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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 23, 2017

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

Delaware	001-32663	86-0812139
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

200 East Basse Road, Suite 100
San Antonio, Texas 78209
(Address of principal executive offices)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On February 23, 2017, Clear Channel Outdoor Holdings, Inc. (the "Company") issued a press release announcing its financial results for the quarter and year ended December 31, 2016. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form8-K, the information under this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall such information, including Exhibit 99.1, be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure

Pursuant to Section 4.03 of the Indenture, dated as of December 16, 2015, among Clear Channel International B.V. ("CCI BV"), the guarantors party thereto, and U.S. Bank National Association, as trustee (the "Trustee"), paying agent, registrar, authentication agent and transfer agent (the "Indenture"), CCI BV, an indirect, wholly-owned subsidiary of the Company, agreed to furnish to the holders of its 8.75% senior notes due 2020 and the Trustee audited consolidated financial statements of CCI BV and its subsidiaries prepared in accordance with GAAP (the "Consolidated Financial Statements"), including a Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A"). The Consolidated Financial Statements and the MD&A are furnished herewith as Exhibit 99.2 and are incorporated herein by reference.

In accordance with General Instruction B.2 of Form8-K, the information under this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall such information, including Exhibit 99.2, be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by Clear Channel Outdoor Holdings, Inc. on February 23, 2017
99.2	Audited Consolidated Financial Statements as of and for the year ended December 31, 2016 of Clear Channel International B.V. and Management's Discussion and Analysis of Financial Condition and Results of Operations

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 hereunto duly authorized.

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

Date: February 23, 2017

By: /s/ Scott D. Hamilton
Scott D. Hamilton
Senior Vice President, Chief Accounting Officer and
Assistant Secretary

Exhibit Index

Exhibit No.	Description
99.1	Press Release issued by Clear Channel Outdoor Holdings, Inc. on February 23, 2017
99.2	Audited Consolidated Financial Statements as of and for the year ended December 31, 2016 of Clear Channel International B.V. and Management's Discussion and Analysis of Financial Condition and Results of Operations

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. REPORTS RESULTS FOR 2016 FOURTH QUARTER AND FULL YEAR

San Antonio, February 23, 2017 – Clear Channel Outdoor Holdings, Inc. (NYSE: CCO) today reported financial results for the fourth quarter and year ended December 31, 2016.

"We continue to invest in transforming our Americas and International outdoor businesses to more effectively compete in an increasingly digital world," said Bob Pittman, Executive Chairman and Chief Executive Officer of Clear Channel Outdoor Holdings, Inc. "Both Americas outdoor and International outdoor made great progress in building out their industry-leading data-rich, analytics capabilities and programmatic ad-buying solutions to do business in the same way that the advertising industry does today while expanding their digital networks and winning new contracts."

"We are pleased with the successful execution of our strategic initiatives this year," said Rich Bressler, Chief Financial Officer of Clear Channel Outdoor Holdings, Inc. "In the fourth quarter and full year 2016, consolidated revenue declined and operating income increased. However, excluding the impact of the 2016 sales of certain U.S. markets and International businesses as well as foreign exchange, Americas outdoor and International outdoor revenues, operating income and OIBDAN all increased. Throughout 2016, we continued to invest in innovative products at both businesses for the benefit of our audiences and partners while maintaining tight operating and financial discipline."

Key Financial Highlights

The Company's key financial highlights for the fourth quarter of 2016 include:

- Consolidated revenue decreased 5.9%. Consolidated revenue increased 4.7%, after adjusting for a $19.8 million impact from movements in foreign exchange rates and the $58.9 million impact of markets and businesses sold in 2016.
- Americas revenues decreased $17.2 million, or 4.7%. Revenues increased $10.5 million, or 3.1%, after adjusting for a $0.1 million impact from movements in foreign exchange rates and a $27.9 million impact from the sale of non-strategic markets in the first quarter of 2016.
- International revenues decreased $28.4 million, or 7.0%. Revenues increased $22.5 million, or 6.2%, after adjusting for a $19.9 million impact from movements in foreign exchange rates and a $31.0 million impact from the sale of our businesses in Turkey in the second quarter of 2016 and Australia in the fourth quarter of 2016.
- Operating income increased 115.7% to $250.9 million.
- OIBDAN decreased 3.8%. OIBDAN increased 9.6%, excluding the impact from movements in foreign exchange rates and the impact of the non-strategic markets sold in 2016.

The Company's key financial highlights for 2016 include:

- Consolidated revenue decreased 3.7%. Consolidated revenue increased 2.7%, after adjusting for a $47.6 million impact from movements in foreign exchange rates and the $125.4 million impact of the markets and businesses sold in 2016.
  - Americas outdoor revenues decreased $70.6 million, or 5.2%. Revenues increased $39.9 million, or 3.2%, after adjusting for a $7.7 million impact from movements in foreign exchange rates and a $102.7 million impact from the non-strategic markets sold in the first quarter of 2016.
  - International outdoor revenues decreased $33.2 million, or 2.3%. Revenues increased $29.3 million, or 2.2%, after adjusting for a $39.9 million impact from movements in foreign exchange rates and a $22.7 million impact from the sale of our businesses in Turkey in the second quarter of 2016 and Australia in the fourth quarter of 2016.
- Operating income increased $376.5 million, or 144.3%.
- OIBDAN decreased 4.1% and increased 4.9%, excluding the impact from movements in foreign exchange rates and the impact of the markets and businesses sold in 2016.

Key Non-Financial Highlights

The Company's recent key non-financial highlights include:

- Installed 31 new digital billboards in the fourth quarter and 82 over the full year for an end of year total of 1,113 across North America, and installed 1,077 digital displays in the fourth quarter and almost 3,600 over the full year in the International markets for an end-of-year total of more than 9,600.
- Launched first nationwide programmatic private marketplace (PMP) solution in the U.S. forout-of-home ad-buying. This will enable advertisers and brands to purchase almost 1,000 of Americas outdoor's high impact digital inventory billboards at scale, seamlessly, within a PMP.
- Being named to AdWeek's Top Mobile Innovators of 2016 for the launch of RADAR - the industry's first suite of third-party research, data and mobile analytics tools for planning, attribution, measurement and retargeting - as well as the integration of RADAR into the first-to-market programmatic out-of-home buying solution via private marketplaces.
- Introduced the first out-of-home programmatic buying tool in Europe - this automated solution is live in Belgium with plans to continue theroll-out across Europe including the UK in March. Customers can now access and buy audience-based packages on an Automated Guaranteed basis across Clear Channel's digital out-of-home network in the city of Brussels.
- Awarded 10-year contract extension to provide Nashville International Airport with an entirely new digital advertising network that will include technologically sophisticated, state-of-the-art media.
- Won five-year partnership extension to bolster the digital media program for Austin-Bergstrom International airport.
- Renewed the city of Lyon transit contract for seven years to operateout-of-home advertising across its buses, bus shelters, Tramway and Metro. Lyon's metro system is the second largest in France after Paris.

GAAP Measures by Segment

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Revenue						
Americas	$347,355	$364,536	(4.7)%	$1,278,413	$1,349,021	(5.2)%
International	379,116	407,529	(7.0)%	1,423,982	1,457,183	(2.3)%
Consolidated revenue	**$726,471**	**$772,065**	**(5.9)%**	**$2,702,395**	**$2,806,204**	**(3.7)%**
Direct Operating and SG&A expenses[1]						
Americas	$207,026	$213,096	(2.8)%	$ 795,725	$ 830,636	(4.2)%
International	279,372	313,070	(10.8)%	1,155,046	1,195,770	(3.4)%
Consolidated Direct Operating and SG&A expenses[1]	**$486,398**	**$526,166**	**(7.6)%**	**$1,950,771**	**$2,026,406**	**(3.7)%**
Operating income						
Americas	$ 95,558	$ 98,500	(3.0)%	$ 297,034	$ 313,871	(5.4)%
International	60,061	53,360	12.6%	116,178	95,353	21.8%
Corporate[2]	(32,955)	(30,510)	8.0%	(123,095)	(121,768)	1.1%
Impairment charges	—	—	nm	(7,274)	(21,631)	(66.4)%
Other operating income (loss), net	128,203	(5,068)	(2,629.7)%	354,688	(4,824)	(7,452.6)%
Consolidated Operating income	**$250,867**	**$116,282**	**115.7%**	**$ 637,531**	**$ 261,001**	**144.3%**

1 Direct Operating and SG&A Expenses as included throughout this earnings release refers to the sum of Direct operating expenses (excludes depreciation and amortization) and Selling, general and administrative expenses (excludes depreciation and amortization).

2 Includes Corporate depreciation and amortization of $1.5 million and $1.4 million for the three months ended December 31, 2016 and 2015, respectively, and $5.7 million and $5.4 million for the years ended December 31, 2016 and 2015, respectively.

