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

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 AND 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010**

¨ **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
1-32663

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**86-0812139** **(I.R.S. Employer Identification No.)**
200 East Basse Road **San Antonio, Texas** **(Address of principal executive offices)**	**78209** **(Zip Code)**

(210) 832-3700
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨ Accelerated filer x Non-accelerated filer ¨ Smaller reporting company ¨

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

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

Class	Outstanding at October 31, 2010
Class A Common Stock, $.01 par value	40,887,612
Class B Common Stock, $.01 par value	315,000,000

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES

INDEX

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. UNAUDITED FINANCIAL STATEMENTS

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30, 2010 (Unaudited)	December 31, 2009
CURRENT ASSETS		
Cash and cash equivalents	$ 664,710	$ 609,436
Accounts receivable, net	732,445	730,306
Other current assets	209,227	300,803
Total Current Assets	1,606,382	1,640,545
PROPERTY, PLANT AND EQUIPMENT		
Structures, net	2,035,286	2,143,972
Other property, plant and equipment, net	293,764	296,666
INTANGIBLE ASSETS		
Definite-lived intangibles, net	723,025	799,144
Indefinite-lived intangibles	1,119,912	1,132,218
Goodwill	862,051	861,592
OTHER ASSETS		
Due from Clear Channel Communications	254,178	123,308
Other assets	192,052	194,977
Total Assets	$ 7,086,650	$ 7,192,422
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 602,462	$ 614,442
Deferred income	137,447	109,578
Current portion of long-term debt	42,356	47,073
Total Current Liabilities	782,265	771,093
Long-term debt	2,524,980	2,561,805
Deferred tax liability	830,369	841,911
Other long-term liabilities	271,996	256,236
Commitments and contingent liabilities		
SHAREHOLDERS' EQUITY		
Noncontrolling interest	201,010	193,730
Class A common stock	409	407
Class B common stock	3,150	3,150
Additional paid-in capital	6,676,478	6,669,247
Retained deficit	(3,978,629)	(3,886,826)
Accumulated other comprehensive loss	(225,091)	(218,177)
Cost of shares held in treasury	(287)	(154)
Total Shareholders' Equity	2,677,040	2,761,377
Total Liabilities and Shareholders' Equity	$ 7,086,650	$ 7,192,422

See notes to consolidated financial statements

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenue	$ 695,086	$ 660,622	$ 2,005,261	$ 1,934,955
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	380,619	398,766	1,145,389	1,170,683
Selling, general and administrative expenses (excludes depreciation and amortization)	115,224	108,824	357,273	347,930
Corporate expenses (excludes depreciation and amortization)	26,197	15,547	70,726	45,446
Depreciation and amortization	103,833	111,053	310,841	327,769
Impairment charges	—	—	—	812,390
Other operating income (expense) – net	(27,672)	1,160	(24,934)	10,125
Operating income (loss)	41,541	27,592	96,098	(759,138)
Interest expense	60,276	37,908	178,989	114,992
Interest income on Due from Clear Channel Communications	4,800	133	12,019	358
Loss on marketable securities	—	(11,315)	—	(11,315)
Equity in loss of nonconsolidated affiliates	(663)	(2,046)	(1,462)	(26,094)
Other income (expense) – net	1,545	492	(3,447)	(5,288)
Loss before income taxes	(13,053)	(23,052)	(75,781)	(916,469)
Income tax benefit (expense)	(18,829)	(10,999)	(7,384)	101,702
Consolidated net loss	(31,882)	(34,051)	(83,165)	(814,767)
Amount attributable to noncontrolling interest	3,012	325	8,638	(3,413)
Net loss attributable to the Company	$ (34,894)	$ (34,376)	$ (91,803)	$ (811,354)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	106,902	47,637	313	116,553
Foreign currency reclassification adjustment	2,565	11,836	1,424	11,323
Unrealized loss on marketable securities	(394)	(2,165)	(5,343)	(11,315)
Comprehensive income (loss)	74,179	22,932	(95,409)	(694,793)
Amount attributable to noncontrolling interest	7,042	2,981	3,308	7,002
Comprehensive income (loss) attributable to the Company	$ 67,137	$ 19,951	$ (98,717)	$ (701,795)
Net loss per common share:				
Basic	$ (0.10)	$ (0.10)	$ (0.27)	$ (2.29)
Weighted average common shares outstanding	355,585	355,389	355,530	355,364
Diluted	$ (0.10)	$ (0.10)	$ (0.27)	$ (2.29)
Weighted average common shares outstanding	355,585	355,389	355,530	355,364

See notes to consolidated financial statements

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

	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Cash flows from operating activities:		
Consolidated net loss	$ (83,165)	$(814,767)
Reconciling items:		
Impairment charges	—	812,390
Depreciation and amortization	310,841	327,769
Deferred taxes	(11,722)	(127,877)
Provision for doubtful accounts	4,849	9,059
(Gain) loss on sale of operating and fixed assets	24,934	(10,125)
Other reconciling items, net	15,659	48,577
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(20,274)	78,284
Decrease in Federal incomes taxes receivable	50,958	—
Increase in deferred income	30,020	22,409
Increase (decrease) in accounts payable, accrued expenses and other liabilities	22,339	(43,095)
Changes in other operating assets and liabilities, net of effects of acquisitions and dispositions	24,695	(32,742)
Net cash provided by operating activities	369,134	269,882
Cash flows from investing activities:		
Purchases of property, plant and equipment	(139,274)	(113,976)
Acquisition of operating assets, net of cash acquired	(715)	(5,125)
Change in other – net	4,762	25,997
Net cash used for investing activities	(135,227)	(93,104)
Cash flows from financing activities:		
Draws on credit facilities	3,916	6,508
Payments on credit facilities	(42,254)	(3,784)
Proceeds from long-term debt	6,844	—
Payments on long-term debt	(12,425)	(2,191)
Net transfers to Clear Channel Communications	(130,870)	(86,309)
Payments for purchase of noncontrolling interest	—	(25,190)
Change in other – net	(4,213)	—
Net cash used for financing activities	(179,002)	(110,966)
Effect of exchange rate changes on cash	369	4,768
Net increase in cash and cash equivalents	55,274	70,580
Cash and cash equivalents at beginning of period	609,436	94,812
Cash and cash equivalents at end of period	$ 664,710	$ 165,392

See notes to consolidated financial statements

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1: BASIS OF PRESENTATION AND NEW ACCOUNTING STANDARDS

Preparation of Interim Financial Statements

The accompanying consolidated financial statements were prepared by Clear Channel Outdoor Holdings, Inc. (the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, in the opinion of management, include all normal and recurring adjustments necessary to present fairly the results of the interim periods shown. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. Due to seasonality and other factors, the results for the interim periods are not necessarily indicative of results for the full year. The financial statements contained herein should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2009 Annual Report on Form 10-K and Quarterly Reports on Forms 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010.

The consolidated financial statements include the accounts of the Company and its subsidiaries and give effect to allocations of expenses from the Company's indirect parent entity, Clear Channel Communications, Inc. ("Clear Channel Communications"). These allocations were made on a specifically identifiable basis or using relative percentages of headcount or other methods management considered to be a reasonable reflection of the utilization of services provided. Investments in companies in which the Company owns 20 percent to 50 percent of the voting common stock or otherwise exercises significant influence over operating and financial policies of the company are accounted for under the equity method. All significant intercompany transactions are eliminated in the consolidation process.

Certain prior-period amounts have been reclassified to conform to the 2010 presentation.

New Accounting Pronouncements

In August 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-21, Accounting for Technical Amendments to Various SEC Rules and Schedules. This ASU amends various SEC paragraphs pursuant to the issuance of Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies and became effective upon issuance. The adoption of ASU No. 2010-21 will not have a material impact on the Company's financial position or results of operations.

In August 2010, the FASB issued ASU No. 2010-22, Accounting for Various Topics—Technical Corrections to SEC Paragraphs. This ASU amends various SEC paragraphs and became effective upon issuance. The adoption of ASU No. 2010-22 will not have a material impact on the Company's financial position or results of operations.

Note 2: PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

Property, Plant and Equipment

The Company's property, plant and equipment consisted of the following classes of assets at September 30, 2010 and December 31, 2009, respectively:

(In thousands)	September 30, 2010	December 31, 2009
Land, buildings and improvements	$ 206,770	$ 207,939
Structures	2,589,169	2,514,602
Furniture and other equipment	78,631	71,567
Construction in progress	59,234	51,598
	2,933,804	2,845,706
Less accumulated depreciation	604,754	405,068
Property, plant and equipment, net	$ 2,329,050	$ 2,440,638

Definite-lived Intangible Assets

The Company has definite-lived intangible assets which consist primarily of transit and street furniture contracts, permanent easements that provide the Company access to certain of its outdoor displays and other contractual rights. Definite-lived intangible assets are amortized over the shorter of either the respective lives of the agreements or over the period of time the assets are expected to contribute directly or indirectly to the Company's future cash flows.

The following table presents the gross carrying amount and accumulated amortization for each major class of definite-lived intangible assets at September 30, 2010 and December 31, 2009, respectively:

(In thousands)	September 30, 2010		December 31, 2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Transit, street furniture and other contractual rights	$ 791,746	$ 226,163	$ 803,297	$ 166,803
Other	172,114	14,672	172,394	9,744
Total	$ 963,860	$ 240,835	$ 975,691	$ 176,547

Total amortization expense related to definite-lived intangible assets was $26.2 million and $27.5 million for the three months ended September 30, 2010 and 2009, respectively, and $80.0 million and $75.0 million for the nine months ended September 30, 2010 and 2009, respectively.

As acquisitions and dispositions occur in the future, amortization expense may vary. The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets:

(In thousands)	
2011	$86,993
2012	77,282
2013	72,977
2014	65,878
2015	53,193

Indefinite-lived Intangible Assets

The Company's indefinite-lived intangible assets consist of billboard permits. The Company's billboard permits are effectively issued in perpetuity by state and local governments and are transferable at little or no cost.

Goodwill

The following table presents the changes in the carrying amount of goodwill in each of the Company's reportable segments.

(In thousands)	Americas	International	Total
Balance as of December 31, 2008	$ 892,598	$ 287,543	$1,180,141
Acquisitions	2,250	110	2,360
Foreign currency translation	16,293	17,412	33,705
Purchase accounting adjustments – net	68,896	45,042	113,938
Impairment	(390,374)	(73,764)	(464,138)
Other	(4,414)	—	(4,414)
Balance as of December 31, 2009	$ 585,249	$ 276,343	$ 861,592
Foreign currency	176	283	459
Balance as of September 30, 2010	$ 585,425	$ 276,626	$ 862,051

The balance at December 31, 2008 is net of cumulative impairments of $2.3 billion and $173.4 million in the Americas and International segments, respectively.

Table of Contents

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Note 3: DEBT

Long-term debt at September 30, 2010 and December 31, 2009 consisted of the following:

(In thousands)	September 30, 2010	December 31, 2009
Clear Channel Worldwide Holdings Senior Notes:		
9.25% Series A Senior Notes Due 2017	$ 500,000	$ 500,000
9.25% Series B Senior Notes Due 2017	2,000,000	2,000,000
Credit facility ($150.0 million sub-limit within Clear Channel Communications' $2.0 billion revolving credit facility)	—	30,000
Other debt	67,336	78,878
Total debt	2,567,336	2,608,878
Less: Current portion	42,356	47,073
Total long-term debt	$ 2,524,980	$ 2,561,805

The aggregate market value of the Company's debt based on market prices for which quotes were available was approximately $2.7 billion at September 30, 2010 and December 31, 2009.

Note 4: OTHER DEVELOPMENTS

Disposition of Assets

On October 15, 2010, the Company transferred its interest in its Branded Cities operations to its joint venture partner, The Ellman Companies. The long-lived tangible and intangible assets of the Branded Cities operations were transferred for less than their carrying values in connection with this transaction. In connection with this subsequent event, the Company recorded a non-cash charge in the third quarter of 2010 of approximately $23.6 million in "Other operating income (expense) – net" to present these assets at their estimated fair values as of September 30, 2010.

During the three months ended September 30, 2010, the Company's International segment sold its outdoor advertising business in India, resulting in a loss of $3.7 million included in "Other operating income (expense) – net."

Share-based Compensation Expense

Share-based compensation expense is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the vesting period. The following table presents the amount of share-based compensation expense recorded during the three and nine months ended September 30, 2010 and 2009, respectively:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Direct operating expenses	$ 2,099	$ 1,694	$ 6,231	$ 5,698
Selling, general and administrative expenses	766	618	2,275	2,079
Corporate expenses	92	182	273	611
Total share-based compensation expense	$ 2,957	$ 2,494	$ 8,779	$ 8,388

As of September 30, 2010, there was $18.4 million of unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of approximately two years.

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Supplemental Disclosures

Cash paid (received) for interest and income taxes for the nine months ended September 30, 2010 and 2009, net of Federal income tax refunds of $51.0 million for the nine months ended September 30, 2010, was as follows:

(In thousands)	Nine Months Ended September 30,	
	2010	2009
Interest	$175,919	$114,089
Income taxes	$ (29,656)	$ 18,649

Income tax benefit (expense)

The Company's income tax benefit (expense) for the three and nine months ended September 30, 2010 and 2009, respectively, consisted of the following components:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Current tax expense	$ (1,418)	$ (13,025)	$(19,106)	$ (26,175)
Deferred tax benefit (expense)	(17,411)	2,026	11,722	127,877
Income tax benefit (expense)	$ (18,829)	$ (10,999)	$ (7,384)	$101,702

The effective tax rate is the provision for income taxes as a percent of income from continuing operations before income taxes. The Company's effective tax rate for the three and nine months ended September 30, 2010 was (144.3%) and (9.7%), respectively, compared to an effective rate of (47.7%) and 11.1% for the three and nine months ended September 30, 2009, respectively. The 2010 effective rate was impacted primarily as a result of the Company's inability to benefit from tax losses in certain foreign jurisdictions due to the uncertainty of the ability to utilize those losses in future years. In addition, during the three months ended September 30, 2010, the Company recorded a valuation allowance of $13.4 million against deferred tax assets in foreign jurisdictions due to the uncertainty of the ability to realize those assets in future periods. The change in the effective rate compared to the same period of the prior year was impacted primarily by the impairment charge on goodwill recorded in 2009 and as a result of a deferred tax valuation allowance recorded in 2009 due to the uncertainty of the Company's ability to utilize Federal and foreign tax losses at that time.

Note 5: FAIR VALUE MEASUREMENTS

The Company holds marketable equity securities classified in accordance with the provisions of ASC 320-10 These marketable equity securities are measured at fair value on each reporting date using quoted prices in active markets. Due to the fact that the inputs used to measure the marketable equity securities at fair value are observable, the Company has categorized the fair value measurements of the securities as Level 1. The Company records its investments in these marketable equity securities on the balance sheet as "Other Assets."

