also has at least one member with financial expertise.

The Consolidated Financial Statements and the related notes and schedules of the Company are indexed on page F-1 of this Report, and attached hereto as pages F-1 through F-18 and by this reference incorporated herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Our management carried out an evaluation of the effectiveness of our disclosure controls and procedures within the 90-day period prior to the filing of this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer of the Company have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities Exchange Commission rules and forms. Subsequent to the date of our evaluation, there were no significant changes in our internal controls or in other factors that could significantly affect our controls and procedures.

PART III

Item 10. Directors and Executive Officers of the Registrant

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

Item 11. Executive Compensation

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after then end of the Company's fiscal year.

Item 13. Certain Relationships and Related Transactions

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

Item 14. Principal Accounting Fees and Services

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Documents filed as part of this Report on Form 10-K

1. Financial statements and schedules to be filed hereunder are indexed on page F-1 hereof.

2. Exhibits

EXHIBIT NUMBER	DESCRIPTION
3.1	Restated Certificate of Incorporation, as filed on October 25, 2002. (14)
3.2	Bylaws of Registrant as currently in effect. (6)
4.1	Note Purchase Agreement, dated December 3, 2002, between Registrant and the Purchasers. (15)
*10.1	Employment Agreement, dated April 29, 1998, between Registrant and Norman J. Pattiz. (8)
*10.2	Amendment to Employment Agreement, dated October 27, 2003, between Registrant and Norman J. Pattiz.

10.3 Form of Indemnification Agreement between Registrant and its Directors and Executive Officers. (1)
10.4 Credit Agreement, dated March 2, 2004, between Registrant and The Lenders and JPMorgan Chase Bank as Administrative Agent
10.5 Purchase Agreement, dated as of August 24, 1987, between Registrant and National Broadcasting Company, Inc. (2)
10.6 Agreement and Plan of Merger among Registrant, Copter Acquisition Corp. and Metro Networks, Inc. dated of June 1, 1999 (9)
*10.7 Amendment No. 1 to the Agreement and Plan Merger, dated as of August 20, 1999, by and among Registrant, Copter Acquisition Corp. and Metro Networks, Inc. (10)
10.8 Management Agreement, dated as of March 30, 1999, and amended on April 15, 2002 between Registrant and Infinity Broadcasting Corporation. (9) (13)
10.9 Representation Agreement, dated as of March 31, 1997, between Registrant and CBS, Inc. (7) (13)
10.10 Westwood One Amended 1999 Stock Incentive Plan. (9)
10.11 Westwood One, Inc. 1989 Stock Incentive Plan. (3)
10.12 Amendments to the Westwood One, Inc. Amended 1989 Stock Incentive Plan. (4) (5)
10.13 Leases, dated August 9, 1999, between Lefrak SBN LP and Westwood One, Inc. and between Infinity and Westwood One, Inc. relating to New York, New York offices. (11)
21 List of Subsidiaries
23 Consent of Independent Auditors
31.a Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.b Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.a Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.b Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

No Report on Form 8-K were filed during the fourth quarter of 2003. A Form 8-K was furnished on October 29, 2003 in connection with the Company's disclosure of certain earnings information.

****
*Indicates a management contract or compensatory plan

(1) Filed as part of Registrant's September 25, 1986 proxy statement and incorporated herein by reference.
(2) Filed an exhibit to Registrant's current report on Form 8-K dated September 4, 1987 and incorporated herein by reference.
(3) Filed as part of Registrant's March 27, 1992 proxy statement and incorporated herein by reference.
(4) Filed as an exhibit to Registrant's July 20, 1994 proxy statement and incorporated herein by reference.
(5) Filed as an exhibit to Registrant's May 17, 1996 proxy statement and incorporated herein by reference.
(6) Filed as an exhibit to Registrant's Quarterly report on Form 10-Q for the quarter ended September 30, 1996 and incorporated herein by reference.
(7) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference.
(8) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 1998 and incorporated herein by reference.

(9) Filed as an exhibit to Registrant's August 24, 1999 proxy statement and incorporated herein by reference.
(10) Filed as an exhibit to Registrant's current report on Form 8-K dated October 1, 1999 and incorporated herein by reference.
(11) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference.
(12) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000 and incorporated herein by reference.
(13) Filed as an exhibit to Registrant's April 29, 2002 proxy statement and incorporated herein by reference.
(14) Filed as an exhibit to Registrant's Quarterly report on Form 10-Q for the quarter ended September 30, 2002 and incorporated herein by reference.
(15) Filed as an exhibit to Registrant's current report on Form 8-K dated December 3, 2002 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

WESTWOOD ONE, INC.

Date: March 15, 2004

By /S/ ANDREW ZAREF

Andrew Zaref
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ SHANE COPPOLA Shane Coppola	Director, President and Chief Executive Officer (Principal Executive Officer)	March 15, 2004
/S/ ANDREW ZAREF Andrew Zaref	Chief Financial Officer (Principal Financial Officer and Chief Accounting Officer)	March 15, 2004
/S/ NORMAN J. PATTIZ Norman J. Pattiz	Chairman of the Board of Directors	March 15, 2004
/S/ DAVID L. DENNIS David L. Dennis	Director	March 15, 2004
/S/ GERALD GREENBERG Gerald Greenberg	Director	March 15, 2004
/S/ ROBERT K. HERDMAN	Director	March 15, 2004