Non-GAAP Measures[1] (see preceding table for comparable GAAP measures)

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Revenue excluding movements in foreign exchange						
Americas	$347,214	$364,536	(4.8)%	$1,286,134	$1,349,021	(4.7)%
International	399,029	407,529	(2.1)%	1,463,876	1,457,183	0.5%
Consolidated revenue excluding movements in foreign exchange	**$746,243**	**$772,065**	**(3.3)%**	**$2,750,010**	**$2,806,204**	**(2.0)%**
Direct Operating and SG&A expenses[1] excluding movements in foreign exchange						
Americas	$206,766	$213,096	(3.0)%	$ 801,449	$ 830,636	(3.5)%
International	293,383	313,070	(6.3)%	1,188,284	1,195,770	(0.6)%
Consolidated Direct Operating and SG&A expenses excluding movements in foreign exchange	**$500,149**	**$526,166**	**(4.9)%**	**$1,989,733**	**$2,026,406**	**(1.8)%**
OIBDAN						
Americas	$140,329	$151,440	(7.3)%	$ 482,688	$ 518,385	(6.9)%
International	99,744	94,459	5.6%	268,936	261,413	2.9%
Corporate	(29,336)	(26,812)	9.4%	(107,145)	(108,021)	(0.8)%
Consolidated OIBDAN	**$210,737**	**$219,087**	**(3.8)%**	**$ 644,479**	**$ 671,777**	**(4.1)%**
OIBDAN excluding movements in foreign exchange						
Americas	$140,448	$151,440	(7.3)%	$ 484,685	$ 518,385	(6.5)%
International	105,646	94,459	11.8%	275,592	261,413	5.4%
Corporate	(31,092)	(26,812)	16.0%	(111,274)	(108,021)	3.0%
Consolidated OIBDAN excluding movements in foreign exchange	**$215,002**	**$219,087**	**(1.9)%**	**$ 649,003**	**$ 671,777**	**(3.4)%**
Revenue excluding effects of foreign exchange and revenue from markets and businesses sold						
Americas	$347,214	$336,653	3.1%	$1,283,664	$1,243,847	3.2%
International	$388,422	$365,902	6.2%	$1,342,836	$1,313,491	2.2%
Consolidated revenue, excluding effects of foreign exchange and revenue from markets and businesses sold	**$735,636**	**$702,555**	**4.7%**	**$2,626,500**	**$2,557,338**	**2.7%**
OIBDAN excluding effects of foreign exchange and revenue from markets and businesses sold						
Americas	$140,448	$138,200	1.6%	$ 483,985	$ 470,771	2.8%
International	$102,445	$ 81,803	25.2%	$ 250,543	$ 231,175	8.4%
Consolidated OIBDAN, excluding effects of foreign exchange and revenue from markets and businesses sold	**$211,801**	**$193,191**	**9.6%**	**$ 623,254**	**$ 593,925**	**4.9%**

Certain prior period amounts have been reclassified to conform to the 2016 presentation of financial information throughout the press release.

1 1 See the end of this press release for reconciliations of (i) OIBDAN excluding effects of foreign exchange rates and OIBDAN for each segment to segment and consolidated operating income (loss); (ii) revenues excluding effects of foreign exchange rates to revenues; (iii) direct operating and SG&A expenses excluding effects of foreign exchange rates to direct operating and SG&A expenses; (iv) corporate expenses excluding non-cash compensation expenses and effects of foreign exchange rates to corporate expenses; (v) Consolidated and segment revenues excluding the effects of foreign exchange rates and results from markets and businesses sold to Consolidated and segment revenues; (vi) Consolidated and segment direct operating and SG&A expenses excluding the effects of foreign exchange rates and results from markets and businesses sold to Consolidated and segment direct operating and SG&A expenses; and (vii) Consolidated and segment OIBDAN excluding the effects of foreign exchange rates and results from markets and businesses sold to Consolidated and segment operating income. See also the definition of OIBDAN under the Supplemental Disclosure section in this release.

Full Year 2016 Results

Consolidated

Consolidated revenue decreased $103.8 million, or 3.7%, during 2016 as compared to 2015. Consolidated revenue increased $69.2 million, or 2.7%, after adjusting for a $47.6 million impact from movements in foreign exchange rates and the $125.4 million impact of markets and businesses sold in 2016.

Consolidated direct operating and SG&A expenses decreased $75.6 million, or 3.7%, during 2016 as compared to 2015. Consolidated direct operating and SG&A expenses increased $36.6 million, or 2.0%, during 2016 as compared to 2015, after adjusting for a $39.0 million impact of movements in foreign exchange rates and the $73.2 million impact of the sale of the markets and businesses.

Consolidated operating income increased $376.5 million, or 144.3%, during 2016 as compared to 2015, primarily due to the net gain of $278.3 million on sale of nine non-strategic outdoor markets in the first quarter of 2016 and the net gain of $127.6 million on sale on our Australia business in the fourth quarter of 2016, partially offset by the $56.6 million loss, which includes $32.2 million in cumulative translation adjustments, on the sale of our Turkey business in the second quarter of 2016.

The Company's OIBDAN decreased 4.1% to $644.5 million during 2016 as compared to 2015. After adjusting for the movements in foreign exchange rates and the impact of the sale of markets and businesses, the Company's OIBDAN increased 4.9% in 2016 compared to 2015.

Included in the 2016 operating income and OIBDAN were $10.5 million of direct operating and SG&A expenses and $2.5 million of corporate expenses associated with the Company's strategic revenue and efficiency initiatives, compared to $13.5 million and $6.8 million of such expenses in 2015, respectively.

Americas Outdoor

Americas outdoor revenues decreased $70.6 million, or 5.2%, during 2016 as compared to 2015. Revenues increased $39.9 million, or 3.2%, after adjusting for a $7.7 million impact from movements in foreign exchange rates and a $102.7 million impact from non-strategic markets sold in the first quarter of 2016. The increase was primarily due to increased revenues from digital billboards as a result of new deployments and higher occupancy on existing digital billboards, as well as new airport contracts, and higher revenues in Latin America.

Direct operating and SG&A expenses decreased $34.9 million, or 4.2%, during 2016 as compared to 2015. Direct operating and SG&A expenses increased $26.6 million, or 3.4%, after adjusting for a $5.7 million impact from movements in foreign exchange rates and the $55.8 million impact from the sale of non-strategic markets during the first quarter 2016, due primarily to higher operating expenses related to new contracts and higher variable compensation expense related to higher revenues.

Operating income decreased 5.4% to $297.0 million during 2016 as compared to 2015, resulting primarily from the sale of the non-strategic outdoor markets in 2016. OIBDAN decreased $35.7 million, or 6.9%. OIBDAN increased 2.8% during 2016 as compared to 2015, after adjusting for a $2.0 million impact from movements in foreign exchange rates and the $46.9 million impact from the sale of the non-strategic markets.

International Outdoor

International outdoor revenues decreased $33.2 million, or 2.3%, during 2016 as compared to 2015. Revenues increased $29.3 million, or 2.2%, after adjusting for a $39.9 million impact from movements in foreign exchange rates and the $22.7 million impact from the sale of our businesses in Turkey and Australia in the second and fourth quarters of 2016, respectively. Higher revenue primarily from new digital assets and new contracts in China, Italy, Spain, Sweden, France and Belgium was partially offset by lower revenue due to the sale of our businesses in Turkey and Australia, as well as lower revenue in the United Kingdom due to the London bus shelter contract not being renewed.

Direct operating and SG&A expenses decreased $40.8 million, or 3.4%, during 2016 as compared to 2015. Direct operating and SG&A expenses increased $10.0 million, or 0.9%, after adjusting for a $33.3 million impact from movements in foreign exchange rates and the $17.4 million impact from the sale of our businesses in Turkey and Australia in the second and fourth quarters of 2016, respectively. Direct operating and SG&A expenses increased primarily due to higher site lease and production expenses related to higher revenues. This was partially offset by lower site lease expense due to lower revenue in the United Kingdom, as well as operating expenses of $11.4 million recorded in the fourth quarter of 2015 to correct for accounting errors included in the results for our Netherlands subsidiary reported in prior years.

Operating income increased 21.8% to $116.2 million during 2016 as compared to 2015. OIBDAN increased $7.5 million, or 2.9%. OIBDAN increased $19.3 million, or 8.4%, during 2016 as compared to 2015, after adjusting for a $6.6 million impact from movements in foreign exchange rates and the $5.3 million impact from the sale of our businesses in Turkey and Australia in the second and fourth quarters of 2016, respectively. Operating income and OIBDAN in 2016 each include $7.4 million in expenses related to investments in strategic revenue and efficiency initiatives compared to $11.1 million in 2015.

Clear Channel International B.V. ("CCIBV")

CCIBV's consolidated revenues decreased $53.7 million to $1,168.7 million in 2016 compared to 2015. This decrease includes a $35.3 million impact from movements in foreign exchange rates.

CCIBV's operating income was $100.7 million in 2016 compared to operating income of $23.8 million in 2015. This increase includes a $5.8 million impact from movements in foreign exchange rates. The increase was primarily due to the net gain of $127.6 million on sale on our business in Australia in the fourth quarter of 2016, partially offset by the $56.6 million loss, which includes $32.2 million in cumulative translation adjustments, on the sale of our business in Turkey in the second quarter of 2016.

Liquidity and Financial Position

As of December 31, 2016, we had $542.0 million of cash on our balance sheet, including $180.1 million of cash held outside the U.S. by our subsidiaries. For the year ended December 31, 2016, cash flow provided by operating activities was $310.3 million, cash flow provided by investing activities was $551.5 million, cash flow used for financing activities was $726.5 million, and there was $(6.0) million impact from movements in foreign exchange rates on cash. The net increase in cash from December 31, 2015 was $129.3 million.

Capital expenditures for the year ended December 31, 2016 were $229.8 million compared to $218.3 million for the same period in 2015.

In the first quarter of 2016, we sold nine non-strategic U.S. markets for net proceeds, including cash and certain advertising assets in Florida, totaling $592.3 million. These markets contributed $2.5 million and $105.2 million in revenue during the years ended December 31, 2016 and 2015, respectively.