The cost, unrealized holding gains or losses, and fair value of the Company's marketable equity securities at September 30, 2010 and December 31, 2009, respectively, are as follows:

(In thousands)	September 30, 2010				December 31, 2009			
Investments	Cost	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value	Cost	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
Available-for-sale	$14,506	$ (4,025)	$ 87	$10,568	$14,506	$ —	$ 1,405	$15,911

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Note 6: COMMITMENTS AND CONTINGENCIES

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

In 2006, two of the Company's operating businesses (L&C Outdoor Ltda. and Publicidad Klimes Sao Paulo Ltda.) in the Sao Paulo, Brazil market received notices of infraction from the state taxing authority, seeking to impose a value added tax ("VAT") on such businesses, retroactively for the period from December 31, 2001 through January 31, 2006. The taxing authority contends that our businesses fall within the definition of "communication services" and as such are subject to the VAT. The aggregate amount of tax initially claimed to be owed by both businesses equals approximately $69.4 million, comprised of approximately $20.2 million in taxes, approximately $40.2 million in penalty and approximately $9.0 million in interest. In addition, the taxing authorities are seeking to impose an additional aggregate amount of interest on the tax and penalty amounts of approximately $39.3 million until the initial tax, penalty and interest are paid. The aggregate amount of additional interest accrues daily at an interest rate promulgated by the Brazilian government, which at September 30, 2010 is equal to approximately $1.85 million per month.

The Company has filed petitions to challenge the imposition of this tax against each of its businesses, which are proceeding separately. The Company's challenge for L&C Outdoor Ltda. was unsuccessful at the first administrative level, but successful at the second administrative level. The state taxing authority filed an appeal to the next administrative level, which required consideration by a full panel of 16 administrative law judges. On September 27, 2010, the Company received an unfavorable ruling from this final administrative level and intends to appeal this ruling to the judicial level. The Company has filed a petition to have the case remanded to the second administrative level for consideration of the amount of the penalty assessed against it. The Company's challenge for Publicidad Klimes Sao Paulo Ltda. was unsuccessful at the first administrative level, and denied at the second administrative level on or about September 24, 2009. The case is now pending before the third administrative level. Based on the Company's review of the law in similar cases in other Brazilian states, the Company has not accrued any costs related to these claims and believes the occurrence of loss is not probable.

As of September 30, 2010, Clear Channel Communications had outstanding commercial standby letters of credit and surety bonds of $47.9 million and $43.2 million, respectively, held on behalf of the Company. These letters of credit and surety bonds relate to various operational matters, including insurance, bid and performance bonds, as well as other items.

Note 7: RELATED PARTY TRANSACTIONS

The Company records net amounts due to or from Clear Channel Communications as "Due from/to Clear Channel Communications" on the condensed consolidated balance sheets. The accounts represent the revolving promissory note issued by the Company to Clear Channel Communications and the revolving promissory note issued by Clear Channel Communications to the Company, in the face amounts of $1.0 billion, or if more or less than such amounts, the aggregate unpaid principal amount of all advances. The accounts accrue interest pursuant to the terms of the promissory notes and are generally payable on demand.

Included in the accounts are the net activities resulting from day-to-day cash management services provided by Clear Channel Communications. As a part of these services, the Company maintains collection bank accounts swept daily into accounts of Clear Channel Communications. In return, Clear Channel Communications funds the Company's controlled disbursement accounts as checks or electronic payments are presented for payment. The Company's claim in relation to cash transferred from its concentration account is on an unsecured basis and is limited to the balance of the "Due from Clear Channel Communications" account. At September 30, 2010 and December 31, 2009, the asset recorded in "Due from Clear Channel Communications" on the condensed consolidated balance sheets was $254.2 million and $123.3 million, respectively. As of September 30, 2010, the Company had no borrowings under the cash management note to Clear Channel Communications.

The net interest income for the three and nine months ended September 30, 2010 was $4.8 million and $12.0 million, respectively. The net interest income for the three and nine months ended September 30, 2009 was $0.1 million and $0.4 million, respectively. At September 30, 2009, the interest rate on the "Due from Clear Channel Communications" account was 0.056%, which represented the average one-month generic treasury bill rate. At September 30, 2010, the interest rate on the "Due from Clear Channel Communications" account was 9.25%, which represented the rate as amended in connection with the CCWH Senior Notes issuance in December of 2009.

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Clear Channel Communications has a $2.0 billion multi-currency revolving credit facility with a maturity in July 2014 which includes a $150.0 million sub-limit that certain of the Company's International subsidiaries may borrow against to the extent Clear Channel Communications has not already borrowed against this capacity and is compliant with its covenants under the revolving credit facility. As of September 30, 2010, the Company had no borrowings outstanding under this $150.0 million sub-limit facility.

The Company provides advertising space on its billboards for radio stations owned by Clear Channel Communications. For the three months ended September 30, 2010 and 2009, the Company recorded $0.7 million and $0.8 million, respectively, in revenue for these advertisements. For the nine months ended September 30, 2010 and 2009, the Company recorded $2.4 million and $2.0 million, respectively, in revenue for these advertisements.

Under the Corporate Services Agreement between Clear Channel Communications and the Company, Clear Channel Communications provides management services to the Company, which include, among other things: (i) treasury, payroll and other financial related services; (ii) executive officer services; (iii) human resources and employee benefits services; (iv) legal and related services; (v) information systems, network and related services; (vi) investment services; (vii) procurement and sourcing support services; and (viii) other general corporate services. These services are charged to the Company based on actual direct costs incurred or allocated by Clear Channel Communications based on headcount, revenue or other factors on a pro rata basis. For the three months ended September 30, 2010 and 2009, the Company recorded $9.1 million and $7.8 million, respectively, as a component of corporate expenses for these services. For the nine months ended September 30, 2010 and 2009, the Company recorded $27.7 million and $22.0 million, respectively, as a component of corporate expenses for these services.

Pursuant to the Tax Matters Agreement between Clear Channel Communications and the Company, the operations of the Company are included in a consolidated federal income tax return filed by Clear Channel Communications. The Company's provision for income taxes has been computed on the basis that the Company files separate consolidated federal income tax returns with its subsidiaries. Tax payments are made to Clear Channel Communications on the basis of the Company's separate taxable income. Tax benefits recognized on the Company's employee stock option exercises are retained by the Company.

The Company computes its deferred income tax provision using the liability method in accordance with the provisions of ASC 740-10, as if the Company was a separate taxpayer. Deferred tax assets and liabilities are determined based on differences between financial reporting bases and tax bases of assets and liabilities and are measured using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. Deferred tax assets are reduced by valuation allowances if the Company believes it is more likely than not some portion or all of the asset will not be realized.

Pursuant to the Employee Matters Agreement, the Company's employees participate in Clear Channel Communications' employee benefit plans, including employee medical insurance and a 401(k) retirement benefit plan. These costs are recorded as a component of selling, general and administrative expenses and were approximately $2.6 million and $2.2 million for the three months ended September 30, 2010 and 2009, respectively. For the nine months ended September 30, 2010 and 2009, the Company recorded approximately $7.7 million and $7.2 million, respectively, as a component of selling, general and administrative expenses for these services.

Table of Contents

Note 8: EQUITY AND COMPREHENSIVE INCOME (LOSS)

The Company reports its noncontrolling interests in consolidated subsidiaries as a component of equity separate from the Company's equity. The following table shows the changes in equity attributable to the Company and the noncontrolling interests of subsidiaries in which the Company has a majority, but not total ownership interest:

(In thousands)	The Company	Noncontrolling Interests	Consolidated
Balances at December 31, 2009	$2,567,647	$ 193,730	$ 2,761,377
Net income (loss)	(91,803)	8,638	(83,165)
Foreign currency translation adjustments	(3,169)	3,482	313
Unrealized holding loss on marketable securities	(5,343)	—	(5,343)
Reclassification adjustment	1,598	(174)	1,424
Other – net	7,100	(4,666)	2,434
Balances at September 30, 2010	$2,476,030	$ 201,010	$ 2,677,040

(In thousands)	The Company	Noncontrolling Interests	Consolidated
Balances at December 31, 2008	$3,332,010	$ 211,813	$ 3,543,823
Net loss	(811,354)	(3,413)	(814,767)
Foreign currency translation adjustments	109,551	7,002	116,553
Other – net	(2,583)	(22,900)	(25,483)
Balances at September 30, 2009	$2,627,624	$ 192,502	$ 2,820,126

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Note 9: SEGMENT DATA

The Company has two reportable segments, which it believes best reflect how the Company is currently managed – Americas and International. The Americas segment primarily includes operations in the United States, Canada and Latin America, and the International segment includes operations primarily in Europe, Asia and Australia. Share-based compensation expense is recorded by each segment in direct operating expenses and selling, general and administrative expenses. The following table presents the Company's operating segment results for the three and nine months ended September 30, 2010 and 2009, respectively:

(In thousands)	Americas	International	Corporate, and other reconciling items	Consolidated
Three months ended September 30, 2010				
Revenue	$333,269	$ 361,817	$ —	$ 695,086
Direct operating expenses	143,940	236,679	—	380,619
Selling, general and administrative expenses	51,750	63,474	—	115,224
Depreciation and amortization	53,139	50,694	—	103,833
Corporate expenses	—	—	26,197	26,197
Other operating expense – net	—	—	(27,672)	(27,672)
Operating income (loss)	$ 84,440	$ 10,970	$ (53,869)	$ 41,541
Share-based compensation expense	$ 2,207	$ 658	$ 92	$ 2,957
Capital expenditures	$ 30,689	$ 21,869	$ —	$ 52,558
Three months ended September 30, 2009				
Revenue	$312,537	$ 348,085	$ —	$ 660,622
Direct operating expenses	147,250	251,516	—	398,766
Selling, general and administrative expenses	47,602	61,222	—	108,824
Depreciation and amortization	54,102	56,951	—	111,053
Corporate expenses	—	—	15,547	15,547
Other operating income – net	—	—	1,160	1,160
Operating income (loss)	$ 63,583	$ (21,604)	$ (14,387)	$ 27,592
Share-based compensation expense	$ 1,775	$ 537	$ 182	$ 2,494
Capital expenditures	$ 23,819	$ 23,335	$ —	$ 47,154

Table of Contents

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In thousands)	Americas	International	Corporate, and other reconciling items	Consolidated
Nine months ended September 30, 2010				
Revenue	$928,015	$ 1,077,246	$ —	$ 2,005,261
Direct operating expenses	427,546	717,843	—	1,145,389
Selling, general and administrative expenses	160,302	196,971	—	357,273
Depreciation and amortization	158,319	152,522	—	310,841
Corporate expenses	—	—	70,726	70,726
Other operating expense – net	—	—	(24,934)	(24,934)
Operating income (loss)	$181,848	$ 9,910	$ (95,660)	$ 96,098
Share-based compensation expense	$ 6,553	$ 1,953	$ 273	$ 8,779
Capital expenditures	$ 70,615	$ 68,659	$ —	$ 139,274
Nine months ended September 30, 2009				
Revenue	$898,277	$ 1,036,678	$ —	$ 1,934,955
Direct operating expenses	440,885	729,798	—	1,170,683
Selling, general and administrative expenses	147,839	200,091	—	347,930
Depreciation and amortization	158,612	169,157	—	327,769
Corporate expenses	—	—	45,446	45,446
Impairment charge	—	—	812,390	812,390
Other operating income – net	—	—	10,125	10,125
Operating income (loss)	$150,941	$ (62,368)	$ (847,711)	$ (759,138)
Share-based compensation expense	$ 5,971	$ 1,806	$ 611	$ 8,388
Capital expenditures	$ 58,116	$ 55,860	$ —	$ 113,976

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

Note 10: GUARANTOR SUBSIDIARIES

The Company and certain of the Company's direct and indirect wholly-owned domestic subsidiaries (the "Guarantor Subsidiaries") fully and unconditionally guarantee on a joint and several basis certain of the outstanding indebtedness of Clear Channel Worldwide Holdings, Inc. (the "Subsidiary Issuer"). The following consolidating schedules present financial information on a combined basis in conformity with the SEC's Regulation S-X Rule 3-10(d):

	September 30, 2010					
(In thousands)	Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	$ —	$ —	$ 437,049	$ 227,661	$ —	$ 664,710
Accounts receivable, net	—	—	258,609	473,836	—	732,445
Intercompany receivables	—	28,131	688,036	—	(716,167)	—
Other current assets	3,079	—	66,441	139,707	—	209,227
Total Current Assets	3,079	28,131	1,450,135	841,204	(716,167)	1,606,382
Property, plant and equipment, net	—	—	1,514,110	814,940	—	2,329,050
Definite-lived intangibles, net	—	—	405,842	317,183	—	723,025
Indefinite-lived intangibles	—	—	1,104,922	14,990	—	1,119,912
Goodwill	—	—	571,932	290,119	—	862,051
Due from Clear Channel Communications	254,178	—	—	—	—	254,178
Intercompany notes receivable	182,026	2,680,458	9,243	18,105	(2,889,832)	—
Other assets	2,751,330	1,000,038	1,447,445	88,498	(5,095,259)	192,052
Total Assets	$ 3,190,613	$ 3,708,627	$ 6,503,629	$ 2,385,039	$ (8,701,258)	$ 7,086,650
Accounts payable and accrued expenses	$ 35	$ 274	$ 135,319	$ 466,834	$ —	$ 602,462
Intercompany notes payable	706,832	—	—	9,335	(716,167)	—
Deferred income	—	—	47,116	90,331	—	137,447
Current portion of long-term debt	—	—	75	42,281	—	42,356
Total Current Liabilities	706,867	274	182,510	608,781	(716,167)	782,265
Long-term debt	—	2,500,000	—	24,980	—	2,524,980
Intercompany notes payable	7,491	—	2,692,640	189,701	(2,889,832)	—
Deferred income taxes	225	—	772,757	57,387	—	830,369
Other long-term liabilities	—	2,041	104,392	165,563	—	271,996
Total shareholders' equity	2,476,030	1,206,312	2,751,330	1,338,627	(5,095,259)	2,677,040
Total Liabilities and Shareholders' Equity	$ 3,190,613	$ 3,708,627	$ 6,503,629	$ 2,385,039	$ (8,701,258)	$ 7,086,650

Table of Contents

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In thousands)	December 31, 2009					
	Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	$ —	$ —	$ 431,105	$ 178,331	$ —	$ 609,436
Accounts receivable, net	—	—	249,325	480,981	—	730,306
Intercompany receivables	—	4,689	582,554	20,606	(607,849)	—
Other current assets	2,796	(1,935)	122,636	177,306	—	300,803
Total Current Assets	2,796	2,754	1,385,620	857,224	(607,849)	1,640,545
Property, plant and equipment, net	—	—	1,562,256	878,382	—	2,440,638
Definite-lived intangibles, net	—	—	423,935	375,209	—	799,144
Indefinite-lived intangibles	—	—	1,117,568	14,650	—	1,132,218
Goodwill	—	—	571,932	289,660	—	861,592
Intercompany notes receivable	182,026	2,700,000	9,243	18,235	(2,909,504)	—
Due from Clear Channel Communications	123,308	—	—	—	—	123,308
Other assets	2,849,918	1,075,719	1,517,111	80,019	(5,327,790)	194,977
Total Assets	$ 3,158,048	$ 3,778,473	$ 6,587,665	$ 2,513,379	$ (8,845,143)	$ 7,192,422
Accounts payable and accrued expenses	$ —	$ —	$ 112,492	$ 501,950	$ —	$ 614,442
Intercompany notes payable	582,554	—	25,295	—	(607,849)	—
Deferred income	—	—	38,579	70,999	—	109,578
Current portion of long-term debt	—	—	77	46,996	—	47,073
Total Current Liabilities	582,554	—	176,443	619,945	(607,849)	771,093
Long-term debt	—	2,500,000	—	61,805	—	2,561,805
Intercompany notes payable	7,622	—	2,692,639	209,243	(2,909,504)	—
Deferred tax liability	225	—	780,846	60,840	—	841,911
Other long-term liabilities	—	1,225	87,819	167,192	—	256,236
Total shareholders' equity	2,567,647	1,277,248	2,849,918	1,394,354	(5,327,790)	2,761,377
Total Liabilities and Shareholders' Equity	$ 3,158,048	$ 3,778,473	$ 6,587,665	$ 2,513,379	$ (8,845,143)	$ 7,192,422