Robert K. Herdman

/S/ JOEL HOLLANDER Joel Hollander	Director	March 15, 2004
/S/ DENNIS HOLT Dennis Holt	Director	March 15, 2004
/S/ MARIA D. HUMMER Maria D. Hummer	Director	March 15, 2004
/S/ MEL A. KARMAZIN Mel A. Karmazin	Director	March 15, 2004
/S/ STEVEN A. LERMAN Steven A. Lerman	Director	March 15, 2004
/S/ GEORGE MILES George Miles	Director	March 15, 2004
/S/ JOSEPH B. SMITH Joseph B. Smith	Director	March 15, 2004
/S/ FARID SULEMAN Farid Suleman	Director	March 15, 2004

EXHIBIT 31.a

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Shane Coppola, Chief Executive Officer of the Company, certify that:

1) I have reviewed this annual report on Form 10-K of Westwood One, Inc.;

2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have;

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its

consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

/S/ Shane Coppola

Shane Coppola
Chief Executive Officer
March 15, 2004

EXHIBIT 31.b

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Andrew Zaref, Chief Financial Officer of the Company, certify that:

1) I have reviewed this annual report on Form 10-K of Westwood One, Inc.;

2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have;

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

/S/ Andrew Zaref

Andrew Zaref
Chief Financial Officer
March 15, 2004

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EXHIBIT 32.a

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Westwood One, Inc. (the "Company") on Form 10-K for the period ending December 31, 2003 as filed with the Securities and Exchange Commission (the "Report"), I, Shane Coppola, Chief" Executive Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ Shane Coppola

Shane Coppola
March 15, 2004

This statement is being furnished to the Securities and Exchange Commission as an exhibit to this Annual Report on Form 10-K.

EXHIBIT 32.b

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Westwood One, Inc. (the "Company") on Form 10-K for the period ending December 31, 2003 as filed with the Securities and Exchange Commission (the "Report"), I, Andrew Zaref, Chief Financial Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ Andrew Zaref

Andrew Zaref
March 15, 2004

This statement is being furnished to the Securities and Exchange Commission as an exhibit to this Annual Report on Form 10-K.

WESTWOOD ONE, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES

1. Consolidated Financial Statements Page

--Report of Independent Auditors F-2

--Consolidated Balance Sheets at December 31, 2003 and 2002 F-3

--Consolidated Statements of Operations for the years ended December 31, 2003, 2002 and 2001 F-4

--Consolidated Statements of Shareholders' Equity for the years ended December 31, 2003, 2002 and 2001 F-5

--Consolidated Statements of Cash Flows for the years ended December 31, 2003, 2002 and 2001 F-6

--Notes to Consolidated Financial Statements F-7 - F-17

2. Financial Statement Schedules:

II. -Valuation and Qualifying Accounts F-18

All other schedules have been omitted because they are not applicable, the required information is immaterial, or the required information is included in the consolidated financial statements or notes thereto.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders
of Westwood One, Inc.

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Westwood One, Inc. and it subsidiaries ("the Company") at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, effective January 1, 2002, the Company adopted the provisions of Statement of Financial Accounting Standards No. 141, "Business Combinations" and Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets."

/S/ PRICEWATERHOUSECOOPERS LLP

New York, New York
February 17, 2004, except for Notes 5 and 13, as to which the date is March 3, 2004

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WESTWOOD ONE, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	Decembe
	2003
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 8,665
Accounts receivable, net of allowance for doubtful accounts of $4,334 (2003) and $11,757 (2002)	135,720
Prepaid and other assets	21,110
Total Current Assets	165,495
PROPERTY AND EQUIPMENT, NET	50,562
INTANGIBLE ASSETS, NET	7,626
GOODWILL	990,472
OTHER ASSETS	47,879
TOTAL ASSETS	$1,262,034
LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Accounts payable	$13,136
Amounts payable to related parties	18,680
Deferred revenue	12,215
Income taxes payable	3,760
Accrued expenses and other liabilities	32,082
Total Current Liabilities	79,873
LONG-TERM DEBT	300,366
DEFERRED INCOME TAXES	36,902
OTHER LIABILITIES	8,943
TOTAL LIABILITIES	426,084
COMMITMENTS AND CONTINGENCIES	
SHAREHOLDERS' EQUITY	
Preferred stock: authorized 10,000,000 shares, none outstanding	-
Common stock, $.01 par value: authorized, 263,323,250 shares; issued and outstanding, 99,056,659 (2003) and 103,988,678 (2002)	991
Class B stock, $.01 par value: authorized, 3,000,000 shares: issued and outstanding, 703,466 (2003 and 2002)	7
Additional paid-in capital	517,132

Retained earnings	319,020
	837,150
Less treasury stock, at cost; 35,000 (2003 and 2002) shares	-1,200
TOTAL SHAREHOLDERS' EQUITY	835,950
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$1,262,034

See accompanying notes to consolidated financial statements.

WESTWOOD ONE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year Ended December 31,		
	2003	2002	2001
REVENUES	$539,226	$550,751	$515,940
Operating Costs (includes related party expenses of $80,659, $77,566, and $77,444, respectively)	350,582	352,385	343,120
Depreciation and Amortization (includes related party warrant amortization of $1,352 in each period)	11,513	11,464	67,611
Corporate General and Administrative Expenses (includes related party expenses of $2,793, $5,012, and $3,983, respectively)	7,106	8,005	6,816
	369,201	371,854	417,547
OPERATING INCOME	170,025	178,897	98,393
Interest Expense	10,132	6,955	8,705
Other (Income) Expense	(52)	(110)	929
INCOME BEFORE TAXES	159,945	172,052	88,759
INCOME TAXES	59,906	62,937	45,564
NET INCOME	$100,039	$109,115	$43,195
INCOME PER SHARE:			
Basic	$ .99	$1.03	$ .40
Diluted	$ .97	$1.00	$ .38
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic	101,243	105,992	107,551
Diluted	103,625	109,101	112,265