We sold our business in Turkey in the second quarter of 2016. We sold our business in Australia in the fourth quarter of 2016 for net cash proceeds of $195.7 million. These businesses contributed $121.0 million and $143.7 million in revenue during the years ended December 31, 2016 and 2015, respectively.

On January 7, 2016, CCOH paid a special dividend of $217.8 million using the proceeds of the issuance of $225.0 million in aggregate principal amount of 8.75% Senior Notes due 2020 by Clear Channel International B.V., an indirect wholly-owned subsidiary of CCOH, in December 2015.

On February 4, 2016, CCOH paid a special cash dividend of $540.0 million to our stockholders using proceeds relating to a $300 million demand on the intercompany note owed by iHeartCommunications to the Company and a portion of the proceeds from the sale of non-strategic U.S. markets.

On February 9, 2017, CCOH declared a special dividend of $282.5 million to our stockholders using a portion of the proceeds from the sales of certain non-strategic U.S. markets and of our Australia business. The dividend was paid on February 23, 2017 to shareholders of record as of February 20, 2017.

Conference Call

The Company, along with its parent company, iHeartMedia, Inc., will host a conference call to discuss results on February 23, 2017 at 8:30 a.m. Eastern Time. The conference call number is (800) 230-1092 (U.S. callers) and (612) 288-0329 (International callers) and the passcode for both is 417884. A live audio webcast of the conference call will also be available on the investor section of www.iheartmedia.com and www.clearchanneloutdoor.com. After the live conference call, a replay will be available for a period of thirty days. The replay numbers are (800) 475-6701 (U.S. callers) and (320) 365-3844 (International callers) and the passcode for both is 417884. An archive of the webcast will be available beginning 24 hours after the call for a period of thirty days.

TABLE 1 - Financial Highlights of Clear Channel Outdoor Holdings, Inc. and Subsidiaries

(In thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Revenue	$726,471	$772,065	$2,702,395	2,806,204
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	359,728	386,873	1,435,569	1,494,902
Selling, general and administrative expenses (excludes depreciation and amortization)	126,670	139,293	515,202	531,504
Corporate expenses (excludes depreciation and amortization)	31,434	29,126	117,383	116,380
Depreciation and amortization	85,975	95,423	344,124	375,962
Impairment charges	—	—	7,274	21,631
Other operating income, net	128,203	(5,068)	354,688	(4,824)
Operating income	**250,867**	**116,282**	**637,531**	**261,001**
Interest expense	93,056	89,609	374,892	355,669
Interest income on Due from iHeartCommunications	13,876	15,507	50,309	61,439
Equity in loss of nonconsolidated affiliates	(315)	352	(1,689)	(289)
Other income (expense), net	(23,953)	(5,085)	(70,151)	12,387
Income (loss) before income taxes	147,419	37,447	241,108	(21,131)
Income tax benefit (expense)	(39,078)	(69,886)	(76,675)	(50,177)
Consolidated net income (loss)	108,341	(32,439)	164,433	(71,308)
Less: Amount attributable to noncontrolling interest	6,840	8,944	23,002	24,764
Net income (loss) attributable to the Company	**$101,501**	**$ (41,383)**	**$ 141,431**	**$ (96,072)**

For the three months ended December 31, 2016, foreign exchange rate movements decreased the Company's revenues by $19.8 million and decreased direct operating expenses by $10.5 million, SG&A expenses by $3.2 million and Corporate expenses by $1.8 million. For the year ended December 31, 2016, foreign exchange rate movements decreased the Company's revenues by $47.6 million and decreased direct operating expenses by $29.0 million, SG&A expenses by $9.9 million and Corporate expenses by $4.1 million.

TABLE 2 - Selected Balance Sheet Information

Selected balance sheet information for December 31, 2016 and December 31, 2015:

(In millions)	December 31,	
	2016	2015
Cash and cash equivalents	$ 542.0	$ 412.7
Total current assets	1,341.4	1,567.7
Net property, plant and equipment	1,412.8	1,628.0
Due from iHeartCommunications	885.7	930.8
Total assets	5,718.8	6,306.8
Current liabilities (excluding current portion of long-term debt)	634.7	916.3
Long-term debt (including current portion of long-term debt)	5,117.0	5,110.8
Shareholders' deficit	(932.8)	(569.7)

TABLE 3 - Total Debt

At December 31, 2016 and December 31, 2015, Clear Channel Outdoor Holdings had a total net debt of:

(In millions)	December 31, 2016	December 31, 2015
Clear Channel Worldwide Senior Notes:		
6.5% Series A Senior Notes Due 2022	$ 735.8	$ 735.8
6.5% Series B Senior Notes Due 2022	1,989.2	1,989.2
Clear Channel Worldwide Holdings Senior Subordinated Notes:		
7.625% Series A Senior Subordinated Notes Due 2020	275.0	275.0
7.625% Series B Senior Subordinated Notes Due 2020	1,925.0	1,925.0
Clear Channel International B.V. Senior Notes due 2020	225.0	225.0
Other debt	14.8	19.0
Original issue discount	(6.7)	(7.8)
Long-term debt fees	(41.1)	(50.4)
Total debt	5,117.0	5,110.8
Cash	542.0	412.7
Net Debt	$4,575.0	$4,698.1

The current portion of long-term debt was $7.0 million and $4.3 million as of December 31, 2016 and December 31, 2015, respectively.

Supplemental Disclosure Regarding Non-GAAP Financial Information

The following tables set forth the Company's OIBDAN for the three months and year ended December 31, 2016 and 2015. The Company defines OIBDAN as consolidated operating income adjusted to exclude non-cash compensation expenses, included within corporate expenses, as well as the following line items presented in its Statement of Operations: Depreciation and amortization; Impairment charges; and Other operating income, net.

The Company uses OIBDAN, among other measures, to evaluate the Company's operating performance. This measure is among the primary measures used by management for the planning and forecasting of future periods, as well as for measuring performance for compensation of executives and other members of management. We believe this measure is an important indicator of the Company's operational strength and performance of its business because it provides a link between operational performance and operating income. It is also a primary measure used by management in evaluating companies as potential acquisition targets.

The Company believes the presentation of this measure is relevant and useful for investors because it allows investors to view performance in a manner similar to the method used by the Company's management. The Company believes it helps improve investors' ability to understand the Company's operating performance and makes it easier to compare the Company's results with other companies that have different capital structures or tax rates. In addition, the Company believes this measure is also among the primary measures used externally by the Company's investors, analysts and peers in its industry for purposes of valuation and comparing the operating performance of the Company to other companies in its industry.

Since OIBDAN is not a measure calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, operating income as an indicator of operating performance and may not be comparable to similarly titled measures employed by other companies. OIBDAN is not necessarily a measure of the Company's ability to fund its cash needs. As it excludes certain financial information compared with operating income, the most directly comparable GAAP financial measure, users of this financial information should consider the types of events and transactions which are excluded.

The other non-GAAP financial measures presented in the tables below are: (i) revenues, direct operating and SG&A expenses and OIBDAN, each excluding the effects of foreign exchange rates; (ii) revenues, direct operating and SG&A expenses and OIBDAN, each excluding the effects of foreign exchange rates and the results from markets and businesses sold and (iii) corporate expenses, excluding non-cash compensation expenses and the effects of foreign exchange rates.

The Company presents revenues, direct operating and SG&A expenses and OIBDAN, each excluding the effects of foreign exchange rates, because management believes that viewing certain financial results without the impact of fluctuations in foreign currency rates facilitates period to period comparisons of business performance and provides useful information to investors. A significant portion of the Company's advertising operations are conducted in foreign markets, principally Europe, the U.K. and China, and management reviews the results from its foreign operations on a constant dollar basis. Revenues, direct operating and SG&A expenses and OIBDAN, each excluding the effects of foreign exchange rates, are calculated by converting the current period's amounts in local currency to U.S. dollars using average foreign exchange rates for the prior period.

In the first quarter of 2016, the Company sold nine non-strategic Americas markets. The Company sold its businesses in Turkey and Australia in the second and fourth quarters of 2016, respectively. The Company presents revenues, direct operating and SG&A expenses and OIBDAN, each excluding the effects of foreign exchange rates and the results from markets and businesses sold, for the consolidated Company and the Company's segments, in order to facilitate investors' understanding of operational trends without the impact of fluctuations in foreign currency rates and without the results from the markets and businesses that were sold, as these results will not be included in the Company's results in current and future periods.

Corporate expenses excluding the effects of non-cash compensation expenses is presented as OIBDAN excludes non-cash compensation expenses.

Since these non-GAAP financial measures are not calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, the most directly comparable GAAP financial measures as an indicator of operating performance.

As required by the SEC rules, the Company provides reconciliations below to the most directly comparable amounts reported under GAAP, including (i) OIBDAN excluding effects of foreign exchange rates and OIBDAN for each segment to consolidated and segment operating income (loss); (ii) Revenues excluding the effects of foreign exchange rates to revenues; (iii) Direct operating and SG&A expenses excluding the effects of foreign exchange rates to direct operating and SG&A expenses; (iv) Corporate expenses excluding non-cash compensation expenses and effects of foreign exchange rates to Corporate expenses; (v) Consolidated and segment revenues excluding the effects of foreign exchange rates and results from markets and businesses sold to Consolidated and segment revenues; (vi) Consolidated and segment direct operating and SG&A expenses excluding the effects of foreign exchange rates and results from markets and businesses sold to Consolidated and segment direct operating and SG&A expenses;
(vii) Consolidated and segment OIBDAN excluding the effects of foreign exchange rates and results from markets and businesses sold to Consolidated and segment Operating income.