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In thousands)	Three Months Ended September 30, 2010 Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$ —	$ —	$ 294,703	$ 400,383	$ —	$ 695,086
Operating expenses:						
Direct operating expenses	—	—	123,118	257,501	—	380,619
Selling, general and administrative expenses	—	—	43,176	72,048	—	115,224
Corporate expenses	3,244	(83)	15,249	7,787	—	26,197
Depreciation and amortization	—	—	49,546	54,287	—	103,833
Other operating expense – net	—	—	(5,592)	(22,080)	—	(27,672)
Operating income (loss)	(3,244)	83	58,022	(13,320)	—	41,541
Interest expense	79	57,812	1,367	1,018	—	60,276
Interest income on debt with Clear Channel Communications	—	—	4,800	—	—	4,800
Intercompany interest income	3,535	58,004	—	245	(61,784)	—
Intercompany interest expense	119	—	61,193	472	(61,784)	—
Equity in earnings (loss) of nonconsolidated affiliates	(34,952)	(23,518)	(30,186)	(663)	88,656	(663)
Other income (expense) – net	—	—	(48)	1,593	—	1,545
Income (loss) before income taxes	(34,859)	(23,243)	(29,972)	(13,635)	88,656	(13,053)
Income tax benefit (expense)	(35)	225	(4,981)	(14,038)	—	(18,829)
Consolidated net income (loss)	(34,894)	(23,018)	(34,953)	(27,673)	88,656	(31,882)
Amount attributable to noncontrolling interest	—	—	(1)	3,013	—	3,012
Net income (loss) attributable to the Company	$ (34,894)	$ (23,018)	$ (34,952)	$ (30,686)	$ 88,656	$ (34,894)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	—	—	—	106,902	—	106,902
Foreign currency reclassification adjustment	—	—	—	2,565	—	2,565
Unrealized loss on marketable securities	—	—	—	(394)	—	(394)
Equity in subsidiary comprehensive income	102,031	94,506	102,031	—	(298,568)	—
Comprehensive income (loss)	$ 67,137	$ 71,488	$ 67,079	$ 78,387	$ (209,912)	$ 74,179
Amount attributable to noncontrolling interest	—	—	—	7,042	—	7,042
Comprehensive income (loss) attributable to the Company	$ 67,137	$ 71,488	$ 67,079	$ 71,345	$ (209,912)	$ 67,137

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In thousands)	Three Months Ended September 30, 2009					
	Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$ —	$ —	$ 279,818	$ 380,804	$ —	$ 660,622
Operating expenses:						
Direct operating expenses	—	—	129,076	269,690	—	398,766
Selling, general and administrative expenses	—	—	40,770	68,054	—	108,824
Corporate expenses	4,242	—	7,971	3,334	—	15,547
Depreciation and amortization	—	—	49,988	61,065	—	111,053
Other operating income (expense) – net	—	—	1,776	(616)	—	1,160
Operating income (loss)	(4,242)	—	53,789	(21,955)	—	27,592
Interest expense	86	—	36,705	1,117	—	37,908
Interest income on debt with Clear Channel Communications	—	—	133	—	—	133
Intercompany interest income	2,634	422	280	357	(3,693)	—
Intercompany interest expense	257	—	2,734	702	(3,693)	—
Loss on marketable securities	—	—	—	(11,315)	—	(11,315)
Equity in earnings (loss) of nonconsolidated affiliates	(33,095)	(34,428)	(29,153)	(2,046)	96,676	(2,046)
Other income (expense) – net	—	—	(32)	524	—	492
Income (loss) before income taxes	(35,046)	(34,006)	(14,422)	(36,254)	96,676	(23,052)
Income tax benefit (expense)	670	(278)	(18,673)	7,282	—	(10,999)
Consolidated net income (loss)	(34,376)	(34,284)	(33,095)	(28,972)	96,676	(34,051)
Amount attributable to noncontrolling interest	—	—	—	325	—	325
Net income (loss) attributable to the Company	$ (34,376)	$ (34,284)	$ (33,095)	$ (29,297)	$ 96,676	$ (34,376)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	—	—	—	47,637	—	47,637
Foreign currency reclassification adjustment	—	—	—	521	—	521
Unrealized loss on marketable securities	—	—	—	(2,165)	—	(2,165)
Reclassification adjustments	—	—	—	11,315	—	11,315
Equity in subsidiary comprehensive income	54,327	53,436	54,327	—	(162,090)	—
Comprehensive income (loss)	$ 19,951	$ 19,152	$ 21,232	$ 28,011	$ (65,414)	$ 22,932
Amount attributable to noncontrolling interest	—	—	—	2,981	—	2,981
Comprehensive income (loss) attributable to the Company	$ 19,951	$ 19,152	$ 21,232	$ 25,030	$ (65,414)	$ 19,951

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In thousands)	Nine Months Ended September 30, 2010					
	Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$ —	$ —	$ 814,146	$ 1,191,115	$ —	$ 2,005,261
Operating expenses:						
Direct operating expenses	—	—	365,214	780,175	—	1,145,389
Selling, general and administrative expenses	—	—	135,876	221,397	—	357,273
Corporate expenses	10,144	452	41,968	18,162	—	70,726
Depreciation and amortization	—	—	147,559	163,282	—	310,841
Other operating expense – net	—	—	(3,625)	(21,309)	—	(24,934)
Operating income (loss)	(10,144)	(452)	119,904	(13,210)	—	96,098
Interest expense	328	172,874	2,653	3,134	—	178,989
Interest income on debt with Clear Channel Communications	—	—	12,019	—	—	12,019
Intercompany interest income	10,626	173,749	—	738	(185,113)	—
Intercompany interest expense	361	—	183,047	1,705	(185,113)	—
Equity in earnings (loss) of nonconsolidated affiliates	(91,674)	(49,446)	(49,751)	(1,279)	190,688	(1,462)
Other expense – net	—	—	(139)	(3,308)	—	(3,447)
Income (loss) before income taxes	(91,881)	(49,023)	(103,667)	(21,898)	190,688	(75,781)
Income tax benefit (expense)	78	526	11,992	(19,980)		(7,384)
Consolidated net income (loss)	(91,803)	(48,497)	(91,675)	(41,878)	190,688	(83,165)
Amount attributable to noncontrolling interest	—	—	(1)	8,639	—	8,638
Net income (loss) attributable to the Company	$ (91,803)	$ (48,497)	$ (91,674)	$ (50,517)	$ 190,688	$ (91,803)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	—	3,796	—	(3,483)	—	313
Foreign currency reclassification adjustment	—	—	—	1,424	—	1,424
Unrealized loss on marketable securities	—	—	—	(5,343)	—	(5,343)
Equity in subsidiary comprehensive income	(6,914)	(15,076)	(6,914)	—	28,904	—
Comprehensive income (loss)	$ (98,717)	$ (59,777)	$ (98,588)	$ (57,919)	$ 219,592	$ (95,409)
Amount attributable to noncontrolling interest	—	—	—	3,308	—	3,308
Comprehensive income (loss) attributable to the Company	$ (98,717)	$ (59,777)	$ (98,588)	$ (61,227)	$ 219,592	$ (98,717)

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

	Nine Months Ended September 30, 2009					
(In thousands)	Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$ —	$ —	$ 806,512	$ 1,128,443	$ —	$ 1,934,955
Operating expenses:						
Direct operating expenses	—	—	389,734	780,949	—	1,170,683
Selling, general and administrative expenses	—	—	127,896	220,034	—	347,930
Corporate expenses	10,876	—	24,746	9,824	—	45,446
Depreciation and amortization	—	—	147,279	180,490	—	327,769
Impairment charges	—	—	691,500	120,890	—	812,390
Other operating income – net	—	—	7,045	3,080	—	10,125
Operating loss	(10,876)	—	(567,598)	(180,664)	—	(759,138)
Interest expense	323	—	110,732	3,937	—	114,992
Interest income on debt with Clear Channel Communications	—	—	358	—	—	358
Intercompany interest income	7,993	1,149	807	906	(10,855)	—
Intercompany interest expense	649	—	8,250	1,956	(10,855)	—
Loss on marketable securities	—	—	—	(11,315)	—	(11,315)
Equity in earnings (loss) of nonconsolidated affiliates	(808,882)	(163,381)	(221,534)	(25,697)	1,193,400	(26,094)
Other expense – net	—	—	(305)	(4,983)	—	(5,288)
Income (loss) before income taxes	(812,737)	(162,232)	(907,254)	(227,646)	1,193,400	(916,469)
Income tax benefit (expense)	1,383	(807)	98,755	2,371	—	101,702
Consolidated net income (loss)	(811,354)	(163,039)	(808,499)	(225,275)	1,193,400	(814,767)
Amount attributable to noncontrolling interest	—	—	—	(3,413)	—	(3,413)
Net income (loss) attributable to the Company	$(811,354)	$ (163,039)	$ (808,499)	$ (221,862)	$ 1,193,400	$ (811,354)
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustments	—	—	—	116,553	—	116,553
Foreign currency reclassification adjustment	—	—	—	8	—	8
Unrealized loss on marketable securities	—	—	—	(11,315)	—	(11,315)
Reclassification adjustments	—	—	—	11,315	—	11,315
Equity in subsidiary comprehensive income	109,559	79,593	109,559	—	(298,711)	—
Comprehensive income (loss)	$(701,795)	$ (83,446)	$ (698,940)	$ (105,301)	$ 894,689	$ (694,793)
Amount attributable to noncontrolling interest	—	—	—	7,002	—	7,002
Comprehensive income (loss) attributable to the Company	$(701,795)	$ (83,446)	$ (698,940)	$ (112,303)	$ 894,689	$ (701,795)

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

	Nine Months Ended September 30, 2010					
(In thousands)	Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Consolidated net income (loss)	$ (91,803)	$ (48,497)	$ (91,675)	$ (41,878)	$ 190,688	$ (83,165)
Reconciling items:						
Depreciation and amortization	—	—	147,559	163,282	—	310,841
Deferred taxes	—	—	(7,970)	(3,752)	—	(11,722)
Provision for doubtful accounts	—	—	481	4,368	—	4,849
Loss on sale of operating assets	—	—	3,625	21,309	—	24,934
Other reconciling items – net	91,674	53,242	56,381	5,050	(190,688)	15,659
Changes in operating assets and liabilities:						
Increase in accounts receivable	—	—	(9,791)	(10,483)	—	(20,274)
(Increase) decrease in Federal income taxes receivable	774	(1,502)	50,136	1,550	—	50,958
Increase in deferred income	—	—	9,172	20,848	—	30,020
Increase (decrease) in accounts payable, accrued expenses and other liabilities	—	816	39,649	(18,126)	—	22,339
Changes in other operating assets and liabilities, net of effects of acquisitions and dispositions	(1,022)	(159)	6,960	18,916	—	24,695
Net cash provided by (used for) operating activities	(377)	3,900	204,527	161,084	—	369,134
Cash flows from investing activities:						
Purchases of property, plant and equipment	—	—	(65,908)	(73,366)	—	(139,274)
Acquisition of operating assets, net of cash acquired	—	—	(715)	—	—	(715)
Equity contributions to subsidiaries	—	—	(331)	—	331	—
Decrease (increase) in intercompany notes receivable – net	—	19,542	—	130	(19,672)	—
Dividends from subsidiaries	—	—	107	—	(107)	—
Change in other – net	—	—	3,050	1,712	—	4,762
Net cash provided by (used for) investing activities	—	19,542	(63,797)	(71,524)	(19,448)	(135,227)
Cash flows from financing activities:						
Draws on credit facilities	—	—	—	3,916	—	3,916
Payments on credit facilities	—	—	(3)	(42,251)	—	(42,254)
Proceeds from long-term debt	—	—	—	6,844	—	6,844
Payments on long-term debt	—	—	—	(12,425)	—	(12,425)
Net transfers to Clear Channel Communications	(130,870)	—	—	—	—	(130,870)
Intercompany funding	130,255	(23,442)	(134,782)	27,969	—	—
Increase (decrease) in intercompany notes payable – net	(130)	—	—	(19,542)	19,672	—
Dividends declared and paid	—	—	—	(107)	107	—
Equity contributions from parent	—	—	—	331	(331)	—
Change in other – net	1,122	—	(1)	(5,334)	—	(4,213)
Net cash provided by (used for) financing activities	377	(23,442)	(134,786)	(40,599)	19,448	(179,002)
Effect of exchange rate changes on cash	—	—	—	369	—	369
Net increase in cash and cash equivalents	—	—	5,944	49,330	—	55,274
Cash and cash equivalents at beginning of period	—	—	431,105	178,331	—	609,436
Cash and cash equivalents at end of period	$ —	$ —	$ 437,049	$ 227,661	$ —	$ 664,710

Table of Contents

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In thousands)	Nine Months Ended September 30, 2009					
	Parent Company	Subsidiary Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:						
Consolidated net income (loss)	$(811,354)	$ (163,039)	$ (808,499)	$ (225,275)	$ 1,193,400	$ (814,767)
Reconciling items:						
Depreciation and amortization	—	—	147,279	180,490	—	327,769
Impairment charges	—	—	691,500	120,890	—	812,390
Deferred tax expense (benefit)	60	—	(111,429)	(16,508)	—	(127,877)
Provision for doubtful accounts	—	—	2,600	6,459	—	9,059
Gain on sale of operating assets	—	—	(7,045)	(3,080)		(10,125)
Other reconciling items – net	808,882	163,381	225,959	43,755	(1,193,400)	48,577
Changes in operating assets and liabilities:						
Decrease in accounts receivable	—	—	9,944	68,340	—	78,284
Increase in deferred income	—	—	7,487	14,922	—	22,409
Increase (decrease) in accounts payable, accrued expenses and other liabilities	186	48	(3,941)	(39,388)	—	(43,095)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions	(3,059)	(665)	11,389	(40,407)	—	(32,742)
Net cash provided by (used for) operating activities	(5,285)	(275)	165,244	110,198	—	269,882
Cash flows from investing activities:						
Purchases of property, plant and equipment	—	—	(55,006)	(58,970)	—	(113,976)
Acquisition of operating assets, net of cash acquired	—	—	(5,015)	(110)	—	(5,125)
Equity contributions to subsidiaries	—	—	(58)	—	58	—
Change in other – net	(81)	—	7,539	20,775	(2,236)	25,997
Net cash used for investing activities	(81)	—	(52,540)	(38,305)	(2,178)	(93,104)
Cash flows from financing activities:						
Draws on credit facilities	—	—	—	6,508	—	6,508
Payments on credit facilities	—	—	(976)	(2,808)	—	(3,784)
Payments on long-term debt	—	—	—	(2,191)	—	(2,191)
Net transfers from Clear Channel Communications	(86,309)	—	—	—	—	(86,309)
Intercompany funding	91,711	275	(101,085)	9,099	—	—
Dividends declared and paid	—	—	—	(2,236)	2,236	—
Payments for purchase of noncontrolling interest	—	—	—	(25,154)	—	(25,154)
Change in other – net	(36)	—	—	58	(58)	(36)
Net cash provided by (used for) financing activities	5,366	275	(102,061)	(16,724)	2,178	(110,966)
Effect of exchange rate changes on cash	—	—	—	4,768	—	4,768
Net increase in cash and cash equivalents	—	—	10,643	59,937	—	70,580
Cash and cash equivalents at beginning of period	—	—	(14,800)	109,612	—	94,812
Cash and cash equivalents at end of period	$ —	$ —	$ (4,157)	$ 169,549	$ —	$ 165,392

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

Format of Presentation

Management's discussion and analysis of our results of operations and financial condition should be read in conjunction with the consolidated financial statements and related footnotes. Our discussion is presented on both a consolidated and segmented basis. Our reportable operating segments are Americas outdoor advertising ("Americas") and International outdoor advertising ("International").