See accompanying notes to consolidated financial statements

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WESTWOOD ONE, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands)

	Preferred Stock		Common Stock		Class B Stock		Add'l		Ac
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Retained Earnings	
BALANCE AT DECEMBER 31, 2000	-	-	129,300	$1,293	704	$7	$1,194,118	$ 66,671	(
Components of comprehensive income:									
Net income for 2001	-	-	-	-	-	-	-	43,195	
Unrealized holding gain (loss) in equity securities net of tax	-	-	-	-	-	-	-	-	
Total comprehensive income	-	-	-	-	-	-	-	43,195	
Issuance of common stock under stock option plans	-	-	3,326	34	-	-	64,893	-	
Purchase and cancellation of warrants from related party	-	-	-	-	-	-	(41,350)	-	
Purchase of treasury stock	-	-	-	-	-	-	-	-	
Retirement of treasury stock	-	-	(25,764)	(258)	-	-	(413,232)	-	
BALANCE AT DECEMBER 31, 2001	-	-	106,862	1,069	704	7	804,429	109,866	
Net income for 2002	-	-	-	-	-	-	-	109,115	
Issuance of common stock under stock option plans	-	-	2,506	25	-	-	69,406	-	
Issuance of warrants to related party	-	-	-	-	-	-	48,530	-	
Purchase and cancellation of warrants from related party	-	-	-	-	-	-	(51,070)	-	
Purchase of treasury stock	-	-	-	-	-	-	-	-	
Retirement of treasury stock	-	-	(5,379)	(54)	-	-	(186,984)	-	
BALANCE AT DECEMBER 31, 2002	-	-	103,989	1,040	704	7	684,311	218,981	
Net income for 2003	-	-	-	-	-	-	-	100,039	
Issuance of common stock under stock option plans	-	-	602	6	-	-	13,277	-	
Purchase of treasury stock	-	-	-	-	-	-	-	-	
Retirement of treasury stock	-	-	(5,534)	(55)	-	-	(180,456)	-	
BALANCE AT DECEMBER 31, 2003	-	-	99,057	$991	704	$7	$517,132	$319,020	

See accompanying notes to consolidated financial statements.

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WESTWOOD ONE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Ye
	2003
CASH FLOW FROM OPERATING ACTIVITIES:	
Net income	$100,039
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	11,513
Deferred taxes	5,331
Other	635
	117,518
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(4,044)
(Increase) decrease in prepaid and other assets	(1,186)
(Decrease) in deferred revenue	(525)
Increase in income taxes payable	2,822
(Decrease) increase in accounts payable and accrued and other liabilities	(8,348)
Increase (decrease) in amounts payable to related parties	1,633
Net Cash Provided By Operating Activities	107,870
CASH FLOW FROM INVESTING ACTIVITIES:	
Capital expenditures	(4,370)
Acquisition of companies and other	(602)
Net Cash Used For Investing Activities	(4,972)
CASH FLOW FROM FINANCING ACTIVITIES:	
Debt repayments and payments of capital lease obligations	(564)
Borrowings under bank and other long-term obligations	70,000
Issuance of common stock	9,372
Repurchase of common stock	(180,412)
Repurchase of warrants from related party	-
Deferred financing costs	-
Net Cash Used For Financing Activities	(101,604)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,294
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,371
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$8,665

See accompanying notes to consolidated financial statements.

WESTWOOD ONE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except share and per share amounts)

NOTE 1 - Summary of Significant Accounting Policies:

Nature of Business
Westwood One, Inc. and subsidiaries (the "Company") supplies radio and television station affiliates with a broad range of programming and information services. The Company is the largest domestic outsource provider of traffic reporting services and the nation's largest radio network, producing and distributing national news, sports, talk, music and special event programs, in addition to local news, sports, weather, video news and other information programming.

Westwood One is managed by Infinity Broadcasting Corporation ("Infinity"), a wholly-owned subsidiary of Viacom Inc, pursuant to a management agreement between the Company and Infinity which expires on March 31, 2009 (the "Agreement" or "Management Agreement").

Principles of Consolidation
The consolidated financial statements include the accounts of all majority and wholly-owned subsidiaries.

Revenue Recognition
Revenue is recognized when earned which is at the time commercial advertisements are broadcast. Payments received in advance are deferred until earned and such amounts are included as a component of 'Accrued expenses and other liabilities' on the accompanying balance sheet.

Barter transactions represent the exchange of commercial announcements for merchandise or services. These transactions are generally recorded at the fair market value of the commercial announcements relinquished or the fair value of the merchandise and services received. Revenue is recognized on barter transactions when the advertisements are broadcast. Expenses are recorded when the merchandise or service is utilized. Barter revenue of $22,441, $19,595 and $13,103 has been recognized for the years ended December 31, 2003, 2002 and 2001, respectively and barter expenses of $ 20,885, $18,886 and $12,453 have been recognized for the years ended December 31, 2003, 2002 and 2001, respectively.

Program Rights
Program rights are stated at the lower of cost, less accumulated amortization, or net realizable value. Program rights and the related liabilities are recorded when the license period begins and the program is available for use and are charged to expense when the event is broadcast.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. Management continually evaluates its estimates and judgments including those related to allowances for doubtful accounts, useful lives of property, plant and equipment and intangible assets, income taxes and other contingencies. Management bases its estimates and judgments on historical experience and other factors that are believed to be reasonable in the circumstances. Actual results may differ from those estimates under different assumptions or conditions.