Reconciliation of OIBDAN, excluding effects of foreign exchange rates and OIBDAN for each segment to, Consolidated and Segment Operating Income (Loss)

(In thousands)	OIBDAN excluding effects of foreign exchange	Foreign exchange effects	**OIBDAN (subtotal)**	Non-cash compensation expenses	Depreciation and amortization	Impairment charges	Other operating (income) expense, net	Operating income (loss)
Three Months Ended December 31, 2016								
Americas	$ 140,448	$ (119)	**$ 140,329**	$ —	$ 44,771	$ —	$ —	$ 95,558
International	105,646	(5,902)	**99,744**	—	39,683	—	—	60,061
Corporate	(31,092)	1,756	**(29,336)**	2,098	1,521	—	—	(32,955)
Impairment charges	—	—	**—**	—	—	—	—	—
Other operating income, net	—	—	**—**	—	—	—	(128,203)	128,203
Consolidated	**$ 215,002**	**$ (4,265)**	**$ 210,737**	**$ 2,098**	**$ 85,975**	**$ —**	**$ (128,203)**	**$ 250,867**
Three Months Ended December 31, 2015								
Americas	$ 151,440	$ —	**$ 151,440**	$ —	$ 52,940	$ —	$ —	$ 98,500
International	94,459	—	**94,459**	—	41,099	—	—	53,360
Corporate	(26,812)	—	**(26,812)**	2,314	1,384	—	—	(30,510)
Impairment charges	—	—	**—**	—	—	—	—	—
Other operating expense, net	—	—	**—**	—	—	—	5,068	(5,068)
Consolidated	**$ 219,087**	**$ —**	**$ 219,087**	**$ 2,314**	**$ 95,423**	**$ —**	**$ 5,068**	**$ 116,282**
Year Ended December 31, 2016								
Americas	$ 484,685	$ (1,997)	**$ 482,688**	$ —	$ 185,654	$ —	$ —	$ 297,034
International	275,592	(6,656)	**268,936**	—	152,758	—	—	116,178
Corporate	(111,274)	4,129	**(107,145)**	10,238	5,712	—	—	(123,095)
Impairment charges	—	—	**—**	—	—	7,274	—	(7,274)
Other operating income, net	—	—	**—**	—	—	—	(354,688)	354,688
Consolidated	**$ 649,003**	**$ (4,524)**	**$ 644,479**	**$ 10,238**	**$ 344,124**	**$ 7,274**	**$ (354,688)**	**$ 637,531**
Year Ended December 31, 2015								
Americas	$ 518,385	$ —	**$ 518,385**	$ —	$ 204,514	$ —	$ —	$ 313,871
International	261,413	—	**261,413**	—	166,060	—	—	95,353
Corporate	(108,021)	—	**(108,021)**	8,359	5,388	—	—	(121,768)
Impairment charges	—	—	**—**	—	—	21,631	—	(21,631)
Other operating expense, net	—	—	**—**	—	—	—	4,824	(4,824)
Consolidated	**$ 671,777**	**$ —**	**$ 671,777**	**$ 8,359**	**$ 375,962**	**$ 21,631**	**$ 4,824**	**$ 261,001**

Reconciliation of Revenues, excluding effects of foreign exchange rates, to Revenues

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Consolidated revenue	$726,471	$772,065	(5.9)%	$2,702,395	2,806,204	(3.7)%
Excluding: Foreign exchange decrease	19,772	—		47,615	—	
Consolidated revenue excluding effects of foreign exchange	**$746,243**	**$772,065**	(3.3)%	**$2,750,010**	**$2,806,204**	(2.0)%
Americas revenue	$347,355	$364,536	(4.7)%	$1,278,413	$1,349,021	(5.2)%
Excluding: Foreign exchange (increase) decrease	(141)	—		7,721	—	
Americas revenue excluding effects of foreign exchange	**$347,214**	**$364,536**	(4.8)%	**$1,286,134**	**$1,349,021**	(4.7)%
International revenue	$379,116	$407,529	(7.0)%	$1,423,982	$1,457,183	(2.3)%
Excluding: Foreign exchange decrease	19,913	—		39,894	—	
International revenue excluding effects of foreign exchange	**$399,029**	**$407,529**	(2.1)%	**$1,463,876**	**$1,457,183**	0.5%

Reconciliation of Direct operating and SG&A expenses, excluding effects of foreign exchange rates, to Direct operating and SG&A expenses

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Consolidated direct operating and SG&A expenses	$486,398	$526,166	(7.6)%	$1,950,771	$2,026,406	(3.7)%
Excluding: Foreign exchange decrease	13,751	—		38,962	—	
Consolidated direct operating and SG&A expenses excluding effects of foreign exchange	**$500,149**	**$526,166**	(4.9)%	**$1,989,733**	**$2,026,406**	(1.8)%
Americas direct operating and SG&A expenses	$207,026	$213,096	(2.8)%	$ 795,725	$ 830,636	(4.2)%
Excluding: Foreign exchange (increase) decrease	(260)	—		5,724	—	
Americas direct operating and SG&A expenses excluding effects of foreign exchange	**$206,766**	**$213,096**	(3.0)%	**$ 801,449**	**$ 830,636**	(3.5)%
International direct operating and SG&A expenses	$279,372	$313,070	(10.8)%	$1,155,046	$1,195,770	(3.4)%
Excluding: Foreign exchange decrease	14,011	—		33,238	—	
International direct operating and SG&A expenses excluding effects of foreign exchange	**$293,383**	**$313,070**	(6.3)%	**$1,188,284**	**$1,195,770**	(0.6)%

Reconciliation of Corporate expenses, excluding non-cash compensation expenses and effects of foreign exchange rates, to Corporate Expenses

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Corporate Expense	$31,434	$29,126	7.9%	$117,383	$116,380	0.9%
Excluding: Non-cash compensation expense	(2,098)	(2,314)		(10,238)	(8,359)	
Corporate Expense excluding non-cash compensation expense	**$29,336**	**$26,812**	9.4%	**$107,145**	**$108,021**	(0.8)%
Excluding: Foreign exchange decrease	$ 1,756	$ —		$ 4,129	$ —	
Corporate Expense excluding non-cash compensation expense and effects of foreign exchange	**$31,092**	**$26,812**	16.0%	**$111,274**	**$108,021**	3.0%

Reconciliation of Consolidated and Segment Revenues, excluding effects of foreign exchange rates and results from markets and businesses sold, to Consolidated and Segment Revenues

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Consolidated revenue	$726,471	$772,065	(5.9)%	$2,702,395	$2,806,204	(3.7)%
Excluding: Revenue from markets and businesses sold	(10,607)	(69,510)		(123,510)	(248,866)	
Excluding: Foreign exchange decrease	19,772	—		47,615	—	
Consolidated revenue, excluding effects of foreign exchange and revenue from markets and businesses sold	**$735,636**	**$702,555**	4.7%	**$2,626,500**	**$2,557,338**	2.7%
Americas revenue	$347,355	$364,536	(4.7)%	$1,278,413	$1,349,021	(5.2)%
Excluding: Revenue from non-strategic markets sold	—	(27,883)		(2,470)	(105,174)	
Excluding: Foreign exchange (increase) decrease	(141)	—		7,721	—	
Americas revenue, excluding effects of foreign exchange and revenue from non-strategic markets sold	**$347,214**	**$336,653**	3.1%	**$1,283,664**	**$1,243,847**	3.2%
International revenue	$379,116	$407,529	(7.0)%	$1,423,982	$1,457,183	(2.3)%
Excluding: Revenue from businesses sold	(10,607)	(41,627)		(121,040)	(143,692)	
Excluding: Foreign exchange decrease	19,913	—		39,894	—	
International revenue, excluding effects of foreign exchange and revenue from businesses sold	**$388,422**	**$365,902**	6.2%	**$1,342,836**	**$1,313,491**	2.2%

Reconciliation of Consolidated and Segment Direct operating and SG&A expenses, excluding effects of foreign exchange rates and results from markets and businesses sold, to Consolidated and Segment Direct operating and SG&A expenses

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Consolidated direct operating and SG&A expenses	$486,398	$526,166	(7.6)%	$1,950,771	$2,026,406	(3.7)%
Excluding: Operating expenses from markets and businesses sold	(7,406)	(43,614)		(97,761)	(171,014)	
Excluding: Foreign exchange decrease	13,751	—		38,962	—	
Consolidated direct operating and SG&A expenses, excluding effects of foreign exchange and operating expenses from markets and businesses sold	**$492,743**	**$482,552**	2.1%	**$1,891,972**	**$1,855,392**	2.0%
Americas direct operating and SG&A expenses	$207,026	$213,096	(2.8)%	$ 795,725	$ 830,636	(4.2)%
Excluding: Operating expenses from non-strategic markets sold	—	(14,643)		(1,770)	(57,560)	
Excluding: Foreign exchange (increase) decrease	(260)	—		5,724	—	
Americas direct operating and SG&A expenses, excluding effects of foreign exchange and operating expenses from non-strategic markets sold	**$206,766**	**$198,453**	4.2%	**$ 799,679**	**$ 773,076**	3.4%
International direct operating and SG&A expenses	$279,372	$313,070	(10.8)%	$1,155,046	$1,195,770	(3.4)%
Excluding: Operating expenses from businesses sold	(7,406)	(28,971)		(95,991)	(113,454)	
Excluding: Foreign exchange decrease	14,011	—		33,238	—	
International direct operating and SG&A expenses, excluding effects of foreign exchange and operating expenses from businesses sold	**$285,977**	**$284,099**	0.7%	**$1,092,293**	**$1,082,316**	0.9%