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

Executive Summary

The key highlights of our business for the three and nine months ended September 30, 2010 are summarized below:

- Consolidated revenue increased $34.5 million and $70.3 million for the three and nine months ended September 30, 2010, respectively, compared to the same periods of 2009, primarily as a result of improved economic conditions throughout the first nine months of 2010.
- Americas revenue increased $20.7 million and $29.7 million for the three and nine months ended September 30, 2010, respectively, compared to the same periods of 2009, driven by increases in revenue across our advertising inventory, particularly digital.
- International revenue increased $13.7 million for the three months ended September 30, 2010, compared to the same period of 2009, primarily as a result of revenue growth from all of our advertising inventory categories, particularly street furniture, and across most countries, partially offset by a decrease from movements in foreign exchange of $12.5 million. Revenue increased $40.6 million for the nine months ended September 30, 2010 compared to the same period of 2009, primarily as a result of revenue growth from street furniture across most countries and included a $3.4 million increase from movements in foreign exchange.
- We received Federal income tax refunds of $51.0 million during the third quarter of 2010.
- On October 15, 2010, we transferred our interest in our Branded Cities operations to our joint venture partner, The Ellman Companies. The long-lived tangible and intangible assets of the Branded Cities operations were transferred for less than their carrying values in connection with this transaction and, as a result, we recorded a non-cash charge in the third quarter of 2010 of approximately $23.6 million in "Other operating income (expense) – net" to present these assets at their estimated fair values as of September 30, 2010.

Certain Indenture EBITDA Adjustments

The indenture governing the Series B Senior Notes issued by our subsidiary, Clear Channel Worldwide Holdings, Inc., allows us to adjust the calculation of our adjusted EBITDA (as calculated in accordance with the indenture) for certain charges. These charges include restructuring costs of $2.5 million and $18.3 million for the three and nine months ended September 30, 2010. In addition, certain other charges, including costs related to the closure and/or consolidation of facilities, retention charges, systems establishment costs and consulting fees incurred in connection with any of the foregoing, among other items, are also adjustments to the calculation of our adjusted EBITDA. For the three and nine months ended September 30, 2010, our adjusted EBITDA calculation included adjustments for an additional $2.1 million and $4.1 million, respectively. See "SOURCES OF CAPITAL" below for a description of the calculation of our adjusted EBITDA pursuant to the indenture.

RESULTS OF OPERATIONS

Consolidated Results of Operations

The comparison of the three and nine months ended September 30, 2010 to the three and nine months ended September 30, 2009, respectively, is as follows:

(In thousands)	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	% Change	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009	% Change
Revenue	$695,086	$660,622	5%	$2,005,261	$1,934,955	4%
Operating expenses:						
Direct operating expenses	380,619	398,766	(5%)	1,145,389	1,170,683	(2%)
Selling, general and administrative expenses	115,224	108,824	6%	357,273	347,930	3%
Corporate expenses	26,197	15,547	69%	70,726	45,446	56%
Depreciation and amortization	103,833	111,053	(7%)	310,841	327,769	(5%)
Impairment charges	—	—		—	812,390	
Other operating income (expense) - net	(27,672)	1,160		(24,934)	10,125	
Operating income (loss)	41,541	27,592		96,098	(759,138)	
Interest expense	60,276	37,908		178,989	114,992	
Interest income on debt with Clear Channel Communications	4,800	133		12,019	358	
Loss on marketable securities	—	(11,315)		—	(11,315)	
Equity in loss of nonconsolidated affiliates	(663)	(2,046)		(1,462)	(26,094)	
Other income (expense) - net	1,545	492		(3,447)	(5,288)	
Loss before income taxes	(13,053)	(23,052)		(75,781)	(916,469)	
Income tax benefit (expense)	(18,829)	(10,999)		(7,384)	101,702	
Consolidated net loss	(31,882)	(34,051)		(83,165)	$ (814,767)	
Amount attributable to noncontrolling interest	3,012	325		8,638	(3,413)	
Net loss attributable to the Company	$ (34,894)	$ (34,376)		$ (91,803)	$ (811,354)	

Consolidated Revenue

Our consolidated revenue increased $34.5 million during the third quarter of 2010 as compared to the third quarter of 2009. Americas revenue increased $20.7 million, driven by revenue increases across our advertising inventory, particularly digital. Our International revenue increased $13.7 million, primarily due to revenue growth from all of our advertising inventory categories, particularly street furniture, and across most countries, partially offset by decreases of $12.5 million from movements in foreign exchange.

Our consolidated revenue increased $70.3 million during the first nine months of 2010 as compared to the same period of 2009. Americas revenue increased $29.7 million, driven by revenue increases across our advertising inventory, particularly digital. Our International revenue increased $40.6 million, primarily due to revenue growth from street furniture across most countries, and included a $3.4 million increase from movements in foreign exchange.

Consolidated Direct Operating Expenses

Our direct operating expenses decreased $18.1 million during the third quarter of 2010 as compared to the third quarter of 2009. Americas direct operating expenses decreased $3.3 million, primarily as a result of the disposition of our taxi advertising business, partially offset by an increase in site lease expenses associated with the increase in revenue. Direct operating expenses in our International segment decreased $14.8 million, primarily as a result of a $9.4 million decrease from movements in foreign exchange in addition to decreased site lease expenses associated with cost savings from our restructuring program.

Our direct operating expenses decreased $25.3 million during the first nine months of 2010 as compared to the same period of 2009. Americas direct operating expenses decreased $13.3 million, primarily as a result of the disposition of our taxi advertising business, partially offset by an increase in site lease expenses associated with the increase in revenue. Direct operating expenses in our International segment decreased $12.0 million, primarily as a result of decreased site lease expenses associated with cost savings from our restructuring program, partially offset by a $1.2 million increase from movements in foreign exchange.

Selling, General and Administrative (“SG&A”) Expenses

Our SG&A expenses increased $6.4 million during the third quarter of 2010 as compared to the same period of 2009. SG&A expenses increased $4.1 million in our Americas segment, primarily as a result of increased bonus and commission expenses associated with the increase in revenue. SG&A expenses increased $2.3 million in International, primarily from increased selling costs associated with the increase in revenue, partially offset by a $2.5 million decrease from movements in foreign exchange.

Our SG&A expenses increased $9.3 million during the first nine months of 2010 as compared to the same period of 2009. SG&A expenses increased $12.5 million in our Americas segment, primarily as a result of the unfavorable impact of litigation in addition to an increase in selling and marketing costs associated with the increase in revenue. Our International SG&A expenses decreased $3.1 million, primarily as a result of cost savings from our restructuring program as well as a decrease in business tax related to a change in French tax law.

Corporate Expenses

Corporate expenses increased $10.7 million and $25.3 million during the three and nine months ended September 30, 2010, respectively, as compared to the same periods of 2009, primarily due to increases in bonus expense from improved operating performance compared to the prior year and increases related to headcount from centralization efforts and the expansion of corporate capabilities.

Depreciation and Amortization

Depreciation and amortization decreased $7.2 million and $16.9 million during the third quarter and first nine months of 2010, respectively, compared to the same periods of 2009, primarily as a result of decreased amortization in our International segment in 2010 related to assets that became fully amortized during 2009.

Other Operating Income (Expense) - Net

Other operating expenses were $27.7 million and $24.9 million for the three and nine months ended September 30, 2010, respectively, primarily due to a $23.6 million non-cash charge recorded as of September 30, 2010 as a result of the transfer of our interest in our Branded Cities business, and a $3.7 million loss on the sale of our outdoor advertising business in India.

Other operating income for the nine months ended September 30, 2009 was $10.1 million and primarily related to a gain of $4.4 million on the sale of International assets and a gain of $3.7 million on the sale of Americas assets.

Interest Expense

Interest expense increased $22.4 million and $64.0 million during the three and nine months ended September 30, 2010, respectively, as compared to the same periods of 2009. The increase was primarily attributable to the issuance by our subsidiary, Clear Channel Worldwide Holdings, Inc., of $2.5 billion aggregate principal amount of senior notes in December 2009, which bear interest at a fixed rate of 9.25% per annum. The senior notes were issued at a higher interest rate than the $2.5 billion note to Clear Channel Communications, which was prepaid and retired in December 2009.

Loss on Marketable Securities

The loss on marketable securities of $11.3 million during the three and nine months ended September 30, 2009 relates to an impairment of certain available-for-sale securities.

Income Tax Benefit (Expense)

Our operations are included in a consolidated income tax return filed by CC Media Holdings, Inc. (“CC Media Holdings”). However, for our financial statements, our provision for income taxes was computed on the basis that we file separate consolidated Federal income tax returns with our subsidiaries.

Income tax expense of $18.8 million and $7.4 million was recorded for the three months and nine months ended September 30, 2010, respectively, resulting in effective tax rates of (144.3%) and (9.7%) for those periods, respectively. The 2010 effective rates were impacted primarily as a result of our inability to benefit from tax losses in certain foreign jurisdictions due to the uncertainty of the ability to utilize those losses in future years. In addition, during the three months ended September 30, 2010, we recorded a valuation allowance of $13.4 million against deferred tax assets in foreign jurisdictions due to the uncertainty of the ability to realize those assets in future periods.

Income tax expense of $11.0 million and income tax benefits of $101.7 million were recorded for the three months and nine months ended September 30, 2009, respectively, resulting in effective tax rates of (47.7%) and 11.1% for those periods, respectively. The 2009 effective tax rates were primarily impacted by the impairment charge on goodwill. In addition, we recorded deferred tax valuation allowances due the uncertainty of our ability to utilize Federal and foreign tax losses at that time.

Americas Results of Operations

Disposition of Taxi Business

On December 31, 2009, our subsidiary Clear Channel Outdoor, Inc. disposed of Clear Channel Taxi Media, LLC ("Taxis"), our taxi advertising business. For the three months ended September 30, 2009, Taxis contributed $9.8 million in revenue, $9.6 million in direct operating expenses and $2.4 million in SG&A expenses. For the nine months ended September 30, 2009, Taxis contributed $29.5 million in revenue, $29.5 million in direct operating expenses and $7.7 million in SG&A expenses.

Our Americas operating results were as follows:

(In thousands)	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
	2010	2009	Change	2010	2009	Change
Revenue	$333,269	$312,537	7%	$928,015	$898,277	3%
Direct operating expenses	143,940	147,250	(2%)	427,546	440,885	(3%)
SG&A expenses	51,750	47,602	9%	160,302	147,839	8%
Depreciation and amortization	53,139	54,102	(2%)	158,319	158,612	(0%)
Operating income	$ 84,440	$ 63,583	33%	$181,848	$150,941	20%

Three Months

Americas revenue increased $20.7 million during the third quarter of 2010 compared to the same period of 2009 as a result of increased revenue across our advertising inventory, particularly digital. The increase was driven by increases in both occupancy and rate. Partially offsetting the revenue increase was the decrease in revenue related to the sale of Taxis.

Direct operating expenses decreased $3.3 million during the third quarter of 2010 compared to the same period of 2009, due to the disposition of Taxis. Offsetting the decrease was a $5.6 million increase in site-lease expenses associated with the increase in revenue. SG&A expenses increased $4.1 million during the third quarter of 2010 compared to the same period of 2009 primarily as a result of increased bonus and commission expenses associated with the increase in revenue, partially offset by the disposition of Taxis.

Nine Months

Americas revenue increased $29.7 million during the first nine months of 2010 compared to the same period of 2009 as a result of increased revenue across our advertising inventory, particularly digital. The increase was driven by increases in both occupancy and rate. Partially offsetting the revenue increase was the decrease in revenue related to the sale of Taxis.

Direct operating expenses decreased $13.3 million during the first nine months of 2010 compared to the same period of 2009. The decline in direct operating expenses was due to the disposition of Taxis, partially offset by a $16.9 million increase in site-lease expenses associated with the increase in revenue. SG&A expenses increased $12.5 million during the first nine months of 2010 compared to the same period of 2009 as a result of a $5.3 million increase primarily related to the unfavorable impact of litigation, a $4.4 million increase in consulting costs and a $6.0 million increase primarily due to bonus and commission expenses associated with the increase in revenue, partially offset by the disposition of Taxis.

International Results of Operations

Our International operating results were as follows:

(In thousands)	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	% Change	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009	% Change
Revenue	$361,817	$348,085	4%	$1,077,246	$1,036,678	4%
Direct operating expenses	236,679	251,516	(6%)	717,843	729,798	(2%)
SG&A expenses	63,474	61,222	4%	196,971	200,091	(2%)
Depreciation and amortization	50,694	56,951	(11%)	152,522	169,157	(10%)
Operating income (loss)	$ 10,970	$ (21,604)	151%	$ 9,910	$ (62,368)	116%

Three Months

International revenue increased $13.7 million during the third quarter of 2010 compared to the same period of 2009. Revenue growth from all of our advertising inventory categories, particularly street furniture, and across most countries was partially offset by the exit from the business in Greece. Foreign exchange movements negatively impacted revenues by $12.5 million.

Direct operating expenses decreased $14.8 million during the third quarter of 2010 compared to the same period of 2009, primarily from a $9.4 million decrease from movements in foreign exchange and a $4.7 million decline in site-lease expenses as a result of cost savings from our restructuring program and the exit from the business in Greece. SG&A expenses increased $2.3 million during the third quarter of 2010 compared to the same period of 2009 primarily from increased selling costs associated with the increase in revenue, partially offset by a $2.5 million decrease from movements in foreign exchange.

Depreciation and amortization decreased $6.3 million during the third quarter of 2010 compared to the same period of 2009 primarily as a result of assets that became fully amortized during 2009.

Nine Months

International revenue increased $40.6 million during the first nine months of 2010 compared to the same period of 2009, primarily as a result of revenue growth from street furniture across most countries and included a $3.4 million increase from movements in foreign exchange. Partially offsetting the increase was the exit from businesses in Greece and India.

Direct operating expenses decreased $12.0 million during the first nine months of 2010 compared to the same period of 2009, primarily as a result of a $16.6 million decline in site-lease expenses associated with cost savings from our restructuring program and the exit from the business in Greece, partially offset by a $1.2 million increase from movements in foreign exchange. SG&A expenses decreased $3.1 million during the first nine months of 2010 compared to the same period of 2009, primarily as a result of a $4.5 million decrease in business tax related to a change in French tax law, partially offset by higher compensation expense associated with the increase in revenue.

Depreciation and amortization decreased $16.6 million during the first nine months of 2010 compared to the same period of 2009 primarily as a result of assets that became fully amortized during 2009.