Cash Equivalents
The Company considers all highly liquid instruments purchased with a maturity of less than three months to be cash equivalents. The carrying amount of cash equivalents approximates fair value because of the short maturity of these instruments.

Financial Instruments

The Company uses derivative financial instruments (fixed-to-floating interest rate swap agreements) for the purpose of hedging specific exposures and holds all derivatives for purposes other than trading. All derivative financial instruments held reduce the risk of the underlying hedged item and are designated at inception as hedges with respect to the underlying hedged item. Hedges of fair value exposure are entered into in order to hedge the fair value of a recognized asset, liability, or a firm commitment. Derivative contracts are entered into with major creditworthy institutions to minimize the risk of credit loss and are structured to be 100% effective.

Depreciation

Depreciation is computed using the straight line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	40 years
Recording and studio equipment	5 - 10 years
Capitalized leases	Term of lease
Furniture and equipment and other	3 - 10 years

Goodwill and Intangible Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS 141") and Statement of Financial Accounting Standards No. 142 ("SFAS 142") "Goodwill and Other Intangible Assets". The Statements require all business combinations to be accounted for under the purchase method and prohibits the amortization of goodwill and indefinite-lived intangible assets, requires that goodwill and indefinite-lived intangible assets be tested annually for impairment (and in interim periods if events occur indicating that the carrying value of goodwill and/or indefinite-lived intangible assets may be impaired), requires that reporting units be identified for the purpose of assessing potential future impairments of goodwill, and removes the forty-year limitation on the amortization period of intangible assets that have
finite lives.

Goodwill represents the excess of cost over fair value of assets of businesses acquired. In accordance with SFAS 142, the value assigned to goodwill and indefinite lived intangible assets is not amortized to expense, but rather the fair value of the reporting unit is compared to its carrying amount on an annual basis to determine if there is a potential impairment. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill and intangible assets is less than their carrying value, determined based on discounted cash flows, market multiples or appraised values as appropriate. The Company has determined that there was no impairment of goodwill or intangible assets as a result of completing impairment reviews.

Intangible assets subject to amortization primarily consist of affiliation agreements that were acquired in prior years. Such affiliate contracts, when aggregated, create a nationwide audience that is sold to national advertisers. The intangible asset values assigned to the affiliate agreements for each acquisition were determined based upon the expected discounted aggregate cash flows to be derived over the life of the affiliate relationship. The method of

amortizing the intangible asset values reflects, based upon the Company's historical experience, an accelerated rate of attrition in the affiliate base over the expected life of the affiliate relationships. Accordingly, the Company amortizes the value assigned to affiliate agreements on an accelerated basis (periods ranging from 4 to 20 years with a weighted-average amortization period of approximately 8 years)consistent with the pattern of cash flows which are expected to be derived.

Stock-Based Compensation
Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," encourages, but does not require companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25 ("APB 25"), "Accounting for Stock Issued to Employees," and related Interpretations.

Income Taxes
The Company uses the asset and liability method of financial accounting and reporting for income taxes required by Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes". Under SFAS 109, deferred income taxes reflect the tax impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and the amounts recognized for tax purposes.

Earnings per Share
Basic earnings per share excludes all dilution and is calculated using the weighted average number of common shares outstanding in the period. Diluted earnings per share amounts are based upon the weighted average number of common and common equivalent shares outstanding during the year. Common equivalent shares are related to warrants and stock options. The following number of common equivalent shares were added to the basic weighted average shares outstanding for each period:

	2003	2002	2001
Options	2,382,000	2,967,000	3,476,000
Warrants	-	142,000	1,238,000

Common equivalent shares are excluded in periods in which they are anti-dilutive. The following options were excluded from the calculation of diluted earnings per share because the exercise price was greater than the average market price of the Company's Common Stock for the years presented:

	2003	2002	2001
Options	1,904,382	390,000	1,380,000

The per share exercise prices of the options were $32.90-$38.34 in 2003, $37.00-$38.34 in 2002, and $30.30-$40.70 in 2001. Also excluded were 4,500,000 warrants issued in May 2002 in conjunction with extending the terms of the Company's management agreement with a related party. See Note 2 for a further discussion of the warrant terms.

Recent Accounting Pronouncements
In January 2003, the FASB issued FASB Interpretation No. 46, "Consolidation of

Variable Interest Entities, an Interpretation of ARB No. 51" which was replaced in December 2003 by the issuance of FIN 46R ("FIN 46R"). FIN 46R explains how to identify variable interest entities ("VIEs") and how a company should assess its interests in a variable interest entity to decide whether to consolidate that entity. FIN 46R requires existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved.

The provisions of FIN 46R are effective for special purpose entities as of December 31, 2003. The Company has completed its review of its special purpose entities under FIN 46R and has determined that the application of FIN 46R did not impact the Company's consolidated financial position, results of operations or cash flows.

The provisions of FIN 46R must be applied to VIEs as of March 31, 2004. The Company has determined that the adoption of the remaining provisions of FIN 46R will not impact the Company's consolidated financial position, results of operations or cash flows.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities". SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." In general, SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of SFAS 149 did not have any impact on the Company's financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". In accordance with SFAS 150, financial instruments that embody obligations for the issuer are required to be classified as liabilities. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise shall be effective at the beginning of the first interim period beginning after June 15, 2003, except for the provisions relating to mandatorily redeemable financial instruments which have been deferred indefinitely. The adoption of SFAS 150 did not have any impact on the Company's financial position.