Reconciliation of Consolidated and Segment OIBDAN, excluding effects of foreign exchange rates and results from markets and businesses sold to, Consolidated and Segment Operating income

(In thousands)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	% Change	Year Ended December 31, 2016	Year Ended December 31, 2015	% Change
Consolidated operating income	$ 250,867	$116,282	115.7%	$ 637,531	$261,001	144.3%
Excluding: Revenue, direct operating and SG&A expenses from markets and businesses sold	(3,201)	(25,896)		(25,749)	(77,852)	
Excluding: Foreign exchange (increase) decrease	4,265	—		4,524	—	
Excluding: Non-cash compensation expense	2,098	2,314		10,238	8,359	
Excluding: Depreciation and amortization	85,975	95,423		344,124	375,962	
Excluding: Impairment charges	—	—		7,274	21,631	
Excluding: Other operating (income) expense, net	(128,203)	5,068		(354,688)	4,824	
Consolidated OIBDAN, excluding effects of foreign exchange and OIBDAN from markets and businesses sold	**$ 211,801**	**$193,191**	9.6%	**$ 623,254**	**$593,925**	4.9%
Americas Outdoor operating income	$ 95,558	$ 98,500	(3.0)%	$ 297,034	$313,871	(5.4)%
Excluding: Revenue, direct operating and SG&A expenses from non-strategic markets sold	—	(13,240)		(700)	(47,614)	
Excluding: Foreign exchange decrease	119	—		1,997	—	
Excluding: Depreciation and amortization	44,771	52,940		185,654	204,514	
Americas Outdoor OIBDAN, excluding effects of foreign exchange and OIBDAN from non-strategic markets sold	**$ 140,448**	**$138,200**	1.6%	**$ 483,985**	**$470,771**	2.8%
International Outdoor operating income	$ 60,061	$ 53,360	12.6%	$ 116,178	$ 95,353	21.8%
Excluding: Revenue, direct operating and SG&A expenses of businesses sold	(3,201)	(12,656)		(25,049)	(30,238)	
Excluding: Foreign exchange decrease	5,902	—		6,656	—	
Excluding: Depreciation and amortization	39,683	41,099		152,758	166,060	
International Outdoor OIBDAN, excluding effects of foreign exchange and OIBDAN from businesses sold	**$ 102,445**	**$ 81,803**	25.2%	**$ 250,543**	**$231,175**	8.4%

About Clear Channel Outdoor Holdings, Inc.

Clear Channel Outdoor Holdings, Inc., (NYSE: CCO) is one of the world's largest outdoor advertising companies, with over 590,000 displays in 35 countries across five continents, including 43 of the 50 largest markets in the United States. Clear Channel Outdoor Holdings offers many types of displays across its global platform to meet the advertising needs of its customers. This includes a growing digital platform that now offers more than 1,000 digital billboards across 27 markets in the United States. Clear Channel Outdoor Holdings' International segment operates in 19 countries across Asia and Europe in a wide variety of formats. More information is available at www.clearchanneloutdoor.com and www.clearchannelinternational.com.

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Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other

factors which may cause the actual results, performance or achievements of Clear Channel Outdoor Holdings, Inc. and its subsidiary Clear Channel International B.V. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The words or phrases “guidance,” “believe,” “expect,” “anticipate,” “estimates,” “forecast” and similar words or expressions are intended to identify such forward-looking statements. In addition, any statements that refer to expectations or other characterizations of future events or circumstances, such as statements about our business plans, strategies and initiatives and our expectations about certain markets, are forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Various risks that could cause future results to differ from those expressed by the forward-looking statements included in this press release include, but are not limited to: weak or uncertain global economic conditions; changes in general economic and political conditions in the United States and in other countries in which the Company currently does business; industry conditions, including competition; the level of expenditures on advertising; legislative or regulatory requirements; fluctuations in operating costs; technological changes and innovations; changes in labor conditions; capital expenditure requirements; risks of doing business in foreign countries; fluctuations in exchange rates and currency values; the outcome of pending and future litigation; taxes and tax disputes; changes in interest rates; shifts in population and other demographics; access to capital markets and borrowed indebtedness; the Company’s ability to implement its business strategies; risks relating to the successful integration of the operations of acquired businesses; risks that the anticipated cost savings from the Company’s strategic revenue and efficiency initiatives may not persist; the impact of the Company’s substantial indebtedness, including the effect of the Company’s leverage on its financial position and earnings; the Company’s ability to generate sufficient cash from operations or liquidity-generating transactions to make payments on its indebtedness; the Company’s relationship with iHeartCommunications, including its ability to elect all of the members of the Company’s Board of Directors and its ability, as controlling stockholder, to determine the outcome of matters submitted to the stockholders and certain additional matters governed by intercompany agreements between the Company and iHeartCommunications; and the impact of these and additional factors on iHeartCommunications, the Company’s primary direct or indirect external source of capital, which could have a significant need for capital in the future. Other unknown or unpredictable factors also could have material adverse effects on the Company’s future results, performance or achievements. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this press release may not occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release. Other key risks are described in the Company’s reports filed with the U.S. Securities and Exchange Commission, including the section entitled “Item 1A. Risk Factors” of Clear Channel Outdoor Holdings, Inc.’s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Except as otherwise stated in this press release, the Company does not undertake any obligation to publicly update or revise any forward-looking statements because of new information, future events or otherwise.

Exhibit 99.2

CLEAR CHANNEL INTERNATIONAL B.V.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 and 2015

Report of Independent Auditors

The Directors of Clear Channel International B.V.

We have audited the accompanying consolidated financial statements of Clear Channel International B.V. and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2016 and 2015 and the related consolidated statements of comprehensive income, cash flows and shareholder's deficit for each of the three years in the period ended December 31, 2016, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Clear Channel International B.V. and subsidiaries at December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young, LLP

February 23, 2017

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands)	December 31, 2016	December 31, 2015
CURRENT ASSETS		
Cash and cash equivalents	$ 64,437	$ 47,869
Accounts receivable, net of allowance of $7,967 in 2016 and $12,623 in 2015	263,125	344,060
Prepaid expenses	38,365	46,905
Other current assets	27,840	28,688
Total Current Assets	393,767	467,522
Property, plant and equipment, net	265,658	343,131
INTANGIBLE ASSETS AND GOODWILL		
Intangible assets, net	20,434	40,818
Goodwill	180,851	223,893
OTHER ASSETS		
Related party notes receivable	233,149	229,734
Other assets	109,348	42,242
Total Assets	$ 1,203,207	$ 1,347,340
CURRENT LIABILITIES		
Accounts payable	$ 67,516	$ 84,155
Accrued expenses	271,909	283,231
Deferred income	29,816	47,521
Current portion of long-term debt	558	2,077
Total Current Liabilities	369,799	416,984
Long-term debt	221,991	221,960
Related party subordinated notes payable	963,706	986,089
Other long-term liabilities	117,781	102,997
Commitments and contingencies (Note 8)		
SHAREHOLDER'S DEFICIT		
Noncontrolling interest	1,671	32,332
Parent Company's net investment	(913,228)	(753,062)
Accumulated other comprehensive income	441,487	340,040
Total Shareholder's Deficit	(470,070)	(380,690)
Total Liabilities and Shareholder's Deficit	$ 1,203,207	$ 1,347,340

See Notes to Consolidated Financial Statements

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)	Years Ended December 31, 2016	2015	2014
Revenue	$1,168,707	$1,222,400	$1,381,653
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	753,610	792,566	897,136
Selling, general and administrative expenses (excludes depreciation and amortization)	258,626	266,417	294,353
Corporate expenses (excludes depreciation and amortization)	25,830	25,332	30,880
Depreciation and amortization	97,607	118,892	138,878
Impairment charges	7,274	—	—
Other operating income, net	74,980	4,617	4,539
Operating income	100,740	23,810	24,945
Interest expense, net	37,899	68,112	72,147
Equity in earnings (loss) of nonconsolidated affiliates	(2,837)	(1,935)	2,038
Other income (expense), net	(9,246)	(3,381)	6,176
Net income (loss) before income taxes	50,758	(49,618)	(38,988)
Income tax (benefit) expense	(32,315)	12,282	4,244
Consolidated net income (loss)	83,073	(61,900)	(43,232)
Less amount attributable to noncontrolling interest	6,167	7,095	8,814
Net income (loss) attributable to the Company	$ 76,906	$ (68,995)	$ (52,046)
Other comprehensive income, net of tax:			
Foreign currency translation adjustments	70,530	106,839	115,990
Unrealized holding gain (loss) on marketable securities	(12)	40	13
Pension adjustments to comprehensive income (loss), net of tax of $813, $(1,275) and $(3,689), respectively	(12,942)	(9,111)	(12,568)
Reclassification adjustment for amortization of pension actuarial gains and net period costs included in operating expenses, net of tax of $231, $290 and $(7), respectively	1,128	808	8
Reclassification adjustment for realized cumulative translation adjustments on sale of businesses included in Other operating income, net	46,730	—	—
Other comprehensive income, net of tax	105,434	98,576	103,443
Comprehensive income	182,340	29,581	51,397
Less amount attributable to noncontrolling interest	1,444	(4,026)	(3,916)
Comprehensive income attributable to the Company	$ 180,896	$ 33,607	$ 55,313