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

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Americas	$ 84,440	$ 63,583	$181,848	$ 150,941
International	10,970	(21,604)	9,910	(62,368)
Corporate expenses	(26,197)	(15,547)	(70,726)	(45,446)
Impairment charges	—	—	—	(812,390)
Other operating income (expense) - net	(27,672)	1,160	(24,934)	10,125
Consolidated operating income (loss)	$ 41,541	$ 27,592	$ 96,098	$(759,138)

Share-Based Compensation Expense

The following table details amounts related to share-based compensation expense for the three and nine months ended September 30, 2010 and 2009, respectively:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Americas	$ 2,207	$ 1,775	$ 6,553	$ 5,971
International	658	537	1,953	1,806
Corporate	92	182	273	611
Total share-based compensation expense	$ 2,957	$ 2,494	$ 8,779	$ 8,388

LIQUIDITY AND CAPITAL RESOURCES

Clear Channel Communications' Merger

Clear Channel Communications' capitalization, liquidity and capital resources substantially changed due to the consummation of its merger on July 30, 2008 with entities formed by private equity funds sponsored by Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. Upon the closing of the merger, Clear Channel Communications incurred additional debt and became highly leveraged.

Also, so long as Clear Channel Communications maintains a significant interest in us, pursuant to the Master Agreement between Clear Channel Communications and us, Clear Channel Communications will have the option to limit our ability to incur debt or issue equity securities, among other limitations, which could adversely affect our ability to meet our liquidity needs.

The following discussion highlights our cash flow activities during the nine months ended September 30, 2010 and 2009 respectively.

Cash Flows

(In thousands)	Nine Months Ended September 30,	
	2010	2009
Cash provided by (used for):		
Operating activities	$ 369,134	$ 269,882
Investing activities	$(135,227)	$ (93,104)
Financing activities	$(179,002)	$(110,966)

Operating Activities

The increase in cash flow from operations for the nine months ended September 30, 2010 compared to the same period of the prior year was primarily driven by improved profitability, including a 4% increase in revenues and a 1% decrease in direct operating and SG&A expenses. Our cash paid for interest increased $61.8 million primarily due to the December 2009 issuance of $2.5 billion aggregate principal amount of senior notes at a higher rate than the $2.5 billion note to Clear Channel Communications, which was prepaid and retired in December 2009. Partially offsetting the increased interest was the receipt of $51.0 million of Federal income tax refunds during the third quarter of 2010.

Investing Activities

Net cash used for investing activities of $135.2 million for the nine months ended September 30, 2010 primarily reflects capital expenditures of $139.3 million, partially offset by proceeds of $6.5 million from the sale of International and Americas assets. We spent $70.6 million in our Americas segment primarily related to the construction of new billboards and $68.7 million in our International segment primarily related to new billboard and street furniture contracts and renewals of existing contracts.

Net cash used for investing activities of $93.1 million for the nine months ended September 30, 2009 primarily reflects capital expenditures of $55.9 million in our International segment primarily related to new billboard and street furniture contracts and renewals of existing contracts. We also received proceeds of $5.5 million from the sale of International assets and $5.2 million from the sale of Americas assets.

Financing Activities

Net cash used for financing activities of $179.0 million for the nine months ended September 30, 2010 primarily reflects payments on credit facilities and long-term debt of $42.3 million and $12.4 million, respectively, and net transfers to Clear Channel Communications of $130.9 million.

Net cash used for financing activities of $111.0 million for the nine months ended September 30, 2009 include net transfers of cash to Clear Channel Communications of $86.3 million. The net transfers of cash to Clear Channel Communications represent the activity in the "Due from/to Clear Channel Communications" account. This activity primarily relates to working capital and settlement of interest on the cash management notes and the $2.5 billion note payable to Clear Channel Communications. In addition, we purchased the remaining 15% interest in our fully consolidated subsidiary, Paneles Napsa S.A., for $13.0 million.

Anticipated Cash Requirements

Our primary source of liquidity is cash flow from operations. Based on our current and anticipated levels of operations and conditions in our markets, we believe that cash on hand, cash flows from operations and borrowings under the revolving promissory note with Clear Channel Communications will enable us to meet our working capital, capital expenditure, debt service and other funding requirements for at least the next 12 months.

We expect to be in compliance with the covenants governing our indebtedness in 2010. However, our anticipated results are subject to significant uncertainty and there can be no assurance that we will be able to maintain compliance with these covenants. In addition, our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions.

Furthermore, in its Quarterly Report on Form 10-Q filed with the SEC on November 8, 2010, CC Media Holdings, our indirect parent, stated that it expects to be in compliance with the covenants under Clear Channel Communications' material financing agreements in 2010, including the financial covenant contained in its senior credit facilities that limits the ratio of its consolidated senior secured debt, net of cash and cash equivalents, to its consolidated adjusted EBITDA for the preceding four quarters. CC Media Holdings similarly stated in its Quarterly Report that its anticipated results are also subject to significant uncertainty and there can be no assurance that actual results will be in compliance with the covenants. Moreover, CC Media Holdings stated in its Quarterly Report that its ability to comply with the covenants in Clear Channel Communications' material financing agreements may be affected by events beyond CC Media Holdings' control, including prevailing economic, financial and industry conditions. As discussed therein, the breach of any covenants set forth in Clear Channel Communications' financing agreements would result in a default thereunder, and an event of default would permit the lenders under a defaulted financing agreement to declare all indebtedness thereunder to be due and payable prior to maturity. Moreover, as discussed therein, the lenders under the revolving credit facility under Clear Channel Communications' senior secured credit facilities would have the option to terminate their commitments to make further extensions of revolving credit thereunder. In addition, CC Media Holdings stated in its Quarterly Report that if CC Media Holdings is unable to repay Clear Channel Communications' obligations under any secured credit facility, the lenders under such secured credit facility could proceed against any assets that were pledged to secure such facility. Finally, CC Media Holdings stated in its Quarterly Report that a default or acceleration under any of Clear Channel Communications' material financing agreements, including the Notes, could cause a default under other obligations that are subject to cross-default and cross-acceleration provisions.

For so long as Clear Channel Communications maintains significant control over us, a deterioration in the financial condition of Clear Channel Communications could have the effect of increasing our borrowing costs or impairing our access to capital markets. As of September 30, 2010, Clear Channel Communications had $1.7 billion recorded as "Cash and cash equivalents" on its condensed consolidated balance sheets.

We frequently evaluate strategic opportunities both within and outside our existing lines of business. We expect from time to time to pursue additional acquisitions and may decide to dispose of certain businesses. These acquisitions or dispositions could be material.

Our ability to fund our working capital needs, debt service and other obligations depends on our future operating performance and cash flow. If our future operating performance does not meet our expectations or our plans materially change in an adverse manner or prove to be materially inaccurate, we may need additional financing. We may not be able to secure any such additional financing on terms favorable to us or at all.

SOURCES OF CAPITAL

As of September 30, 2010 and December 31, 2009, we had the following debt outstanding, net of cash and cash equivalents and amounts due from Clear Channel Communications:

(In thousands)	September 30, 2010	December 31, 2009
CCWH Senior Notes	$ 2,500,000	$ 2,500,000
Credit facility ($150.0 million sub-limit within Clear Channel Communications' $2.0 billion revolving credit facility)	—	30,000
Other debt	67,336	78,878
Total debt	2,567,336	2,608,878
Less: Cash and cash equivalents	664,710	609,436
Less: Due from Clear Channel Communications	254,178	123,308
	$ 1,648,448	$ 1,876,134

We may from time to time repay our outstanding debt or seek to purchase our outstanding equity securities. Such transactions, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Promissory Notes with Clear Channel Communications

We maintain accounts that represent net amounts due to or from Clear Channel Communications, which is recorded as "Due from/to Clear Channel Communications" on our condensed consolidated balance sheets. The accounts represent our revolving promissory note issued by us to Clear Channel Communications and the revolving promissory note issued by Clear Channel Communications to us in the face amount of $1.0 billion, or if more or less than such amount, the aggregate unpaid principal amount of all advances. Included in the accounts are the net activities resulting from day-to-day cash management services provided by Clear Channel Communications. At September 30, 2010 and December 31, 2009, the asset recorded in "Due from Clear Channel Communications" on our condensed consolidated balance sheet was $254.2 million and $123.3 million, respectively. At September 30, 2010, we had no borrowings under the cash management note to Clear Channel Communications.

The net interest income for the three and nine months ended September 30, 2010 was $4.8 million and $12.0 million, respectively. The net interest income for the three and nine months ended September 30, 2009 was $0.1 million and $0.4 million, respectively. At September 30, 2010 and 2009, the interest rate on the "Due from Clear Channel Communications" account was 9.25% and 0.056%, respectively, the first of which represented the interest rate on the CCWH Senior Notes and the second of which represented the average one-month generic treasury bill rate.

Unlike the management of cash from our U.S. based operations, the amount of cash, if any, which is transferred from our foreign operations to Clear Channel Communications is determined on a basis mutually agreeable to us and Clear Channel Communications, and not on a pre-determined basis. In arriving at such mutual agreement, the reasonably foreseeable cash needs of our foreign operations are evaluated before a cash amount is considered as an excess or surplus amount for transfer to Clear Channel Communications.

Our working capital requirements and capital for general corporate purposes, including acquisitions and capital expenditures, may be provided to us by Clear Channel Communications, in its sole discretion, pursuant to a revolving promissory note issued by us to Clear Channel Communications. Without the opportunity to obtain financing from Clear Channel Communications, we may need to obtain additional financing from banks or other lenders, or through public offerings or private placements of debt or equity, strategic relationships or other arrangements at some future date. As stated above, we may be unable to successfully obtain additional debt or equity financing on satisfactory terms or at all.

As long as Clear Channel Communications maintains a significant interest in us, pursuant to the Master Agreement between Clear Channel Communications and us, Clear Channel Communications will have the option to limit our ability to incur debt or issue equity securities, among other limitations, which could adversely affect our ability to meet our liquidity needs. Under the Master Agreement with Clear Channel Communications, we are limited in our borrowing from third parties to no more than $400.0 million (including borrowings under the $150.0 million sub-limit of Clear Channel Communications' $2.0 billion revolving credit facility).

Clear Channel Worldwide Holdings Senior Notes

The Series B Notes indenture restricts, among other things, our ability to incur additional indebtedness and to pay dividends and make other restricted payments. In order to incur additional indebtedness, our consolidated leverage ratio (as defined by the indenture) must generally be no greater than 6.5:1 and, in order to incur additional senior indebtedness, our senior leverage ratio (as defined by the indenture) must be no greater than 3.25:1, in each case after giving pro forma effect to such incurrence. The Company's adjusted EBITDA of $715.5 million is calculated as the trailing twelve months operating income before depreciation and amortization and other operating income – net, plus impairment charges and non-cash compensation, and is further adjusted for certain items, including: (i) an increase for expected cost savings (limited to $58.8 million in any twelve month period) of $16.9 million; (ii) an increase of $40.9 million for non-cash items; (iii) an increase of $52.0 million related to restructuring charges and other costs/expenses; and (iv) an increase of $8.5 million for various other items. Our consolidated leverage ratio was 3.6:1 at September 30, 2010, and our senior leverage ratio was also 3.6:1 at September 30, 2010. If these ratios are not met, we have various exceptions that allow us to incur additional indebtedness, such as a $150 million basket for credit facilities indebtedness and a $65 million general indebtedness basket. The restrictions on our ability to pay dividends and make other restricted payments are subject to various exceptions, including a $500 million exception for the payment of dividends and a $25 million general exception for the making of other restricted payments.

Other Debt

Other debt consists primarily of loans with international banks. At September 30, 2010, approximately $67.3 million was outstanding as other debt.

Clear Channel Communications' Debt Covenants

Clear Channel Communications' senior credit facilities require Clear Channel Communications to comply on a quarterly basis with a financial covenant limiting the ratio of its consolidated senior secured debt, net of cash and cash equivalents, to its consolidated adjusted EBITDA for the preceding four quarters. The maximum ratio under this financial covenant is currently set at 9.5:1 and becomes more restrictive over time beginning in the second quarter of 2013. In its Quarterly Report on Form 10-Q filed with the SEC on November 8, 2010, CC Media Holdings stated that it was in compliance with this covenant as of September 30, 2010.

Disposition of Assets

On October 15, 2010, we transferred our interest in our Branded Cities operations to our joint venture partner, The Ellman Companies. The long-lived tangible and intangible assets of the Branded Cities operations were transferred for less than their carrying values in connection with this transaction. In connection with this subsequent event, we recorded a non-cash charge in the third quarter of 2010 of approximately $23.6 million in "Other operating income (expense) – net" to present these assets at their estimated fair values as of September 30, 2010.

During the three months ended September 30, 2010, our International segment sold its outdoor advertising business in India, resulting in a loss of $3.7 million included in "Other operating income (expense) – net."

USES OF CAPITAL

Commitments, Contingencies and Guarantees

We are currently involved in certain legal proceedings. Based on current assumptions, we have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. Future results of operations could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings.

SEASONALITY

Typically, both our Americas and International segments experience their lowest financial performance in the first quarter of the calendar year, with International historically experiencing a loss from operations in that period. Our Americas segment historically experiences consistent performance for the remainder of our calendar year. Our International segment typically experiences its strongest performance in the second and fourth quarters of our calendar year. We expect this trend to continue in the future.

MARKET RISK

Equity Price Risk

The carrying value of our available-for-sale equity securities is affected by changes in their quoted market prices. It is estimated that a 20% change in the market prices of these securities would change their carrying value and comprehensive loss at September 30, 2010 by $2.1 million.

Foreign Currency Exchange Rate Risk

We have operations in countries throughout the world. The financial results of our foreign operations are measured in their local currencies. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we operate. We believe we mitigate a small portion of our exposure to foreign currency fluctuations with a natural hedge through borrowings in currencies other than the U.S. dollar. We estimate a 10% increase in the value of the U.S. dollar relative to foreign currencies would have increased our net loss for the three and nine months ended September 30, 2010 by approximately $1.8 million and $2.9 million, respectively, and that a 10% decrease in the value of the U.S. dollar relative to foreign currencies would have decreased our net loss by a corresponding amount.

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

Inflation

Inflation is a factor in the economies in which we do business and we continue to seek ways to mitigate its effect. Inflation has affected our performance in terms of higher costs for wages, salaries and equipment. Although the exact impact of inflation is indeterminable, we believe we have offset these higher costs by increasing the effective advertising rates of most of our outdoor display faces.

NEW ACCOUNTING PRONOUNCEMENTS

In August 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2010-21, Accounting for Technical Amendments to Various SEC Rules and Schedules. This ASU amends various SEC paragraphs pursuant to the issuance of Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies and became effective upon issuance. The adoption of ASU No. 2010-21 will not have a material impact on our financial position or results of operations.

In August 2010, the FASB issued ASU No. 2010-22, Accounting for Various Topics—Technical Corrections to SEC Paragraphs. This ASU amends various SEC paragraphs and became effective upon issuance. The adoption of ASU No. 2010-22 will not have a material impact on our financial position or results of operations.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Except for the historical information, this report contains various forward-looking statements which represent our expectations or beliefs concerning future events, including without limitation, our future operating and financial performance and availability of capital and the terms thereof. Statements expressing expectations and projections with respect to future matters are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We caution that these forward-looking statements involve a number of risks and uncertainties and are subject to many variables which could impact our future performance. These statements are made on the basis of management's views and assumptions, as of the time the statements are made, regarding future events and performance. There can be no assurance, however, that management's expectations will necessarily come to pass. We do not intend, nor do we undertake any duty, to update any forward-looking statements.

