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WESTWOOD ONE, INC.

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

	March 31, 2001 -----
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 5,406
Accounts receivable, net of allowance for doubtful accounts of \$9,453 (2001) and \$9,356 (2000)	106,366
Other current assets	8,154
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	Total Current Assets	119,926
PROPERTY AND EQUIPMENT, NET		55,842
INTANGIBLE ASSETS, NET		1,043,452
OTHER ASSETS		16,243
		-----
TOTAL ASSETS		\$1,235,463
		=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable		\$ 41,645
Current maturity of long-term debt		6,250
Other accrued expenses and liabilities		75,683
		-----
Total Current Liabilities		123,578
LONG-TERM DEBT		139,750
OTHER LIABILITIES		29,917
		-----
TOTAL LIABILITIES		293,245
		-----
COMMITMENTS AND CONTINGENCIES		-
SHAREHOLDERS' EQUITY		
Preferred stock: authorized 10,000 shares, none outstanding		-
Common stock, \$.01 par value: authorized, 300,000 shares; issued and outstanding, 129,630 (2001) and 129,300 (2000)		1,296
Class B stock, \$.01 par value: authorized, 3,000 shares; issued and outstanding, 704 (2001 and 2000)		7
Additional paid-in capital		1,197,347
Accumulated earnings		71,271
Accumulated other comprehensive loss		(4,477)
		-----
		1,265,444
Less treasury stock, at cost; 22,289 (2001) and 21,612 (2000) shares		(323,226)
		-----
TOTAL SHAREHOLDERS' EQUITY		942,218
		-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$1,235,463
		=====

See accompanying notes to consolidated financial statements.

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

Three Months End  
March 31,  
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	2001 ----	2000 ----
GROSS REVENUES	\$140,477	\$140,477
Less Agency Commissions	18,908	20,000
	-----	-----
NET REVENUES	121,569	120,477
	-----	-----
Operating Costs and Expenses Excluding Depreciation and Amortization	90,441	90,441
Depreciation and Amortization	17,007	17,007
Corporate General and Administrative Expenses	1,811	1,811
	-----	-----
	109,259	109,259
	-----	-----
OPERATING INCOME	12,310	12,310
Interest Expense	2,846	2,846
Other Income	(103)	(103)
	-----	-----
INCOME BEFORE INCOME TAXES	9,567	9,567
INCOME TAXES	4,967	4,967
	-----	-----
NET INCOME	\$4,600	\$4,600
	=====	=====
NET INCOME PER SHARE:		
BASIC	\$ .04	\$ .04
	=====	=====
DILUTED	\$ .04	\$ .04
	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING:		
BASIC	107,865	107,865
	=====	=====
DILUTED	111,766	111,766
	=====	=====

See accompanying notes to consolidated financial statements.

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WESTWOOD ONE, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)

	Three Months Ended March 31, -----
	2001 ----
CASH FLOW FROM OPERATING ACTIVITIES:	
Net income	\$4,600
Adjustments to reconcile net income to net cash provided by	

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operating activities:	
Depreciation and amortization	17,007
Other	658
	-----
	22,265
Changes in assets and liabilities:	
Decrease in accounts receivable	29,184
Decrease in other assets	2,370
Increase (Decrease) in accounts payable and accrued liabilities	(6,750)
	-----
Net Cash Provided By Operating Activities	47,069
	-----
CASH FLOW FROM INVESTING ACTIVITIES:	
Acquisition of companies and other	(2,370)
Capital expenditures	(1,723)
	-----
Net Cash Used For Investing Activities	(4,093)
	-----
CASH PROVIDED BEFORE FINANCING ACTIVITIES	42,976
	-----
CASH FLOW FROM FINANCING ACTIVITIES:	
Issuance of common stock	3,232
Debt repayments and payments of capital lease obligations	(32,895)
Repurchase of common stock	(14,664)
	-----
NET CASH USED IN FINANCING ACTIVITIES	(44,327)
	-----
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,351)
	-----
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,757
	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$5,406
	=====

See accompanying notes to consolidated financial statements.

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WESTWOOD ONE, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(In thousands, except per share data)

NOTE 1 - Basis of Presentation:

The accompanying consolidated balance sheet as of March 31, 2001, the consolidated statements of operations and the consolidated statements of cash flows for the three month periods ended March 31, 2001 and 2000 are unaudited, but in the opinion of management include all adjustments necessary for a fair presentation of the financial position and the results of operations for the periods presented. These financial statements should be read in conjunction with the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission.