See Notes to Consolidated Financial Statements

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Years Ended December 31, 2016	2015	2014
Cash flows from operating activities:			
Consolidated net income (loss)	$ 83,073	$ (61,900)	$ (43,232)
Reconciling items:			
Impairment charges	7,274	—	—
Depreciation and amortization	97,607	118,892	138,878
Deferred taxes	(51,482)	(8,576)	(2,595)
Provision for doubtful accounts	1,411	4,670	3,651
Amortization of deferred financing charges and note discounts, net	1,831	—	—
Share-based compensation	4,633	2,647	2,553
Net gain on sale of operating assets	(74,980)	(4,813)	(4,539)
Equity in (earnings) loss of nonconsolidated affiliates	2,837	1,935	(2,038)
Noncash capitalized interest expense	34,673	—	—
Other reconciling items, net	7,633	1,637	(6,031)
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	23,730	(38,358)	(10,677)
Increase (decrease) in accrued expenses	36,325	4,571	(8,957)
Increase (decrease) in accounts payable	(7,336)	20,032	5,271
Increase (decrease) in deferred income	(10,137)	10,677	(7,929)
Changes in other operating assets and liabilities	(21,500)	(5,092)	(24,903)
Net cash provided by operating activities	135,592	46,322	39,452
Cash flows from investing activities:			
Purchases of property, plant and equipment	(88,522)	(70,222)	(57,453)
Proceeds from disposal of assets	213,272	6,120	20,733
Purchases of other operating assets	(555)	(24,701)	—
Decrease (increase) in related party notes receivable, net	(3,415)	(225,053)	(4,681)
Other, net	(21,650)	(5,825)	(3,694)
Net cash provided by (used for) investing activities	99,130	(319,681)	(45,095)
Cash flows from financing activities:			
Net borrowings (payments) on credit facilities	—	(764)	877
Proceeds from long-term debt	6,055	222,777	—
Payments on long-term debt	(2,255)	—	—
Net transfers (to) from related parties	(208,794)	79,754	11,404
Decrease in related party notes payable	(8,969)	(11,702)	(30,406)
Dividends and other payments to noncontrolling interests	(765)	(7,723)	(8,282)
Other, net	(200)	—	—
Net cash provided by (used for) provided by financing activities	(214,928)	282,342	(26,407)
Effect of exchange rate changes on cash	(3,226)	(5,052)	(4,904)
Net increase (decrease) in cash and cash equivalents	16,568	3,931	(36,954)
Cash and cash equivalents at beginning of period	47,869	43,938	80,892
Cash and cash equivalents at end of period	$ 64,437	$ 47,869	$ 43,938
Cash paid for interest	19,633	—	48,408
Cash paid for income taxes	16,596	20,847	17,935

See Notes to Consolidated Financial Statements

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S DEFICIT

(In thousands)	The Company	Non-controlling Interest	Consolidated
Balance, January 1, 2014	**$(1,186,317)**	**$ 40,370**	**$(1,145,947)**
Consolidated net income (loss)	(52,046)	8,814	(43,232)
Foreign currency translation adjustments	119,906	(3,916)	115,990
Unrealized holding gain on marketable securities	13	—	13
Pension adjustments to comprehensive income	(12,560)	—	(12,560)
Dividends and other payments to noncontrolling interests	—	(8,282)	(8,282)
Net transfers from related parties	11,404	—	11,404
Other, net	2,553	—	2,553
Balance, December 31, 2014	**$(1,117,047)**	**$ 36,986**	**$(1,080,061)**

(In thousands)	The Company	Non-controlling Interest	Consolidated
Balance, January 1, 2015	**$(1,117,047)**	**$ 36,986**	**$(1,080,061)**
Consolidated net income (loss)	(68,995)	7,095	(61,900)
Foreign currency translation adjustments	110,865	(4,026)	106,839
Unrealized holding gain on marketable securities	40	—	40
Pension adjustments to comprehensive income	(8,303)	—	(8,303)
Dividends and other payments to noncontrolling interests	—	(7,723)	(7,723)
Net transfers from related parties	968,321	—	968,321
Capitalization of interest on related party subordinated notes payable	(300,550)	—	(300,550)
Other, net	2,647	—	2,647
Balance, December 31, 2015	**$ (413,022)**	**$ 32,332**	**$ (380,690)**

(In thousands)	The Company	Non-controlling Interest	Consolidated
Balance, January 1, 2016	**$ (413,022)**	**$ 32,332**	**$ (380,690)**
Consolidated net income	76,906	6,167	83,073
Foreign currency translation adjustments	69,086	1,444	70,530
Unrealized holding loss on marketable securities	(12)	—	(12)
Pension adjustments to comprehensive income	(11,814)	—	(11,814)
Dividends and other payments to non-controlling interests	—	(765)	(765)
Disposal of non-controlling interests	—	(37,507)	(37,507)
Net transfers to related parties	(208,794)	—	(208,794)
Capitalization of interest on related party subordinated notes payable	(35,454)	—	(35,454)
Reclassification adjustments	46,730	—	46,730
Other, net	4,633	—	4,633
Balance, December 31, 2016	**$ (471,741)**	**$ 1,671**	**$ (470,070)**

See Notes to Consolidated Financial Statements

NOTE 1 – NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Clear Channel Outdoor Holdings, Inc. ("CCOH" or the "Parent Company") is an outdoor advertising company, which owns and operates advertising display faces in the United States and internationally. CCOH has two reportable business segments: Americas and International. CCOH's International segment ("CCI") operates across 19 countries in Europe and Asia and provides advertising on street furniture and transit displays, billboards, mall displays, Smartbike programs, wallscapes and other displays, which are owned or operated under lease agreements. Clear Channel International B.V. ("CCIBV" or the "Company") is a subsidiary of the CCI business and consists of CCI operations primarily in Europe and Singapore. These consolidated financial statements represent the consolidated results of operations, financial position and cash flows of CCIBV.

History

On November 11, 2005, CCOH became a publicly traded company through an initial public offering ("IPO"), in which 10%, or 35.0 million shares, of CCOH's Class A common stock was sold. Prior to the IPO, CCOH was an indirect wholly-owned subsidiary of iHeartCommunications, Inc. ("iHeartCommunications"), a diversified media and entertainment company. On July 30, 2008, iHeartCommunications completed its merger (the "Merger") with a subsidiary of iHeartMedia, Inc. ("iHeartMedia"), a company formed by a group of private equity funds sponsored by Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. (together, the "Sponsors"). iHeartCommunications is now owned indirectly by iHeartMedia.

Agreements with iHeartCommunications

There are several agreements which govern the Company's relationship with CCOH, CCI and the CCOH relationship with iHeartCommunications related to corporate, employee, tax and other services. Certain of these costs, as applicable, are allocated to the Company from CCOH. iHeartCommunications has the right to terminate these agreements in various circumstances. As of the date of the issuance of these consolidated financial statements, no notice of termination of any of these agreements has been received from iHeartCommunications.

Going Concern

During the second quarter of 2014, the FASB issued ASU No. 2014-15,*Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.* This update provides U.S. GAAP guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, the Company will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments in this update are effective for annual periods ending after December 15, 2016, and for interim periods thereafter. The Company adopted this standard for the year-ended December 31, 2016. See Note 5—Related Party Transactions.

Basis of Presentation

These consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and have been derived from the accounting records of CCOH using the historical results of operations and historical bases of assets and liabilities of the Company. Assets and liabilities, revenues and expenses that pertain to the Company have been included in these consolidated financial statements. These consolidated financial statements include the results of operations in the following markets: Australia, Belgium, Denmark, Estonia, Finland, France, Holland, Hungary, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Singapore, Spain, Sweden, Switzerland and the United Kingdom. During the fourth quarter of 2016, the Company sold its business in Australia (see Note 3 to these consolidated financial statements).

The consolidated financial statements include the accounts of the Company and its subsidiaries. Also included in the consolidated financial statements are entities for which the Company has a controlling financial interest or is the primary beneficiary. 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 a company are accounted for using the equity method of accounting. All significant intercompany accounts have been eliminated.

The Company utilizes the services of CCOH and CCI for certain functions, such as certain legal, finance, internal audit, financial reporting, tax advisory, insurance, global information technology, environmental matters and human resources services, including various employee benefit programs. The cost of these services has been allocated to the Company and included in these consolidated financial statements. The Company's management considers these allocations to have been made on a reasonable basis. A complete discussion of the relationship with CCOH, including a description of the costs that have been allocated to the Company, is included in Note 5, *Related Party Transactions* to the consolidated financial statements.

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes including, but not limited to, legal, tax and insurance accruals. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The consolidated financial statements included herein may not be indicative of the financial position, results of operations or cash flows had CCIBV operated as a separate entity during the periods presented or for future periods. As these consolidated financial statements present a portion of the businesses of CCOH, the net assets of CCIBV have been presented as CCOH's net investment in CCIBV. CCOH's investment in CCIBV includes the accumulated deficit of CCIBV, net of cash transfers related to cash management functions performed by CCOH.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company evaluates the collectability of its accounts receivable based on a combination of factors. In circumstances where it is aware of a specific customer's inability to meet its financial obligations, it records a specific reserve to reduce the amounts recorded to what it believes will be collected. For all other customers, it recognizes reserves for bad debt based on historical experience of bad debts as a percent of revenue for each country, adjusted for relative improvements or deteriorations in the agings and changes in current economic conditions. The Company believes its concentration of credit risk is limited due to the large number and the geographic diversification of its customers.

Deposits

The Company has contracted rights to put structures on certain land or property. These agreements may dictate that a deposit be paid by the Company to the respective landlords. The agreements specify the terms in which the deposit will be returned to the Company. Deposits expected to be returned within 12 months are recorded as a current asset in "Other current assets." Deposits expected to be returned in a period that is beyond 12 months are recorded as a noncurrent asset in "Other assets."