On December 17, 2003, the Staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 104 ("SAB 104"), Revenue Recognition, which supercedes SAB 101, Revenue Recognition in Financial Statements. SAB 104's primary purpose is to rescind accounting guidance contained in SAB 101 related to multiple element revenue arrangements, superceded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." The adoption of SAB 104 did not have a material impact on the Company's financial position, results of operations or cash flows.

Reclassification
Certain amounts reported in prior years have been reclassified to conform to the current year presentation.

NOTE 2 - Related Party Transactions:

In return for receiving services under the Management Agreement, the Company compensates Infinity via an annual base fee and provides Infinity the opportunity to earn an incentive bonus if the Company exceeds pre-determined targeted cash flows. For the year ended December 31, 2003, 2002 and 2001, Infinity earned cash compensation of $2,793, $5,012 and $3,983, respectively.

In addition to the base fee and incentive compensation described above, the Company granted to Infinity two fully vested and non-forfeitable warrants to purchase 4,000,000 shares of the Company's Common Stock in the aggregate (one warrant with an exercise price of $10.00 per share and the other warrant with an exercise price of $12.50 per share - each warrant represents 2,000,000 shares of Common Stock) in connection with extending the term of the Management Agreement in March 1999 for an additional term of five years commencing April 1, 1999. Such warrants were only exercisable to the extent the Company's Common Stock reached certain market prices, which have subsequently been achieved. In 2002 Infinity sold its $12.50 warrants, representing 2,000,000 shares of Common Stock, to the Company receiving net proceeds aggregating $51,070. In 2001, Infinity sold its $10.00 warrants, representing 2,000,000 shares of Common Stock, to the Company receiving net proceeds aggregating $41,350. The repurchase of the Infinity warrants for cash consideration has been reflected as a reduction to additional paid in capital during 2002 and 2001.

On May 29, 2002, the Company's shareholders ratified an extension of the Management Agreement for an additional five-year term, which commences April 1, 2004 and expires on March 31, 2009. In return for receiving services under the Management Agreement, the Company will continue to compensate Infinity via an annual base fee and an opportunity to earn an annual incentive bonus provided certain performance objectives are met. Additionally, the Company granted to Infinity seven warrants convertible into 4,500,000 fully vested and nonforfeitable shares (comprised of two warrants to purchase 1,000,000 Common shares per warrant and five warrants to purchase 500,000 Common shares per warrant) to purchase Company Common Stock. Of the seven warrants issued, the two one million share warrants have an exercise price of $43.11 and $48.36, respectively, and become exercisable if the average price of the Company's Common Stock reaches a price of $64.67 and $77.38, respectively, for at least 20 out of 30 consecutive trading days for any period throughout the ten year term of the warrants.

The exercise prices for the five remaining warrants is equal to $38.87, $44.70, $51.40, $59.11 and $67.98, respectively. These warrants each have a term of 10 years and become exercisable on January 2, 2005, 2006, 2007, 2008, and 2009, respectively, subject to a trading price condition. The trading price condition specifies the average price of the Company's Common Stock for each of the 15 trading days prior to January 2 of the applicable year (commencing on January 2, 2005 with respect to the first 500,000 warrant tranche and each January 2 thereafter for each of the remaining four warrants) must be at least equal to both the exercise price of the warrant and 120% of the corresponding prior year 15 day trading average. In the case of the $38.87 warrants, the Company's average stock price for the 15 trading days prior to January 2, 2005 must equal or exceed $40.56 for the warrants to become exercisable.

In connection with the issuance of warrants to Infinity for management services to be provided to the Company in the future, the Company has reflected the fair value of the warrant issuance of $48,530 as a component of Other Assets with a corresponding increase to additional paid in capital in the accompanying balance sheet. Upon commencement of the term of the service period to which the warrants relate (April 1, 2004), the Company will amortize the cost of the warrants issued to operations ratably over the five-year service period.

In addition to the Management Agreement described above, the Company also enters into other transactions with Infinity in the normal course of business. Such arrangements include a representation agreement (including a related news

programming agreement, a license agreement and a technical services agreement with an affiliate of Infinity - the "Representation Agreement") to operate the CBS Radio Networks, affiliation agreements with many of Infinity's radio stations and the purchase of programming rights from Infinity and affiliates of Infinity. The Management Agreement provides that all transactions, other than the Management Agreement and Representation Agreement to operate the CBS Radio Networks which were ratified by the Company's shareholders, between the Company and Infinity or its affiliates must be on a basis that is at least as favorable to the Company as if the transaction were entered into with an independent third party. In addition, subject to specified exceptions, all agreements between the Company and Infinity or any of its affiliates must be approved by the Company's Board of Directors.

The Company incurred the following expenses relating to transactions with Infinity or its affiliates for the following years:

Nature	2003	2002	2001
Representation Agreement	$24,575	$23,309	$22,925
Programming and Affiliations	56,084	54,257	54,519
Management Agreement (excluding warrant amortization)	2,793	5,012	3,983
Warrant Amortization	1,352	1,352	1,352
	$84,804	$83,930	$82,779

Expenses incurred for the Representation Agreement and programming and affiliate arrangements are included as a component of Operating Costs in the accompanying Consolidated Statement of Operations. Expenses incurred for the Management Agreement (excluding warrant amortization) and amortization of the warrants granted to Infinity under the Management Agreement are included as a component of Corporate General and Administrative expenses and Depreciation and Amortization, respectively in the accompanying Consolidated Statement of Operations.