NOTE 2 - Earnings Per Share:

Net income per share is computed in accordance with SFAS No. 128. Basic earnings per share excludes all dilution and is calculated using the weighted

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average number of shares outstanding in the period. Diluted earnings per share reflects the potential dilution that would occur if all financial instruments which may be exchanged for equity securities were exercised or converted to Common Stock.

The Company has issued options and warrants which may have a dilutive effect on reported earnings if they were exercised or converted to Common Stock. The following numbers of shares related to options and warrants were added to the basic weighted average shares outstanding to arrive at the diluted weighted average shares outstanding for each period:

	March 31,	
	2001	2000
Warrants	1,154	2,688
Options	2,747	4,524

### NOTE 3 - Debt:

At March 31, 2001 the Company had outstanding borrowings of \$146,000 under its bank revolving credit facility and additional available borrowings of \$184,000.

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### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (In thousands, except per share amounts)

#### RESULTS OF OPERATIONS

##### THREE MONTHS ENDED MARCH 31, 2001 COMPARED WITH THREE MONTHS ENDED MARCH 31, 2000

Westwood One derives substantially all of its revenue from the sale of advertising time to advertisers. Net revenue in the first quarter of 2001 was \$121,569 compared with \$122,102 in the first quarter of 2000. The decrease in net revenue was due to a reduction in advertising spending principally by Internet companies partially offset by higher revenue from the Company's traditional, as well as, new advertisers.

Operating costs and expenses excluding depreciation and amortization decreased 2% to \$90,441 in the first quarter of 2001 from \$92,344 in the first quarter of 2000. The decrease was principally due to tight cost controls, and reductions in affiliate compensation and personnel costs.

Depreciation and amortization increased \$1,512, or 10%, to \$17,007 in the first quarter of 2001 compared with \$15,495 in the first quarter of 2000 due principally to depreciation and amortization associated with the November 2000 acquisition of the operating assets of SmartRoute Systems, Inc. ("SmartRoute").

Corporate administrative expenses decreased 10% to \$1,811 in the first quarter of 2001 from \$2,016 in the first quarter of 2000. The decrease was primarily attributable to lower across-the-board expenses.

Operating income increased slightly to \$12,310 in the first quarter of 2001 from \$12,247 in the first quarter of 2000, primarily due to a reduction in operating costs, partially offset by higher depreciation and amortization

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expense from the SmartRoute acquisition.

Net interest expense increased in the first quarter of 2001 to \$2,743 from \$2,540 in 2000. The increase was due to higher debt levels partially offset by a reduction in expense due to lower interest rates.

Income tax expense in the first quarter of 2001 was \$4,967 compared with \$5,751 in the first quarter of 2000. The Company's effective income tax rate in 2001 is approximately 52% compared with a 59% effective tax rate in the first quarter of 2000. The decrease in the effective tax rate is a result of nondeductible goodwill amortization being a smaller percentage of pretax income and lower state tax expense.

Net income in the first quarter of 2001 was \$4,600 (\$.04 per basic and diluted share) compared with \$3,956 (\$.04 per basic and \$.03 diluted share) in the first quarter of 2000, an increase of approximately \$644, or 16%.

Weighted average shares outstanding used to compute basic and diluted earnings per share decreased to 107,865 and 111,766, respectively, in the first quarter of 2001 compared with 112,155 and 119,368, respectively, in the first quarter of 2000. The decrease is principally attributable to the Company's stock repurchase program.

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### LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2001, the Company's cash and cash equivalents were \$5,406, a decrease of \$1,351 from the December 31, 2000 balance.

For the three months ended March 31, 2001 versus the comparable prior year period, net cash from operating activities decreased \$2,123. The decrease was primarily attributable to reducing outstanding payables.

At March 31, 2000, the Company had available borrowings of \$184,000 on its revolving credit facility. Pursuant to the terms of the facility, the amount of available borrowings declines by \$4,500 at the end of each quarter. In addition, the Company is required to repay its term loan by \$2,500 per quarter in 2001 and \$3,750 per quarter in 2002. The Company prepaid its June and September 2001 term loan installments in the first quarter of 2001. The Company has used its available cash to repurchase its Common Stock and repay debt. In the first quarter of 2001, the Company repurchased 678 shares of Common Stock at a cost of \$14,664. From April 1 through April 30, 2001, the Company repurchased an additional 321 shares of Common Stock at a cost of approximately \$8,099.

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### PART II OTHER INFORMATION

Items 1 through 5

These items are not applicable.

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Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

None

(b) Reports on Form 8-K

There were no reports on Form 8-K filed for the three months ended March 31, 2001

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SIGNATURES

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

WESTWOOD ONE, INC.

By: /S/ FARID SULEMAN  
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FARID SULEMAN  
Chief Financial Officer

Dated: May 11, 2001

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