Business Combinations

The Company accounts for its business combinations under the acquisition method of accounting. The total cost of an acquisition is allocated to the underlying identifiable net assets based on their respective estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, asset lives and market multiples, among other items. Various acquisition agreements may include contingent purchase consideration based on performance requirements of the investee. The Company accounts for these payments in conformity with the provisions of ASC 805-20-30, which establish the requirements related to recognition of certain assets and liabilities arising from contingencies.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method at rates that, in the opinion of management, are adequate to allocate the cost of such assets over their estimated useful lives, which are as follows:

Buildings and improvements - 10 to 39 years

Structures - 5 to 20 years

Furniture and other equipment - 2 to 20 years

Leasehold improvements - shorter of economic life or lease term assuming renewal periods, if appropriate

For assets associated with a lease or contract, the assets are depreciated at the shorter of the economic life or the lease or contract term, assuming renewal periods, if appropriate. Expenditures for maintenance and repairs are charged to operations as incurred, whereas expenditures for renewal and betterments are capitalized.

The Company tests for possible impairment of property, plant and equipment whenever events and circumstances indicate that depreciable assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

Land Leases and Other Structure Leases

Most of the Company's advertising structures are located on property or land where the Company has a contracted right to put a structure on the property or land. Land leases are paid both in advance and in arrears, for periods typically ranging up to 12 months. Most street furniture display faces are operated through contracts with municipalities for up to 15 years. The leased land and street furniture contracts often include a percent of revenue to be paid along with a base rent payment. Prepaid land leases are recorded as an asset and expensed ratably over the related rental term and license and rent payments in arrears are recorded as an accrued liability.

Intangible Assets

Intangible assets consist of definite-lived intangible assets. The Company's definite-lived intangible assets include primarily transit and street furniture contracts, site leases and other contractual rights, all of which 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 Company periodically reviews the appropriateness of the amortization periods related to its definite-lived intangible assets. These assets are recorded at amortized cost.

The Company tests for possible impairment of intangible assets whenever events and circumstances indicate that they might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

Goodwill

At least annually, the Company performs its impairment test for each reporting unit's goodwill. In 2016 and 2015, the Company used a discounted cash flow model to determine if the carrying value of the reporting unit, including goodwill, is less than the fair value of the reporting unit. In accordance with ASC 350-20-55, the Company determined that each country in which the Company operates constitutes a separate reporting unit. The Company recognized an impairment of goodwill of $7.3 million for 2016 based on declining future cash flows expected in one country and no impairment of goodwill for 2015 or 2014.

Equity Method Investments

In general, investments in which the Company owns 20 percent to 50 percent of the common stock or otherwise exercises significant influence over the investee are accounted for under the equity method. The Company does not recognize gains or losses upon the issuance of securities by any of its equity method investees. The Company reviews the value of equity method investments and records impairment charges in the consolidated statement of comprehensive income (loss) as a component of "Equity in earnings (loss) of nonconsolidated affiliates" for any decline in value that is determined to be other-than-temporary.

Other Investments

Other investments are composed primarily of equity securities. These securities are classified as available-for-sale and are carried at fair value based on quoted market prices. Securities are carried at historical value when quoted market prices are unavailable. The net unrealized gains or losses on the available-for-sale securities, net of tax, are reported in accumulated other comprehensive income as a component of Shareholder's Deficit. The Company periodically assesses the value of available-for-sale and non-marketable securities and records impairment charges in the Statement of Comprehensive Income for any decline in value that is determined to be other-than-temporary. The average cost method is used to compute the realized gains and losses on sales of equity securities.

The Company periodically assesses the value of its available-for-sale securities. Based on these assessments, no impairments existed at December 31, 2016, 2015 and 2014.

Financial Instruments

Due to their short maturity, the carrying amounts of accounts receivable, accounts payable and accrued liabilities approximated their fair values at December 31, 2016 and 2015.

Asset Retirement Obligation

ASC 410-20 requires the Company to estimate its obligation upon the termination or non-renewal of a lease or contract to dismantle and remove its advertising structures from the leased land or property and to restore the site to its original condition. The Company's asset retirement obligation is reported in "Other long-term liabilities." The Company records the present value of obligations associated with the retirement of its advertising structures in the period in which the obligation is incurred. When the liability is recorded, the cost is capitalized as part of the related advertising structures carrying amount. Over time, accretion of the liability is recognized as an operating expense and the capitalized cost is depreciated over the expected useful life of the related asset.

Income Taxes

The Company accounts for income taxes using the liability method. Under this method, 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 that some portion or the entire asset will not be realized.

The operations of the Company are subject to current income taxes at the local country statutory rate where the income is being earned and in accordance with the rules established by the applicable jurisdiction taxation authorities.

Revenue Recognition

The Company's advertising contracts cover periods of a few weeks up to one year and are generally billed monthly. Revenue for advertising space rental is recognized ratably over the term of the contract. Advertising revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for the Company's operations. Payments received in advance of being earned are recorded as deferred income. Revenue arrangements may contain multiple products and services and revenues are allocated based on the relative fair value of each delivered item and recognized in accordance with the applicable revenue recognition criteria for the specific unit of accounting.

Advertising Expense

The Company records advertising expense as it is incurred. Advertising expenses were $18.2 million, $20.2 million and $20.7 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Foreign Currency

All results of operations are for non-U.S. subsidiaries and non-U.S. equity investees which are translated into U.S. dollars, the reporting currency of the Company, using the average exchange rates during the year. The assets and liabilities of those subsidiaries and investees are translated into U.S. dollars using the exchange rates at the balance sheet date. The related translation adjustments are recorded in a separate component of Shareholder's Deficit, "Accumulated other comprehensive income". Foreign currency transaction losses for the years ended December 31, 2016 and 2015 were $10.2 million and $1.6 million, respectively and are included within Other income, net in the Statement of Comprehensive Income. Foreign currency transaction gain for the year ended December 31, 2014 was $6.0 million and is included within Other income, net in the Statement of Comprehensive Income.

New Accounting Pronouncements

During the third quarter of 2015, the FASB issued ASU 2015-14,*Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date* This update provides a one-year deferral of the effective date for ASU No. 2014-09, *Revenue from Contracts with Customers.* ASU No. 2014-09 provides guidance for the recognition, measurement and disclosure of revenue resulting from contracts with customers and will supersede virtually all of the current revenue recognition guidance under U.S. GAAP. The standard is effective for the first interim period within annual reporting periods beginning after December 15, 2017. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The Company expects to utilize the full retrospective method. The Company has substantially completed its evaluation of the potential changes from adopting the new standard on its future financial reporting and disclosures which included reviews of contractual terms for all of the Company's significant revenue streams and the development of an implementation plan. The Company continues to execute on its implementation plan, including detailed policy drafting and training of segment personnel. Based on its evaluation, the Company does not expect material changes to its 2016 or 2017 consolidated revenues, operating income or balance sheets as a result of the implementation of this standard.

During the second quarter of 2015, the FASB issued ASU No. 2015-03,*Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This update simplifies the presentation of debt issuance costs as a deduction from the carrying value of the outstanding debt balance rather than showing the debt issuance costs as an asset. The standard is effective for annual periods, and for interim periods within those annual periods, beginning after December 15, 2015. The retrospective adoption of this guidance resulted in the reclassification of debt issuance costs of $8.5 million as of December 31, 2015, which are now reflected as "Long-term debt fees" in Note 4.

During the first quarter of 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new leasing standard presents significant changes to the balance sheets of lessees. Lessor accounting is updated to align with certain changes in the lessee model and the new revenue recognition standard which was issued in the third quarter of 2015. The standard is effective for annual periods, and for interim periods within those annual periods, beginning after December 15, 2018. The Company is currently evaluating the impact of the provisions of this new standard on its consolidated financial statements.

During the second quarter of 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses (Topic 326). The new standard changes the impairment model for most financial assets and certain other instruments. Entities will be required to use a model that will result in the earlier recognition of allowances for losses for trade and other receivables, held-to-maturity debt securities, loans and other instruments. For available-for-sale debt securities with unrealized losses, the losses will be recognized as allowances rather than as reductions in the amortized cost of the securities. For an SEC filer, the standard is effective for annual periods, and for interim periods within those annual periods, beginning after December 15, 2019. The Company is currently evaluating the impact of the provisions of this new standard on its consolidated financial statements.

During the third quarter of 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230). The new standard addresses the classification of cash flows related to certain cash receipts and cash payments. Additionally, the standard clarifies how the predominance principle should be used when cash receipts and cash payments have aspects of more than one class of cash flows. First, an entity will apply the guidance in Topic 230 and other applicable topics. If there is no guidance for those cash receipts and cash payments, an entity will determine each separately identifiable source or use and classify the receipt or payment based on the nature of the cash flow. If a receipt or payment has aspects of more than one class of cash flows and cannot be separated, the classification will depend on the predominant source or use. The standard is effective for annual periods, and for interim periods within those annual periods, beginning after December 15, 2017. The Company is currently evaluating the impact of the provisions of this new standard on its consolidated financial statements.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

Dispositions

During the second quarter of 2016, the Company sold its business in Turkey. As a result, the Company recognized a net loss of $56.6 million, which includes $32.2 million in cumulative translation adjustments that were recognized upon the sale of the Company's subsidiaries in Turkey.

During the fourth quarter of 2016, the Company sold its business in Australia, for cash proceeds of $195.7 million, net of cash retained by the purchaser and closing costs. As a result, the Company recognized a net gain of $127.6 million, which is net of $14.6 million in cumulative translation adjustments that were recognized upon the sale of the Company's business in Australia.