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

- risks associated with a global economic downturn and its impact on capital markets;
- other general economic and political conditions in the United States and in other countries in which we currently do business, including those resulting from recessions, political events and acts or threats of terrorism or military conflicts;
- the risk that our restructuring program may not be entirely successful;
- the impact of the geopolitical environment;
- industry conditions, including competition;
- fluctuations in operating costs;
- technological changes and innovations;
- changes in labor conditions;
- legislative or regulatory requirements;
- capital expenditure requirements;
- fluctuations in exchange rates and currency values;
- the outcome of pending and future litigation;
- changes in interest rates;
- taxes;
- shifts in population and other demographics;
- access to capital markets and borrowed indebtedness;
- the risk that we may not be able to integrate the operations of recently acquired companies successfully;
- the impact of the above and similar factors on Clear Channel Communications, our primary direct or indirect external source of capital; and
- certain other factors set forth in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2009.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative and is not intended to be exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Required information is presented under "MARKET RISK" within Item 2 of this Part I.

Item 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, we have carried out an evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2010 to ensure that information we are required to disclose in reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC and is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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

Part II — OTHER INFORMATION

Item 1. Legal Proceedings

On or about July 12, 2006, two of the Company's operating businesses (L&C Outdoor Ltda. and Publicidad Klimes Sao Paulo Ltda.) in the Sao Paulo, Brazil market received notices of infraction from the state taxing authority, seeking to impose a value added tax ("VAT") on such businesses, retroactively for the period from December 31, 2001 through January 31, 2006. The taxing authority contends that the Company's businesses fall within the definition of "communication services" and as such are subject to the VAT. The aggregate amount of tax initially claimed to be owed by both businesses equals approximately $69.4 million, comprised of approximately $20.2 million in taxes, approximately $40.2 million in penalty and approximately $9.0 million in interest (as of September 30, 2010 at an exchange rate of 0.59). In addition, the taxing authorities are seeking to impose an additional aggregate amount of interest on the tax and penalty amounts until the initial tax, penalty and interest are paid of approximately $39.3 million (as of September 30, 2010 at an exchange rate of 0.59). The aggregate amount of additional interest accrues daily at an interest rate promulgated by the Brazilian government, which at September 30, 2010 is equal to approximately $1.85 million per month.

The Company has filed petitions to challenge the imposition of this tax against each of its businesses, which are proceeding separately. The Company's challenge for L&C Outdoor Ltda. was unsuccessful at the first administrative level, but successful at the second administrative level. The state taxing authority filed an appeal to the next administrative level, which required consideration by a full panel of 16 administrative law judges. On September 27, 2010, the Company received an unfavorable ruling from this final administrative level and intends to appeal this ruling to the judicial level. The Company has filed a petition to have the case remanded to the second administrative level for consideration of the amount of the penalty assessed against it. The Company's challenge for Publicidad Klimes Sao Paulo Ltda. was unsuccessful at the first administrative level, and denied at the second administrative level on or about September 24, 2009. The case is now pending before the third administrative level.

We are currently involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued an estimate of the probable costs for the resolution of these claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's financial condition or results of operations.

Item 1A. Risk Factors

For information regarding our risk factors, please refer to Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2009. There have not been any material changes in the risk factors disclosed in the 2009 Annual Report on Form 10-K.

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

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

The following table sets forth the purchases made during the quarter ended September 30, 2010 by or on behalf of the Company or an affiliated purchaser of shares of our Class A common stock registered pursuant to Section 12 of the Exchange Act:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or Approximate Dollar Value) that May Yet Be Purchased Under the Plans or Programs
July 1 through July 31	137	$ 11.19	—	(3)
August 1 through August 31	—	—	—	(3)
September 1 through September 30	87	$ 10.71	—	(3)
Total	224	$ 11.00	—	$ 100,000,000(3)

(1) The shares indicated consist of shares tendered by employees to the Company during the three months ended September 30, 2010 to satisfy the employees' tax withholding obligations in connection with the vesting and release of restricted shares, which are repurchased by the Company based on their fair market value on the date the relevant transaction occurs.

(2) The calculation of the average price paid per share does not give effect to any fees, commissions or other costs associated with the repurchase of such shares.

(3) On August 9, 2010, Clear Channel Communications, Inc., the Company's indirect parent entity, announced that its board of directors approved a stock purchase program under which Clear Channel Communications or its subsidiaries may purchase up to an aggregate of $100 million of the Class A common stock of the Company and/or the Class A common stock of CC Media Holdings, Inc., the indirect parent entity of Clear Channel Communications. The stock purchase program does not have a fixed expiration date and may be modified, suspended or terminated at any time at Clear Channel Communications' discretion. No shares were purchased under the stock purchase program during the three months ended September 30, 2010.

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)

Item 5. Other Information

None.

Table of Contents

Item 6. Exhibits

Exhibit Number	Description
10.1*	Employment Agreement, dated as of July 19, 2010, between the Company and Joseph Bagan.
11*	Statement re: Computation of Per Share Earnings.
31.1*	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.
** Furnished herewith.

[Table of Contents](#)

Signatures

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

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

November 8, 2010

/s/ Scott D. Hamilton

Scott D. Hamilton
Chief Accounting Officer

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is between Clear Channel Outdoor Holdings, Inc. ("CCOH", and together with Clear Channel Outdoor, Inc. - Americas, the "Company") and Joseph Bagan ("Employee").

1. TERM OF EMPLOYMENT

This Agreement commences July 19, 2010 ("Effective Date") and shall continue until terminated by either party in accordance with Section 8 of this Agreement (the "Employment Period").

2. TITLE AND EXCLUSIVE SERVICES

(a) Title and Duties. Employee's title is Chief Operating Officer – Clear Channel Outdoor, Inc. - Americas, and he will perform job duties that are usual and customary for this position. Employee will report to the Chief Executive Officer of Clear Channel Outdoor, Inc. - Americas (the "CEO") and shall perform such duties at the Company's headquarters in Phoenix, Arizona on behalf of the Company as may be assigned by the CEO from time to time. Employee acknowledges receipt of the Company's Code of Business Conduct and Ethics and will review and abide by its terms.

(b) Exclusive Services. Employee shall not be employed or render services elsewhere during the Employment Period; provided that with advance notice to the CEO, Employee may participate in educational, welfare, social, religious and civic organizations and any other activities approved by the CEO, including, without limitation, service as a member of the boards of directors of Sharklet Technologies, BioAMPS International, and RevGen Partners so long as such activities do not materially and adversely interfere or conflict with Employee's performance of his obligations hereunder or conflict in any material way with the business of the Company.

3. COMPENSATION AND BENEFITS

(a) Base Salary. Employee shall be paid an annual salary of Four Hundred Ten Thousand Dollars ($410,000.00) ("Base Salary") and is eligible for annual salary increases commensurate with Company policy.

(b) Vacation. Employee is eligible for no less than 15 vacation days each year, subject to the policies governing vacation set forth in the Employee Guide.

(c) Annual Bonus. Eligibility for an Annual Bonus is based on financial and performance criteria established by Company and approved in the annual budget, and will be paid no later than March 15 each calendar year following the year in which the Annual Bonus was earned. For calendar year 2010 and each calendar year thereafter during the Employment Period, the annual rate of Employee's target bonus (the "Target Bonus") shall be equal to 100% of the Base Salary paid to Employee during such calendar year (such annual Target Bonus shall be prorated for partial calendar years on and after the Effective Date), subject to bonus criteria based upon Company financial performance and MBOs as shall be established by the CEO. The payment of any Annual Bonus shall be subject to Section 19 and shall be within the Short-Term Deferral period under Section 409A (as defined in Section 19) and applicable regulations and net of any applicable withholding tax or other deductions required by law or Company benefit plans.

(d) Benefit Plans. Employee may participate in employee welfare benefit plans in which other similarly situated employees of the Company may participate as stated in the Employee Guide. Employee acknowledges receipt of the Employee Guide available on the intercompany website and will review and abide by its terms.

(e) Expenses.

(i) Subject to Section 19 and required withholding, Company will reimburse Employee for travel and entertainment related expenses, consistent with past practices pursuant to Company policy.

(ii) The Company agrees to reimburse Employee for all reasonable expenses associated with Employee's relocation to the Phoenix metropolitan area (or any other location to which the Company's headquarters is relocated) and housing expenses for Phoenix (or such other location) for the first 12 months of the Employment Period. Upon Employee's relocation as contemplated pursuant to this paragraph, the Company will pay reasonable relocation costs associated with such relocation in accordance with the applicable Company relocation policies.

(f) Equity Compensation. As additional consideration for entering into this Agreement, Employee shall be granted equity compensation as set forth on Exhibit A hereto, which grant shall be evidenced by the award agreement attached hereto as Exhibit B.

4. NONDISCLOSURE OF CONFIDENTIAL INFORMATION. During the course of the Employee's employment with the Company, the Company will provide the Employee with access to certain confidential information, trade secrets, and other matters which are of a confidential or proprietary nature, including but not limited to the Company's customer lists, pricing information, production and cost data, compensation and fee information, strategic business plans, budgets, financial statements, and other information the Company treats as confidential or proprietary (collectively the "Confidential Information"). The Company provides on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid the Employee in the performance of his duties. The Employee understands and acknowledges that such Confidential Information is confidential and proprietary, and as a condition of employment agrees not to use or disclose such Confidential Information to anyone outside the Company except to the extent that (i) the Employee deems such disclosure or use reasonably necessary or appropriate in connection with performing his duties on behalf of the Company; (ii) the Employee is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, the Employee shall promptly inform the Company of such event, shall cooperate with the Company in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order. Confidential Information shall no longer be deemed confidential or proprietary at such time as it becomes generally known to and available for use in the industries in which the Company does business, other than as a result of any action or inaction by the Employee. The Employee further agrees that he will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company. At such time as the Employee shall cease to be employed by the Company, he will immediately turn over to the Company all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of them, provided to or created by him during the course of his employment with the Company. This nondisclosure covenant is binding on the Employee, as well as his heirs, successors, and legal representatives, and will survive the termination of this Agreement for any reason.

5. NONHIRE OF COMPANY EMPLOYEES. To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, (i) hire any current or prospective employee of the Company, or any subsidiary or affiliate of the Company (including, without limitation, any current or prospective employee of the Company within the 6-month period preceding the Employee's last day of employment with the Company or within the 18-month period of this covenant) who worked, works, or has been offered employment by the Company and with respect to whom Employee had any role, direct or indirect, in recruiting on behalf of the Company or who was, or would have been, a direct report of Employee in his position at the Company; (ii) solicit or encourage any such employee to terminate their employment with the Company, or any subsidiary or affiliate of the Company; or (iii) solicit or encourage any such employee to accept employment with any business, operation, corporation, partnership, association, agency, or other person or entity with which the Employee may be associated.

6. NON-INTERFERENCE. To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the term of the Employee's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, the Employee will not, directly or indirectly, for the benefit of any Competing Business (determined, for purposes of this paragraph, without respect to any geographic limitations on scope that might otherwise apply to such definition for other purposes within this Agreement), call upon, compete for, solicit, divert, or take away, or attempt to divert or take away current or prospective customers (including, without limitation, any customer with whom the Company, or any subsidiary or affiliate of the Company, (i) has an existing agreement or business relationship; (ii) has had an agreement or business relationship within the six-month period preceding the Employee's last day of employment with the Company; or (iii) has included as a prospect in its applicable pipeline) of the Company, or any subsidiary or affiliate of the Company.

7. NON-COMPETITION. To further preserve the rights of the Company pursuant to the nondisclosure covenant discussed above, and for the consideration promised by the Company under this Agreement, during the Employee's employment with the Company and for a period of twelve (12) months thereafter (such twelve (12) month period, the "Non-Compete Period"), regardless of the reason for termination of employment, the Employee will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is in the same business as the Company in any location in which the Company, or any subsidiary or affiliate of the Company, operates or has plans or has projected to operate during the Employee's employment with the Company, including any area within a 50-mile radius of any such location (a "Competing Business"). The foregoing shall not prohibit the Employee from owning up to 5.0% of the outstanding stock of any publicly held company. Notwithstanding the foregoing, after the Employee's employment with the Company has terminated, upon receiving written permission by the Board of Directors of CCOH (the "Board"), the Employee shall be permitted to engage in such competing activities that would otherwise be prohibited by this covenant if such activities are determined in the sole discretion of the Board in good faith to be immaterial to the operations of the Company, or any subsidiary or affiliate of the Company, in the location in question.

The Company and the Employee agree that the restrictions contained in this noncompetition covenant are reasonable in scope and duration and are necessary to protect the Company's business interests and Confidential Information. If any provision of this noncompetition covenant as applied to any party or to any circumstance is adjudged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of this Agreement. If any such provision, or any part thereof, is held to be unenforceable because of the scope, duration, or geographic area covered thereby, the parties agree that the court or arbitrator making such determination shall have the power to reduce the scope and/or duration and/or geographic area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced. The parties agree and acknowledge that the breach of this noncompetition covenant may cause irreparable damage to the Company, and upon breach of any provision of this noncompetition covenant, the Company shall be entitled to injunctive relief, specific performance, or other equitable relief; provided, however, that this shall in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages).

Should the Employee violate the provisions of this noncompetition covenant, then in addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which the Employee began such violation until he permanently ceases such violation.

8. TERMINATION

Employment may be terminated by mutual agreement or:

(a) Death. The date of Employee's death shall be the termination date.

(b) Disability. Company may terminate employment if Employee is unable to perform the essential functions of his full-time position for more than 180 consecutive days in any 12 month period, subject to applicable law.

(c) Termination By Company. Company may terminate employment with or without Cause. "Cause" means Employee's:

(i) willful misappropriation of or material misrepresentation regarding property of Company that causes material and demonstrable injury to the Company, whether monetary or otherwise, but not including customary and de minimis use of Company property for personal purposes, as determined in discretion of Company;

(ii) willful and unreasonable refusal to follow lawful directives of the CEO;

(iii) felony conviction, plea of nolo contendere for a felony, or other criminal conduct that has or would result in material and demonstrable injury, whether monetary or otherwise, to Company's reputation, including conviction of fraud, theft, embezzlement, or a crime involving moral turpitude;

(iv) material breach of this Agreement; or

(v) significant violation of Company's written employment and management policies that causes material and demonstrable injury, whether monetary or otherwise, to the Company, including without limitation, violation of sexual or other harassment policies.

If Company elects to terminate for Cause under (c)(i), (ii), (iv) or (v), Employee shall have thirty (30) days to cure after written notice, except where such cause, by its nature, is not curable or the termination is based upon a recurrence of an act previously cured by Employee.

(d) Termination By Employee For Good Cause. Employee may terminate his employment at any time for "Good Cause," which is: (i) Company's material breach of this Agreement after written notice by Employee specifying the alleged failure; or (ii) a material diminution in Employee's base compensation; or (iii) a material diminution in Employee's authority, duties or responsibilities; or (iv) a change in the place of Employee's performance specified in Section 2(a) of more than 50 miles. If Employee elects to terminate his employment for "Good Cause," Employee must provide Company written notice of the condition he believes gives rise to Good Cause within thirty (30) days of the initial existence of such condition, after which the Company shall have thirty (30) days to cure. If Company has not cured and Employee elects to terminate his employment, he must do so within ten (10) days after the end of the cure period.

(e) Termination By Employee Without Good Cause. Employee may terminate his employment at any time without "Good Cause" with ninety (90) days advance written notice to the CEO (which termination of employment with such advance written notice shall not constitute a breach of this Agreement by Employee), in which case the Company may terminate Employee's employment immediately upon or anytime after receipt of such notice, which termination shall not be a termination by the Company without Cause, and pay Employee any Base Salary remaining with respect to such ninety (90) day advance notice period if Employee signs a Severance Agreement and General Release of claims in a form satisfactory to Company.