NOTE 3 - Property and Equipment:

Property and equipment is recorded at cost and is summarized as follows at:

	December 31, 2003	December 31, 2002
Land, buildings and improvements................	$14,088	$12,859
Recording and studio equipment..................	57,511	53,961
Capitalized leases..............................	6,723	6,723
Furniture and equipment and other...............	15,567	16,430
	93,889	89,973
Less: Accumulated depreciation and amortization.	43,327	36,274

Property and equipment, net.............	$50,562	$53,699

Depreciation expense was $7,898 in 2003, $7,711 in 2002, and $17,223 in 2001.

NOTE 4 - Goodwill and Intangible Assets:

The following table provides a reconciliation of reported net income for 2001 to net income that would have been reported had SFAS 142 been applied as of January 2001:

	Year Ended December 31, 2001
Reported net income...........................	$43,195
Add back goodwill amortization, net of tax......	44,460
Adjusted net income...........................	$87,655
Net income per share:	
Basic -	
As reported.................................	$.40
Goodwill amortization, net of tax............	.42
As adjusted.................................	$.82
Diluted -	
As reported.................................	$.38
Goodwill amortization, net of tax.............	.40
As adjusted.................................	$.78

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The changes in the carrying amount of goodwill for the years ended December 31, 2003 and 2002 follows:

	2003	2002
Balance at January 1,	$990,192	$991,289
Goodwill acquired during the period	280	-
Acquisition purchase price adjustments	-	(1,097)
	$990,472	$990,192

At December 31, 2003, the Company's amortizable intangible assets gross value was approximately $28,780 with accumulated amortization of approximately $21,154

($28,538 and $18,891, respectively at December 31, 2002). Amortization expense for fiscal 2003 was $2,263 ($2,401 and $3,158 in 2002 and 2001, respectively). The Company's estimated aggregate amortization expense for intangibles for fiscal year 2004, 2005, 2006, 2007 and 2008 are $1,448, $1,169, $623, $623 and $604, respectively.

NOTE 5 - Debt:

Long-term debt consists of the following at:

	December 31, 2003	December 31, 2002
Revolving Credit Facility/Term Loan.........	$100,000	$30,000
4.64% Senior Unsecured Notes due on November 30, 2009..................	50,000	50,000
5.26% Senior Unsecured Notes due on November 30, 2012..................	150,000	150,000
Fair market value of Swap (a)...............	366	2,135
	$300,366	$232,135

(a) write-up due to market value adjustments for debt with qualifying hedges that are recorded as debt on the balance sheet at December 31, 2003 and 2002.

The Company's amended senior loan agreement with a syndicate of banks, led by JP Morgan Chase Bank, provides for an unsecured $205,000 revolving credit facility (the "Facility"). The Facility is available until September 30, 2004, however, the facility contains provisions which require mandatory reductions in the amount of the facility starting in September 1999 ($10,000 per quarter in 2004). As more fully discussed in Note 13, the Company refinanced the Facility on March 3, 2004. Accordingly, the outstanding borrowings under the Facility have been classified as long-term debt at December 31, 2003 in the accompanying Consolidated Balance Sheet.

At December 31, 2003, the Company had available borrowings under the Facility of $105,000 ($205,000 at December 31, 2002). Interest is payable at the prime rate plus an applicable margin of up to .25% or LIBOR plus an applicable margin of up to 1.25%, at the Company's option. At December 31, 2003, the applicable margin was LIBOR plus .50%-.625%. At December 31, 2003, the Company had borrowed $100,000 under the revolving credit facility at a weighted-average interest rate of 1.8% (including the applicable margin). At December 31, 2002, the Company had borrowed $30,000 under the revolving credit facility at a weighted-average interest rate of 1.91% (including the applicable margin). The Facility contains covenants relating to dividends, liens, indebtedness, capital expenditures and interest coverage and leverage ratios.

On December 3, 2002, the Company issued, through a private placement, $150,000 of ten-year Senior Unsecured Notes dues November 30, 2012 and $ 50,000 of seven-year Senior Unsecured Notes due November 30, 2009 (collectively the "Notes"). Interest on the Notes is payable semi-annually in May and November. The Notes, which are unsecured, contain covenants relating to indebtedness and interest coverage ratios that are identical to those contained in the Company's Facility. The Notes may be prepaid at the option of the Company upon providing proper notice and by paying principal, interest and an early payment penalty.

(Dollars in thousands, except share and per share amounts)

The aggregate maturities of debt for the next five years (See Note 13) and thereafter, pursuant to the Company's debt agreements as in effect at December 31, 2003, are as follows (excludes market value adjustments):

Year	
2004..................	$ -
2005..................	-
2006..................	-
2007..................	-
2008..................	-
2009 and thereafter....	300,000
	$300,000

NOTE 6 - Financial Instruments:

Interest Rate Risk Management
In order to achieve a desired proportion of variable and fixed rate debt, the Company entered into fixed-to-floating interest rate swap agreements covering one-half of the notional amounts of the Notes. These swap transactions allow the Company to benefit from short-term declines in interest rates while having the long-term stability of fairly low fixed rates. The instruments meet all of the criteria of a fair-value hedge. The Company has the appropriate documentation, including the risk management objective and strategy for undertaking the hedge, identification of the hedged instrument, the hedge item, the nature of the risk being hedged, and how the hedging instrument's effectiveness offsets the exposure to changes in the hedged item's fair value or variability in cash flows attributable to the hedge risk.