9. COMPENSATION UPON TERMINATION

(a) Death. Upon termination of employment pursuant to Section 8(a), the Company shall pay to Employee's designee or, if no person is designated, to Employee's estate, (i)

Employee’s unpaid Base Salary, if any, less applicable payroll, taxes and other deductions, that was earned through the termination date but not otherwise previously paid, which shall be paid within 30 days of the date of Employee’s termination of employment (“Accrued Base Salary”), (ii) the Annual Bonus, if any, that Employee earned with respect to the calendar year prior to the calendar year that includes the termination date (to the extent not paid as of the date of termination) shall be paid at the time such Annual Bonus is payable in accordance with Section 3(c), less applicable payroll, taxes and other deductions (the “Unpaid Prior Year Bonus”), and (iii) a pro-rata portion of the Annual Bonus for the calendar year that includes the termination date (which proration shall be determined by the Company and payable only as follows: If Employee’s termination date is between September 1st and December 31st, Employee’s designee or estate will receive a pro-rata portion of the Annual Bonus calculated based upon performance as of the termination date as related to overall performance at the end of the calendar year for which pro-rata portion of the Annual Bonus Employee shall be eligible only if a bonus would have been earned by the end of the calendar year and the calculation and payment of the pro-rata bonus, if any, will be pursuant to the plan in effect during the calendar year that includes the date of termination) but not later than the March 15 following the end of such calendar year, less applicable payroll, taxes and other deductions (the “Pro-Rata Bonus”). The Company shall have no further obligation to Employee upon such termination under this Agreement.

(b) Disability. Upon termination of employment pursuant to Section 8(b), the Company shall pay to Employee, or, in the event of Employee’s legal incapacity, to the individual who holds a power of attorney on behalf of Employee (the “POA”), any Accrued Base Salary. In addition, if Employee signs and delivers a Severance Agreement and General Release of claims in a form satisfactory to the Company (the “Release”) and such Release is no longer subject to revocation, if applicable, or if Employee is legally incapacitated, on the date that is sixty (60) days after the date of Employee’s termination of employment (the “Payment Date”), then the Company shall pay to Employee or the POA on the Payment Date, if payable, any (i) Unpaid Prior Year Bonus and/or (ii) any Pro-Rata Bonus. The Company shall have no further obligation to Employee upon such termination under this Agreement.

(c) Termination By Company For Cause: Upon termination of employment by the Company for Cause pursuant to Section 8(c), the Company shall pay to Employee any Accrued Base Salary. The Company shall have no further obligation to Employee upon such termination under this Agreement.

(d) Termination By Company Without Cause or By Employee With Good Cause. Upon termination of employment by the Company without Cause pursuant to Section 8(c) and not by reason of disability (within the meaning of Section 8(b)), or upon termination of employment by Employee for Good Cause pursuant to Section 8(d), the Company will pay to Employee any Accrued Base Salary and any payments required under applicable employee benefit plans. In addition, if Employee signs and delivers the Release to the Company after the date of Employee’s termination of employment and such Release is no longer subject to revocation, if applicable, on the Payment Date, then the Company shall pay to Employee a single lump sum on the Payment Date equal to (less applicable payroll, taxes and other deductions), (i) twelve (12) times the sum of (x) Employee’s monthly rate of Base Salary on the date of termination plus (y) the monthly Pro-Rata Bonus (with such monthly pro-rata portion determined by multiplying the dollar value of the Target Bonus with respect to the calendar year that includes the date of termination by a fraction, the numerator of which is equal to the number of days elapsed during the calendar year that includes Employee's date of termination and the denominator of which is 365, and thereafter dividing the result of such multiplication by 12) (the "Severance Payment"), plus, if payable, any (ii) Unpaid Prior Year Bonus. The Company shall have no further obligation to Employee upon such termination under this Agreement.

Notwithstanding the foregoing, if Employee violates any of the post-employment covenants within Sections 4, 5, 6, or 7 of this Agreement during the Non-Compete Period, then Employee shall forfeit any right to the pro-rata portion of the Severance Payment equal to the quotient of (x) the number of full months remaining in the Non-Compete Period after the date such breach occurs *divided by* eighteen (12), which quotient shall be *multiplied by* (y) the Severance Payment, and Employee shall reimburse such forfeited pro-rata portion of the Severance Payment to the Company within thirty (30) days of notice of such violation from the Company. The foregoing shall not affect Company's right to enforce the Non-Compete pursuant to Section 7.

(e) Termination By Employee Without Good Cause: Upon termination of employment by Employee without Good Cause pursuant to Section 8(e), the Company shall pay any Accrued Base Salary and any payments required under applicable employee benefit plans. In addition, if Employee signs and delivers the Release after the date of Employee's termination of employment and such Release is no longer subject to revocation, if applicable, on the Payment Date, then the Company shall pay to Employee on the Payment Date, if payable, any Unpaid Prior Year Bonus. If the Company terminates Employee's employment immediately upon or after receipt of Employee's notice of termination (such termination by the Company shall not be deemed a termination by the Company without Cause), the Company shall also pay any pro-rata Base Salary for the remaining portion of the ninety (90) day notice advance period as described in Section 8(e) if Employee signs and delivers the Release after the date of Employee's termination of employment and such Release is no longer subject to revocation, if applicable, on the Payment Date (and pro-rata Base Salary that would otherwise be paid sooner shall be paid on the earlier of the date such Release becomes irrevocable or the Payment Date). The Company shall have no further obligation to Employee upon such termination under this Agreement.

(f) Nonqualified Deferred Compensation. To the extent that the payment of any amount under this Agreement constitutes "nonqualified deferred compensation" for purposes of Code Section 409A (as defined in Section 19), any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the sixtieth (60th) day following such termination, on which date payment of any amount that was otherwise scheduled to be paid prior thereto shall be paid. In addition, if the Employee is deemed on the date of termination to be a "specified employee" within the meaning of Code Section 409A(a)(2)(B), any amounts to which Employee is entitled under this Agreement that constitute "non-qualified deferred compensation" under Code Section 409A and would otherwise be payable prior to the earlier of (i) the 6-month anniversary of the Employee's date of termination and (ii) the date of the Employee's death (the "Delay Period") shall instead be paid in a lump sum immediately upon (and not before) the expiration of the Delay Period to the extent required under Code Section 409A.

10. OWNERSHIP OF MATERIALS

Employee agrees that all inventions, improvements, discoveries, designs, technology, and works of authorship (including but not limited to computer software) made, created, conceived, or reduced to practice by Employee, whether alone or in cooperation with others, during employment, together with all patent, trademark, copyright, trade secret, and other intellectual property rights related to any of the foregoing throughout the world, are among other things works made for hire and belong exclusively to the Company, and Employee hereby assigns all such rights to the Company. Employee agrees to execute any documents, testify in any legal proceedings, and do all things necessary or desirable to secure Company's rights to the foregoing, including without limitation executing inventors' declarations and assignment forms.

11. LIMITATION ON BENEFITS

Notwithstanding anything to the contrary contained in this Agreement, to the extent that any of the payments and benefits provided for under this Agreement or any other agreement or arrangement between the Company and Employee (collectively, the "Payments") (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) but for this Section 11, would be subject to the excise tax imposed by Section 4999 of the Code, then the Payments shall be payable either (i) in full or (ii) as to such lesser amount which would result in no portion of such Payments being subject to excise tax under Section 4999 of the Code (determined in accordance with the reduction of payments and benefits paragraph set forth below); whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in Employee's receipt on an after-tax basis, of the greatest amount of benefits under this Agreement, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. Unless Employee and the Company otherwise agree in writing, any determination required under this Section shall be made in writing by the Company's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon Employee and the Company for all purposes. For purposes of making the calculations required by this Section, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely in reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. The Company and Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. If any Payments would be reduced pursuant to the immediately preceding sentence but would not be so reduced if the stockholder approval requirements of section 280G(b)(5) of the Code are satisfied, the Company shall use its reasonable best efforts to cause such payments to be submitted for such approval prior to the event giving rise to such payments.

The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order.

12. PARTIES BENEFITED; ASSIGNMENTS

This Agreement shall be binding upon Employee, his heirs and his personal representative or representatives, and upon Company and its respective successors and assigns. Neither this Agreement nor any rights or obligations hereunder may be assigned by Employee, other than by will or by the laws of descent and distribution.

13. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Texas and Employee expressly consents to the personal jurisdiction of the Texas state and federal courts for any lawsuit relating to this Agreement.

14. DEFINITION OF COMPANY

"Company" shall include Clear Channel Outdoor Holdings, Inc., and its past, present and future divisions, operating companies, subsidiaries, affiliates and successors in interest.

15. LITIGATION AND REGULATORY COOPERATION

During and after employment, Employee shall reasonably cooperate in the defense or prosecution of claims, investigations, or other actions which relate to events or occurrences during employment. Employee's cooperation shall include being available to prepare for discovery or trial and to act as a witness. Company will pay an hourly rate (based on Base Salary as of the last day of employment) for cooperation that occurs after employment, and reimburse for reasonable expenses, including travel expenses, reasonable attorneys' fees and costs.

16. INDEMNIFICATION

Company shall defend and indemnify Employee for acts committed in the course and scope of employment.

17. DISPUTE RESOLUTION

(a) **Injunctive Relief:** Employee agrees that irreparable damages to Company will result from Employee's breach of this Agreement, including loss of revenue, loss of goodwill associated with Employee as a result of employment, and/or loss of the benefit to Company of any training, confidential, and/or trade secret information provided to Employee, and any other tangible and intangible investments made to and on behalf of Employee. A breach or threat of breach of this Agreement shall give the non-breaching party the right to seek a temporary restraining order and a preliminary or permanent injunction enjoining the breaching party from violating this Agreement in order to prevent immediate and irreparable harm. The breaching party shall pay to the non-breaching party reasonable attorneys' fees and costs associated with enforcement of this Agreement, including any appeals. Pursuit of equitable relief under this Agreement shall have no effect regarding the continued enforceability of the Arbitration Section below. Remedies for breach under this Section are cumulative and not exclusive; the parties may elect to pursue any remedies available under this Agreement.

(b) **Arbitration:** The parties agree that any dispute or claim, including discrimination or retaliation claims, relating to this Agreement or arising out of Employee's employment or termination of employment, shall, upon timely written request of either party, be submitted to binding arbitration, except claims regarding: (i) workers' compensation benefits; (ii) unemployment benefits; (iii) Company's employee welfare benefit plans, if the plan contains a final and binding appeal procedure for the resolution of disputes under the plan; (iv) wage and hour disputes within the jurisdiction of any state Labor Commissioner; and (v) issues that could be brought before the National Labor Relations Board or covered by the National Labor Relations Act. *This Agreement is not intended to prohibit the Employee from filing a claim or communicating with any governmental agency including the Equal Employment Opportunity Commission, the National Labor Relations Board or the Department of Labor*. The arbitration shall be conducted in the market in which Employee resides. The arbitration shall proceed in accordance with the *National Rules for Resolution of Employment Disputes of the American Arbitration Association* ("AAA") in effect at the time the claim or dispute arose, unless other rules are agreed upon by the parties. Unless agreed to in writing, the arbitration shall be conducted by one arbitrator from AAA or a comparable arbitration service, and who is selected pursuant to the National Rules for Resolution of Employment Disputes of the AAA, or other rules as the parties may agree to in writing. Any claims received after the applicable statute of limitations period shall be deemed null and void. The arbitrator shall issue a reasoned award with findings of fact and conclusions of law. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement, or to enforce or vacate an arbitration award. However, in actions seeking to vacate an award, the standard of review to be applied by said court to the arbitrator's findings of fact and conclusions of law will be the same as that applied by an appellate court reviewing a decision of a trial court sitting without a jury, unless state law requires otherwise. Company will pay the actual costs of arbitration excluding attorneys' fees. Unless otherwise provided by law and awarded by the arbitrator, each party will pay its own attorneys' fees and other costs.

18. REPRESENTATIONS AND WARRANTIES OF EMPLOYEE

Employee shall keep all terms of this Agreement confidential, except as may be disclosed to Employee's spouse, accountants or attorneys. Employee represents that he is under no contractual or other restriction inconsistent with the execution of this Agreement, the performance of his duties hereunder, or the rights of Company. Employee represents that he is under no disability that would hinder the performance of his duties.

19. SECTION 409A COMPLIANCE

(a) It is the intent of the Company and Employee that the payments and benefits under this Agreement shall comply with Section 409A and applicable regulations and guidance thereunder (collectively, "Section 409A") of the Internal Revenue Code of 1986, as amended, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance with Section 409A and the parties hereto agree to reasonably cooperate and use reasonable best efforts to effect such compliance. In no event shall the Company be liable for any additional tax, interest or penalty that may be imposed on Employee by reason of Section 409A or for any damages resulting from any failure to comply with Section 409A.

(b) Notwithstanding anything herein to the contrary, a termination of the Employment Period shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a “separation from service” within the meaning of Section 409A (which, by definition, includes a separation from any other entity that would be deemed a single employer together with the Company for this purpose under Section 409A), and for purposes of any such provision of this Agreement, references to a “termination”, “termination of the Employment Period”, “termination of employment” or similar terms shall mean “separation from service.”

(c) To the extent any reimbursements or in-kind benefits under this Agreement constitute “non-qualified deferred compensation” for purposes of Section 409A, (i) all such expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Employee, (ii) any right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(d) For purposes of Section 409A, Employee’s right to receive installment payments, if any, pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “payment shall be made within thirty (30) days following the date of termination”), the actual date of payment within the specified period shall be within the Company’s sole discretion. Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes “non-qualified deferred compensation” for purposes of Section 409A be subject to offset, counterclaim or recoupment by any other amount unless otherwise permitted by Section 409A.

20. MISCELLANEOUS

This Agreement is not effective unless fully executed by all parties, which may be done in counterparts. This Agreement contains the entire agreement of the parties and supersedes any prior written or oral agreements or understandings between the parties. No modification shall be valid unless in writing and signed by the parties. The failure of a party to require performance of any provision of this Agreement shall not affect the right of such party to later enforce any provision. A waiver of the breach of any term or condition of this Agreement shall not be deemed a waiver of any subsequent breach of the same or any other term or condition. If any provision of this Agreement shall, for any reason, be held unenforceable, such unenforceability shall not affect the remaining provisions hereof, except as specifically noted in this Agreement, or the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law. Company and Employee agree that the restrictions contained in Section 5, 6, and 7, are reasonable in scope and duration and are necessary to protect Confidential Information. If any restrictive covenant is held to be unenforceable because of the scope, duration or geographic area, the parties agree that the court or arbitrator may to reduce the scope, duration, or geographic area, and in its reduced form, such provision shall be enforceable. Should Employee violate the provisions of Sections 5, 6, or 7, then in addition to all other remedies available to Company, the duration of these covenants shall be extended for the period of time when Employee began such violation until he permanently ceases such violation. All provisions of this Agreement having or contemplated as having continued application from and after the termination of the Employment Period shall survive and continue in full force in accordance with their terms notwithstanding the termination of the Employment Period. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party. The headings in this Agreement are inserted for convenience of reference only and shall not control the meaning of any provision hereof.

[Signature Page Follows]

Upon full execution by all parties, this Agreement shall be effective on the Effective Date in Section 1.