At December 31, 2003 and 2002, the Company had the following interest rate swaps:

		Interest Rate		
Maturity Dates	Notional Principal Amount	Paid (1)	Received	Va
November 2009	$25,000	1.173%	3.907%	
November 2012	$25,000	1.173%	4.410%	
November 2012	$50,000	1.173%	4.535%	

(1) The interest rate paid at December 31, 2002 was 1.4225%.

The estimated fair value of the Company's interest rate swaps at December 31, 2003 and 2002 were $366 and $2,135, respectively.

Fair Value of Financial Instruments
The Company's financial instruments included cash, cash equivalents, receivables, accounts payable, borrowings and interest rate contracts. At December 31, 2003 and 2002, the fair values of cash and cash equivalents, receivables and accounts payable approximated carrying values because of the short-term nature of these instruments. The estimated fair values of other financial instruments subject to fair value disclosures, determined based on broker quotes or quoted market prices or rates for the same or similar instruments, and the related carrying amounts are as follows:

	December 31, 2003		December 31, 2002	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Borrowings (Short and Long Term)	$ 300,000	$ 300,732	$ 230,000	$ 234,270
Risk management contracts:				
Interest rate swaps	366	366	2,135	2,135

Credit Concentrations
The Company continually monitors its positions with, and the credit quality of, the financial institutions that are counterparties to its financial instruments, and does not anticipate nonperformance by the counterparties.

The Company's receivables do not represent a significant concentration of credit risk at December 31, 2003, due to the wide variety of customers and markets in which the Company operates.

NOTE 7 - Shareholders' Equity:

The authorized capital stock of the Company consists of Common Stock, Class B Stock and Preferred Stock. Common Stock is entitled to one vote per share while Class B Stock is entitled to 50 votes per share. Class B Stock is convertible to Common Stock on a share-for-share basis.

As further discussed in Note 2, in conjunction with the renewal and extension of the Company's Management Agreement with Infinity in May 2002, the Company granted to Infinity fully vested and nonforfeitable warrants to purchase up to 4,500,000 shares of Company Common Stock. The Company has reflected the fair value of the warrants issued of $48,530 as a component of additional paid in capital.

During 2002, Infinity sold their $12.50 warrants to the Company for cash consideration of $51,070. During 2001, Infinity sold their $10.00 warrants to the Company for cash consideration of $41,350. The purchase of the warrants during 2002 resulted in a reduction to additional paid in capital equal to the amount of cash consideration paid. The aforementioned warrants were granted to Infinity in connection with the extension of the Management Agreement in March 1999 (see Note 2).

The Company's Board of Directors has approved plans to purchase shares of the Company's Common Stock to enhance shareholder value. The Company purchased 5,534,000 shares in 2003 for approximately $180,412, 5,414,000 shares in 2002 for approximately $188,337, and 4,152,000 shares in 2001 for approximately $104,928.

NOTE 8 - Stock Options:

The Company has stock option plans established in 1989 and 1999 (collectively "the Plan") which provide for the granting of options to directors, officers and key employees to purchase stock at its market value on the date the options are granted. Under the 1989 Plan, 12,600,000 shares were reserved for grant through

March 1999. This plan expired, but certain previous grants remain outstanding at December 31, 2003. On September 22, 1999, the stockholders ratified the Company's 1999 stock incentive plan which authorized the grant of up to 8,000,000 shares of Common Stock. Options granted generally become exercisable after one year in 20% increments per year and expire within ten years from the date of grant.

The Company applies APB 25 and related interpretations in accounting for its plans. Accordingly, no compensation expense has been recognized for its stock option plans. Had compensation cost been determined in accordance with the methodology prescribed by SFAS 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below:

	2003	2002	2001
Net Income as Reported	$100,039	$109,115	$43,19
Deduct: Total stock based compensation expense determined under fair-value based method, net of tax	8,809	8,444	7,16
Pro Forma Net Income	$91,230	$100,671	$ 36,02
Net Income Per Share:			
Basic - As Reported	$.99	$1.03	$.40
Basic - Pro Forma	$.90	$.95	$.33
Diluted - As Reported	$.97	$1.00	$.38
Diluted - Pro Forma	$.88	$.92	$.32

The weighted average fair value of the options granted in 2003, 2002 and 2001 is estimated at $10.09, $11.46 and $12.56, respectively, on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2003	2002	2001
Weighted Average Risk Free Interest Rate	3.3%	3.4%	6.0%
Expected Life (In Years)..................	5	5	5
Expected Volatility.......................	29.6%	29.0%	61.9%
Expected Dividend Yield...................	-	-	-

Information concerning options outstanding under the Plan is as follows for:

	2003 Shares	2003 Weighted Average Exercised Price	2002 Shares	2002 Weighted Average Exercise Price
Outstanding at beginning of period......................	9,442,330	$19.40	11,089,934	$16.01
Granted during the period.........	1,568,500	$31.32	1,272,500	$35.79
Exercised during the period.......	(602,381)	$15.56	(2,505,674)	$12.21
Forfeited during the period.......	(88,900)	$36.79	(414,430)	$23.43
Outstanding at end of period......	10,319,549	$21.27	9,442,330	$19.40
Available for stock option issuance at end of period......................	1,653,600		3,133,200	

At December 31, 2003, options to purchase 6,281,149 shares of Common Stock were currently exercisable at a weighted average exercise price of $15.86.