EMPLOYEE:

/s/ Joseph W. Bagan Joseph Bagan	**Date:**	8/24/2010

COMPANY:

/s/ Ronald Cooper Ronald Cooper Chief Executive Officer Clear Channel Outdoor, Inc. - Americas	**Date:**	

EXHIBIT A TO EMPLOYMENT AGREEMENT

Equity Compensation. As additional consideration for entering into this Agreement, Employee shall be granted equity compensation as set forth on this Exhibit A.

On the Effective Date, Employee shall be granted 150,000 non-qualified stock options with respect to the common stock of CCOH pursuant to, and subject to the terms and conditions of, the Company's 2005 Stock Incentive Plan (the "2005 Plan"), which grant shall be evidenced by the award agreement attached hereto as Exhibit B.

EXHIBIT B TO EMPLOYMENT AGREEMENT

Optionee: **Joseph Bagan**
Date of Grant: **July 21, 2010**

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.
2005 STOCK INCENTIVE PLAN, AS AMENDED AND RESTATED
STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT (the "Agreement"), made as of this day of July 21, 2010 (the "Grant Date") by and between Clear Channel Outdoor Holdings, Inc., a Delaware corporation (the "Company"), and Joseph Bagan (the "Optionee"), evidences the grant by the Company of an Option to purchase a certain number of shares of the Company's common stock, $.01 par value (the "Common Stock") to the Optionee on such date and the Optionee's acceptance of this Option (as defined below) in accordance with the provisions of the Clear Channel Outdoor Holdings, Inc. 2005 Stock Incentive Plan, as amended and restated (the "Plan"). All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan. The Company and the Optionee agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Optionee an option (this "Option") to purchase 150,000 shares of Common Stock (the "Option Shares") from the Company at the price per share of $10.01 (the "Option Price").

2. Limitations on Exercise of Option. Except as otherwise provided in this Agreement, this Option will vest and become exercisable with respect to 25% of the shares of Common Stock covered hereby on the first anniversary of the Grant Date, as to an additional 25% of the shares of Common Stock covered hereby on the second anniversary of the Grant Date, as to an additional 25% of the shares of Common Stock covered hereby on the third anniversary of the Grant Date, and as to an additional 25% of the shares of Common Stock covered hereby on the fourth anniversary of the Grant Date (each such anniversary of the Grant Date a "Vesting Date"); provided, that, the Optionee is still employed or performing services for the Company on each such Vesting Date.

3. Term of this Option. Unless sooner terminated in accordance herewith or in the Plan, this Option shall expire on the tenth anniversary of the Grant Date ("Final Exercise Date").

4. Method of Exercise.

   a. The Optionee may exercise this Option, from time to time, to the extent then exercisable, by contacting the Company's outside Plan administrator (the "Administrator") and following the procedures established by the Administrator. The Option Price of this Option may be paid in cash or by certified or bank check or in any other manner the Compensation Committee of the Company's Board of Directors (the "Committee"), in its discretion, may permit, including, without limitation, (i) the delivery of previously-owned shares, (ii) by a combination of a cash payment and delivery of previously-owned shares, or (iii) pursuant to a cashless exercise program established and made available through a registered broker-dealer in accordance with applicable law.

b. At the time of exercise, the Optionee shall pay to the Administrator (or at the option of the Company, to the Company) such amount as the Company deems necessary to satisfy its obligation to withhold federal, state or local income or other taxes incurred by reason of the exercise of this Option. The Optionee may elect to pay to the Administrator (or at the option of the Company, to the Company) an amount equal to the amount of the taxes which the Company shall be required to withhold by delivering to the Administrator (or at the option of the Company, to the Company), cash, a check or at the sole discretion of the Company, shares of Common Stock having a Fair Market Value equal to the amount of the withholding tax obligation as determined by the Company.

5. Issuance of Shares. Except as otherwise provided in the Plan, as promptly as practical after receipt of notification of exercise and full payment of the Option Price and any required income tax withholding, the Company shall issue (if necessary) and transfer to the Optionee the number of Option Shares with respect to which this Option has been so exercised, and shall deliver to the Optionee or have deposited in the Optionee's brokerage account with the Administrator such Option Shares, at the Optionee's election either electronically or represented by a certificate or certificates therefor, registered in the Optionee's name.

6. Termination of Employment.

a. If the Optionee's termination of employment or service is due to death, this Option shall automatically vest and become immediately exercisable in full and shall be exercisable by the Optionee's designated beneficiary, or, if none, the person(s) to whom the Optionee's rights under this Option are transferred by will or the laws of descent and distribution for one year following such termination of employment or service (but in no event beyond the term of the Option), and shall thereafter terminate.

b. If the Optionee's termination of employment or service is due to Disability (as defined herein), the Optionee shall be treated, for purposes of this Agreement only, as if his/her employment or service continued with the Company for the lesser of (i) five years or (ii) the remaining term of this Option and this Option will continue to vest and remain exercisable during such period (the "Disability Vesting Period"). Upon expiration of the Disability Vesting Period, this Option shall automatically terminate; provided, that, if the Optionee should die during such period, this Option shall automatically vest and become immediately exercisable in full and shall be exercisable by the Optionee's designated beneficiary, or, if none, the person(s) to whom the Optionee's rights under this Option are transferred by will or the laws of descent and distribution for one year following such death (but in no event beyond the term of the Option), and shall thereafter terminate. For purposes of this section, "Disability" shall mean (i) if the Optionee's employment with the Company is subject to the terms of an employment or other service agreement between such Optionee and the Company, which agreement includes a definition of "Disability," the term "Disability" shall have the meaning set forth in such agreement during the period that such agreement remains in effect; and (ii) in all other cases, the term "Disability" shall mean a physical or mental infirmity which impairs the Optionee's ability to perform substantially his or her duties for a period of one hundred eighty (180) consecutive days.

c. If the termination of the Optionee's employment or service is for Cause (as defined herein), this Option shall terminate upon such termination of employment or service, regardless of whether this Option was then exercisable. For purposes of this section, "Cause" shall mean the Optionee's (i) intentional failure to perform reasonably assigned duties, (ii) dishonesty or willful misconduct in the performance of duties, (iii) involvement in a transaction in connection with the performance of duties to the Company which transaction is adverse to the interests of the Company and which is engaged in for personal profit or (iv) willful violation of any law, rule or regulation in connection with the performance of duties (other than traffic violations or similar offenses).

d. If the Optionee's employment or service is terminated by the Company without Cause or by the Optionee for Good Cause prior to a Vesting Date (as defined in Section 2 herein) during any calendar year, a pro-rata portion, if any, of the unvested Option that would have vested on the Vesting Date during the calendar year that includes the date of termination of employment or service shall become vested by multiplying the number of Options that would have vested on such Vesting Date by a fraction, the numerator of which is equal to the number of days elapsed as of such date of termination of employment or service since the last Vesting Date (or, if no prior Vesting Date, the Grant Date) and the denominator of which is 365. Any remaining unvested Option shall terminate on the date of the Optionee's termination of employment or service. For purposes of this section, "Good Cause" shall have the same meaning as set forth in the Employment Agreement.

e. If the termination of the Optionee's employment or service is for any other reason not described above, the unvested portion of the Option, if any, shall terminate on the date of Optionee's termination of employment or service and the vested portion of this Option shall be exercisable for a period of ninety (90) days following such termination of employment or service (but in no event beyond the term of the Option), and shall thereafter terminate. The Optionee's status as an employee shall not be considered terminated in the case of a leave of absence agreed to in writing by the Company (including, but not limited to, military and sick leave); provided, that, such leave is for a period of not more than three months or re-employment upon expiration of such leave is guaranteed by contract or statute.

f. Notwithstanding any other provision of this Agreement or the Plan to the contrary, including, without limitation, Sections 2 and 6 of this Agreement:

i. If Optionee has been terminated for Cause, then this Option shall be cancelled and cease to be exercisable (whether or not then vested).

ii. If it is determined by the Committee that the Optionee engaged (or is engaging in) any activity that is harmful to the business or reputation of the Company (or any parent or subsidiary), including, without limitation, any "Competitive Activity" (as defined below) or conduct prejudicial to or in conflict with the Company (or any parent or subsidiary) or any material breach of a contractual obligation to the Company (or any parent or subsidiary) (collectively, "Prohibited Acts"), then, upon such determination by the Committee, this Option shall be cancelled and cease to be exercisable (whether or not then vested).

iii. If it is determined by the Committee that the Optionee engaged in (or is engaging in) any Prohibited Act where such Prohibited Act occurred or is occurring within the one (1) year period immediately following the exercise of any Option granted under this Agreement, the Optionee agrees that he/she will repay to the Company any gain realized on the exercise of such Option (such gain to be valued as of the relevant exercise date(s)). Such repayment obligation will be effective as of the date specified by the Committee. Any repayment obligation must be satisfied in cash or, if permitted in the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the gain realized upon exercise of the Option. The Company is specifically authorized to off-set and deduct from any other payments, if any, including, without limitation, wages, salary or bonus, that it may own the Optionee to secure the repayment obligations herein contained.

The determination of whether the Optionee has engaged in a Prohibited Act shall be determined by the Committee in good faith and in its sole discretion. The provisions of Section 6(f) shall have no effect following a Change in Control (as defined herein). For purposes of this Agreement, the term "Competitive Activity" shall mean the Optionee, without the prior written permission of the Committee, anywhere in the world where the Company (or any parent or subsidiary) engages in business, directly or indirectly, (i) entering into the employ of or rendering any services to any person, entity or organization engaged in a business which is directly or indirectly related to the businesses of the Company or any parent or subsidiary ("Competitive Business") or (ii) becoming associated with or interested in any Competitive Business as an individual, partner, shareholder, creditor, director, officer, principal, agent, employee, trustee, consultant, advisor or in any other relationship or capacity other than ownership of passive investments not exceeding 1% of the vote or value of such Competitive Business.

g. The term "Company" as used in this Agreement with reference to the employment or service of the Optionee shall include the Company and its parent and subsidiaries, as appropriate.

7. Rights as a Stockholder. No shares of Common Stock shall be issued in respect of the exercise of this Option until payment of the exercise price and the applicable tax withholding obligations have been satisfied or provided for to the satisfaction of the Company, and the Optionee shall have no rights as a stockholder with respect to any shares covered by this Option until such shares are duly and validly issued by the Company to or on behalf of the Optionee.

8. Non-Transferability. This Option is not assignable or transferable except upon the Optionee's death to a beneficiary designated by the Optionee in a manner prescribed or approved for this purpose by the Committee or, if no designated beneficiary shall survive the Optionee, pursuant to the Optionee's will or by the laws of descent and distribution. During an Optionee's lifetime, this Option may be exercised only by the Optionee or the Optionee's guardian or legal representative.

9. Limitation of Rights. Nothing contained in this Agreement shall confer upon the Optionee any right with respect to the continuation of his employment or service with the Company, or interfere in any way with the right of the Company at any time to terminate such employment or other service or to increase or decrease, or otherwise adjust, the compensation and/or other terms and conditions of the Optionee's employment or other service.

10. Restrictions on Transfer. The Optionee agrees, by acceptance of this Option, that, upon issuance of any shares hereunder, that, unless such shares are then registered under applicable federal and state securities laws, (i) acquisition of such shares will be for investment and not with a view to the distribution thereof, and (ii) the Company may require an investment letter from the Optionee in such form as may be recommended by Company counsel. The Company shall in no event be obliged to register any securities pursuant to the Securities Act of 1933 (as now in effect or as hereafter amended) or to take any other affirmative action in order to cause the exercise of this Option or the issuance or transfer of shares pursuant thereto to comply with any law or regulation of any governmental authority.

11. Notice. Any notice to the Company provided for in this Agreement shall be addressed to it in care of its Secretary at its executive offices at Clear Channel Outdoor Holdings, Inc., 200 East Basse Road, San Antonio, Texas 78209-8328, and any notice to the Optionee shall be addressed to the Optionee at the current address shown on the payroll records of the Company. Any notice shall be deemed to be duly given if and when properly addressed and posted by registered or certified mail, postage prepaid.

12. Incorporation of Plan by Reference. This Option is granted pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and this Option shall in all respects be interpreted in accordance with the Plan. The Committee shall interpret and construe the Plan and this Agreement and its interpretations and determinations shall be

conclusive and binding on the parties hereto and any other person claiming an interest hereunder, with respect to any issue arising hereunder or thereunder. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control.

13. Governing Law. This Agreement and the rights of all persons claiming under this Agreement shall be governed by the laws of the State of Delaware, without giving effect to conflicts of laws principles thereof.

14. Tax Status of Option. This Option is not intended to be an incentive stock option within the meaning of Section 422 of the Code.

15. Miscellaneous. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be modified other than by written instrument executed by the parties.

IN WITNESS WHEREOF, the Company has caused this Option to be executed under its corporate seal by its duly authorized officer. This Option shall take effect as a sealed instrument.

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

By: ______________________________
Name:
Title:

Dated:

Acknowledged and Agreed

____
Name: Joseph Bagan

Address of Principal Residence:

____
____

EXHIBIT 11 – COMPUTATION OF EARNINGS (LOSS) PER SHARE

(In thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Basic and diluted numerator:				
Loss attributable to the Company – Common Shares	$ (34,894)	$ (34,376)	$ (91,803)	$(811,354)
Less: Participating securities dividends	1,196	1,221	2,589	1,221
Net loss attributable to the Company	$ (36,090)	$ (35,597)	$ (94,392)	$(812,575)
Denominator:				
Weighted average common shares – basic	355,585	355,389	355,530	355,364
Effect of dilutive securities:				
Stock options and restricted stock [(1)]	—	—	—	—
Weighted average common shares – diluted	355,585	355,389	355,530	355,364
Net loss attributable to the Company per common share:				
Basic	$ (0.10)	$ (0.10)	$ (0.27)	$ (2.29)
Diluted	$ (0.10)	$ (0.10)	$ (0.27)	$ (2.29)

(1) Equity awards of 5.5 million and 6.8 million were outstanding as of September 30, 2010 and 2009, respectively, but were not included in the computation of diluted earnings per share because to do so would have been antidilutive as the respective options' strike price was greater than the current market price of the shares.

Exhibit 31.1

EXHIBIT 31.1 – CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark P. Mays, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clear Channel Outdoor Holdings, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) 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

(d) 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 officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2010

/s/ MARK P. MAYS
Mark P. Mays
Chief Executive Officer

Exhibit 31.2

EXHIBIT 31.2 – CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas W. Casey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clear Channel Outdoor Holdings, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) 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

(d) 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 officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2010

/s/ THOMAS W. CASEY
Thomas W. Casey
Chief Financial Officer

Exhibit 32.1

EXHIBIT 32.1 – CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the Quarterly Report on Form 10-Q (the "Form 10-Q") for the quarter ended September 30, 2010 of Clear Channel Outdoor Holdings, Inc. (the "Issuer").

The undersigned hereby certifies that the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: November 8, 2010

By: /s/ MARK P. MAYS
Name: Mark P. Mays
Title: Chief Executive Officer

Exhibit 32.2

EXHIBIT 32.2 – CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the Quarterly Report on Form 10-Q (the "Form 10-Q") for the quarter ended September 30, 2010 of Clear Channel Outdoor Holdings, Inc. (the "Issuer").

The undersigned hereby certifies that the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: November 8, 2010

By:	/s/ THOMAS W. CASEY
Name:	Thomas W. Casey
Title:	Chief Financial Officer