The following table contains additional information with respect to options at December 31, 2003:

	Number of Options	Weighted Average Exercise Price	Remai Weig Ave Contr Life (I
Options Outstanding at Exercise Price Ranges of:			
$1.07-$5.34	946,160	$5.13	.9
$7.25-$11.55...................	974,742	$8.78	3.4
$12.54-$15.75..................	2,756,747	$14.18	4.1
$17.25-$22.57..................	1,653,000	$21.44	6.6
$30.19-$38.34..................	3,988,900	$32.98	8.3
	10,319,549	$21.27	5.8

NOTE 9 - Income Taxes:

The components of the provision for income taxes follows:

	Year Ended December 31,		
Current	2003	2002	2001
Federal............	$49,138	$52,982	$40,490
State..............	5,437	3,600	(481)
	54,575	56,582	40,009
Deferred			
Federal............	4,842	5,705	5,107

State.............	489	650	448
	5,331	6,355	5,555
Income Tax...........	$59,906	$62,937	$45,564

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Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities on the Company's balance sheet and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities follow:

	December 31,	
	2003	2002
Deferred tax liabilities:		
Goodwill, intangibles and other......................	$32,755	$31,246
Property and equipment..............................	4,783	2,100
Other...	126	619
Total deferred tax liabilities.......................	37,664	33,965
Deferred tax assets:		
Allowance for doubtful accounts......................	1,394	4,121
Accrued expenses and other...........................	1,013	2,613
Total deferred tax assets............................	2,407	6,734
Net deferred tax liabilities............................	35,257	27,231
Net deferred tax asset - current.........................	1,645	3,502
Net deferred tax liability - long-term...................	$36,902	$30,733

The reconciliation of the federal statutory income tax rate to the Company's effective income tax rate follows:

	Year Ended December 31,		
	2003	2002	2001
Federal statutory rate..............	35.0%	35.0%	35.0%
State taxes net of federal benefit...	2.5	1.6	-
Nondeductible amortization of intangible assets..................	-	-	16.3
Effective tax rate..................	37.5%	36.6%	51.3%

In 2003, 2002 and 2001, $3,911, $39,245 and $32,901 respectively, of income tax benefits attributable to employee stock and warrant transactions were allocated to shareholders' equity.

NOTE 10 - Commitments and Contingencies:

The Company has various non-cancelable, long-term operating leases for office space and equipment. In addition, the Company is committed under various contractual agreements to pay for talent, broadcast rights, research, the CBS Representation Agreement and the Management Agreement with Infinity. The approximate aggregate future minimum obligations under such operating leases and contractual agreements for the five years after December 31, 2003 and thereafter, are set forth below:

	Leases		
Year	Capital	Operating	Other
2004..................	$960	$6,921	$75,490
2005..................	960	6,141	51,050
2006..................	960	5,936	45,836
2007..................	960	5,388	39,594
2008..................	960	4,507	38,555
Thereafter............	2,560	8,619	25,220
	$7,360	$37,512	$275,745

The present value of net minimum payments under capital leases was $5,388 at December 31, 2003.

Included in Other in the table above is $154,533 of commitments due to Infinity pursuant to the Representation and Management Agreements.

NOTE 11 - Supplemental Cash Flow and Other Information:

Supplemental information on cash flows, is summarized as follows:

	Year Ended December 31,		
	2003	2002	2001
Cash paid for:			
Interest..	$12,047	$5,687	$8,473
Income taxes....................................	51,755	8,561	8,403

The Company had certain non-cash investing and financing activities in 2003 and 2002. During 2002, the Company issued warrants to purchase up to 4,500,000 shares of its Common Stock to Infinity with a value of $48,530. During 2001, $6,723 of lease assets and obligations were capitalized.

Insurance Claim

The Company has insurance policies that cover business interruption related to September 11, 2001 terrorist attacks. For the year ended December 31, 2003, the Company recorded $3,200 as a reduction to operating costs in the accompanying Consolidated Statements of Operations, reflecting the settlement of its business interruption insurance claim.

NOTE 12 - Quarterly Results of Operations (unaudited):

The following is a tabulation of the unaudited quarterly results of operations. The quarterly results are presented for the years ended December 31, 2003 and 2002.

(In thousands, except per share data)

	First Quarter	Second Quarter	Third Quarter	Four Quar
2003				
Net revenues	$125,795	$132,675	$134,680	$14
Operating income	29,219	41,664	46,782	5
Net income	16,914	24,336	27,710	3
Net income per share:				
Basic	$.16	$.24	$.28	
Diluted	.16	.23	.27	
2002				
Net revenues	$126,296	$140,812	$133,829	$14
Operating income	29,323	49,736	43,480	5
Net income	17,443	30,474	26,702	3
Net income per share:				
Basic	$.16	$.29	$.25	
Diluted	.16	.28	.25	

NOTE 13 - Subsequent Event:

On March 3, 2004, the Company refinanced its existing senior loan agreement with a syndicate of banks led by JP Morgan Chase Bank and Bank of America. The new facility is comprised of a five-year $120,000 term and a five-year $180,000 revolving credit facility (collectively the "New Facility"). In connection with the closing of the facility, the Company borrowed the full amount of the term loan, the proceeds of which were used to repay the outstanding borrowings under the Facility. Interest on the New Facility is payable at the prime rate plus an applicable margin of up to .25% or LIBOR plus an applicable margin of up to 1.25%, at the Company's option. The New Facility contains covenants relating to

dividends, liens, indebtedness and interest coverage and leverage ratios.

WESTWOOD ONE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except share and per share amounts)

Schedule II - Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

	Balance at Beginning of Period	Additions		Deductions	Balan End Per
		Charged to Costs And Expenses	Charged to Other Accounts	Write-offs and Other Adjustments	
2003	$11,757	$3,624	-	$(11,047)	$4,
2002	9,282	6,379	-	(3,904)	11,
2001	9,356	1,968	-	(2,042)	9,