Property, Plant and Equipment

The Company's property, plant and equipment consisted of the following classes of assets at December 31, 2016 and December 31, 2015, respectively:

(In thousands)	December 31, 2016	December 31, 2015
Land, buildings and improvements	$ 43,121	$ 50,863
Structures	494,436	616,991
Furniture and other equipment	79,428	90,910
Construction in progress	34,846	33,090
	651,831	791,854
Less: accumulated depreciation	386,173	448,723
Property, plant and equipment, net	$ 265,658	$ 343,131

Total depreciation expense related to property, plant and equipment for the years ended December 31, 2016, 2015 and 2014 was $84.9 million, $98.0 million and $103.6 million respectively.

Intangible Assets

The following table presents the gross carrying amount and accumulated amortization for each major class of intangible assets at December 31, 2016 and December 31, 2015, respectively:

	December 31, 2016		December 31, 2015	
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Transit, street furniture and contractual rights	$ 212,201	$ (192,034)	$ 276,384	$ (240,844)
Other	905	(638)	6,180	(902)
Total	$ 213,106	$ (192,672)	$ 282,564	$ (241,746)

Total amortization expense related to definite-lived intangible assets for the years ended December 31, 2016, 2015 and 2014 was $12.7 million, $20.9 million and $35.3 million, respectively.

The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years and thereafter for definite-lived intangible assets:

(In thousands)	
2017	4,374
2018	2,770
2019	1,378
2020	1,255
2021	955
Thereafter	9,702

Goodwill

Annual Impairment Test to Goodwill

The Company performs its annual impairment test on July 1 of each year. The Company has determined that each country constitutes a separate reporting unit.

The goodwill impairment test is a two-step process. The first step, used to screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. If applicable, the second step, used to measure the amount of the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill.

Each of the Company's reporting units is valued using a discounted cash flow model which requires estimating future cash flows expected to be generated from the reporting unit, discounted to their present value using a risk-adjusted discount rate. Terminal values were also estimated and discounted to their present value. Assessing the recoverability of goodwill requires the Company to make estimates and assumptions about sales, operating margins, growth rates and discount rates based on its budgets, business plans, economic projections, anticipated future cash flows and marketplace data. There are inherent uncertainties related to these factors and management's judgment in applying these factors.

The Company recognized goodwill impairment of $7.3 million for the year ended December 31, 2016 based on declining future cash flows expected in one country, and no goodwill impairment for the years ended December 31, 2015 and 2014.

The following table presents the changes in the carrying amount of goodwill:

(In thousands)	
Balance as of December 31, 2014	$232,539
Additions	10,998
Foreign currency	(19,644)
Balance as of December 31, 2015	$223,893
Impairment	(7,274)
Dispositions	(30,718)
Foreign currency	(5,050)
Balance as of December 31, 2016	$180,851

The beginning balance as of December 31, 2014 is net of cumulative impairments of $229.3 million.

As described above, during the fourth quarter of 2016, the Company sold its business in Australia. Included within the assets sold was $30.7 million of goodwill related to the Australian business.

NOTE 4 – LONG-TERM DEBT

Long-term debt outstanding as of December 31, 2016 and December 31, 2015 consisted of the following:

(In thousands)	December 31, 2016	December 31, 2015
Clear Channel International B.V. Senior Notes	$ 225,000	$ 225,000
Other debt	6,674	9,794
Original issue discount	(1,838)	(2,208)
Long-term debt fees	(7,287)	(8,549)
Total debt	$ 222,549	$ 224,037
Less: current portion	558	2,077
Total long-term debt	$ 221,991	$ 221,960

On December 16, 2015, the Company issued $225.0 million in aggregate principal amount of 8.75% Senior Notes due 2020 (the “Senior Notes”). The Senior Notes were issued at a discount and were priced at 99.012% of par, or $2.2 million total discount.

The aggregate market value of the Company’s debt based on market prices for which quotes were available was approximately $242.9 million and $233.7 million at December 31, 2016 and December 31, 2015, respectively. Under the fair value hierarchy established by ASC 820-10-35, the market value of the Company’s debt is classified as Level 2.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Company has unsecured subordinated notes payable to and receivables from other wholly-owned subsidiaries of CCOH.

Related Party Subordinated Notes Payable

The Company is the borrower of subordinated notes, which are payable to other wholly-owned subsidiaries of CCOH. These notes are subordinated and unsecured and bear interest at 3.40% plus three-month EUR, GBP or USD LIBOR, with exception to one of the Notes due to CCO International Holdings B.V. outstanding as of December 31, 2016, which bears interest at a fixed rate of 0.32%.

Related party subordinated notes payable balances at December 31, 2016 and December 31, 2015, consisted of:

(In thousands)	December 31, 2016	December 31, 2015
Notes due to Clear Channel C.V.	$ 342,532	$ 984,826
Notes due to CCO International Holdings B.V.	621,174	1,263
Total related party subordinated notes payable	$ 963,706	$ 986,089

During the year ended December 31, 2016, the Company capitalized $70.1 million in interest payable, which had been accrued in relation to related party subordinated notes payable. Of the amount capitalized, $34.7 million related to interest accrued during the year ended December 31, 2016.

During the year ended December 31, 2016, Clear Channel C.V. contributed approximately $555.9 million of notes receivable to CCO International Holdings B.V. in connection with certain restructuring of our intercompany loan structure.

Related Party Notes Receivable

The Company, as lender, had three outstanding notes receivable balances with three related parties, Clear Channel C.V., CCO International Holdings B.V. and Clear Channel Worldwide Holdings Inc. at December 31, 2016. The balances are unsecured and repayable on demand. The Clear Channel C.V. and CCO International Holdings B.V. notes bear interest at fixed rates of 9.66% and 0.28%, respectively. The Clear Channel Worldwide Holdings Inc. note bears interest at 3.65% plus three-month USD LIBOR.

The balances outstanding at December 31, 2016 and December 31, 2015 on these Related Party Notes Receivable are as follows:

(In thousands)	December 31, 2016	December 31, 2015
Note due from Clear Channel C.V.	$ 222,777	$ 222,777
Note due from CCO International Holdings B.V.	5,372	6,957
Note due from Clear Channel Worldwide Holdings Inc.	5,000	—
Total Related Party Notes Receivable	$ 233,149	$ 229,734

Cash Management Arrangement

iHeartCommunications provides cash management services to the Company and Parent Company. It is iHeartCommunications' policy to permanently reinvest the earnings of its non-U.S. subsidiaries as these earnings are generally redeployed in those jurisdictions for operating needs and continued functioning of their businesses. The amount of any cash that is distributed is determined on a basis mutually agreeable to the Company and iHeartCommunications and not on a pre-determined basis. Excess cash from our operations, which is distributed to iHeartCommunications, is applied against principal or accrued interest on the notes payable to subsidiaries of Parent Company, including Clear Channel C.V. See "Related Party Notes Payable" above.

Management Services

iHeartCommunications and CCOH provide management services to the Company, which include, among other things: (i) treasury and other financial related services; (ii) certain executive officer services; (iii) legal and related services; and (iv) other general corporate services. These services are charged to the Company based on actual direct costs incurred or allocated by iHeartCommunications and CCOH based on headcount, revenue or other factors on a pro rata basis. For the years ended December 31, 2016, 2015, and 2014 the Company recorded $5.4 million, $5.0 million and $4.8 million, respectively, for these services. Such costs are included in Corporate expenses in the Statement of Comprehensive Income.

Royalty Fee

As part of a license agreement between Outdoor Management Services, Inc., an indirect wholly-owned subsidiary of CCOH, the Company is charged a royalty fee to license intellectual property, copyrights, trademarks and other intangible assets, which are held by iHM Identity, Inc., a direct wholly-owned subsidiary of iHeartCommunications. For the years ended December 31, 2016, 2015 and 2014 the Company was charged a royalty fee of $11.3 million, $12.4 million and $15.1 million, respectively, in relation to this agreement. Such costs are included in Selling, general and administrative expenses in the Statement of Comprehensive Income.

Stewardship Fee

As described in Note 1, the Company is a subsidiary of CCOH, a publicly traded company. As a result, the Company incurs certain costs related to quarterly and annual reporting in order for Parent Company to comply with the Securities and Exchange

Commission ("SEC") reporting requirements. In addition, the Company incurs costs related to the preparation of budgets, forecasts and other strategic initiatives of Parent Company. Such costs are charged back to CCOH on a quarterly basis ("Stewardship Fees") based on the time incurred by employees of the Company to perform the work. Stewardship fees charged to CCOH during the years ended December 31, 2016, 2015 and 2014 were $17.9 million, $18.7 million and $20.4 million, respectively. Such costs are included as a reduction in Corporate expenses in the Statement of Comprehensive Income.

Tax Services Agreement

Pursuant to the tax services agreement CCOH entered into with iHeartCommunications, the operations of the Company are included in a consolidated federal income tax return filed by iHeartMedia. The Company's provision for income taxes has been computed on the basis that the operations of the Company are subject to current income taxes at the local country statutory rate where the income is being earned and in accordance with the rules established by the applicable jurisdiction taxation authorities.

Relationship with iHeartCommunications

In its Annual Report on Form 10-K filed with the SEC on February 23, 2017, iHeartCommunications stated that its forecast of future cash flows indicates that such cash flows would not be sufficient for it to meet its obligations, including payment of the outstanding receivables based credit facility balance at maturity on December 24, 2017, as they become due in the ordinary course of business for a period of 12 months following February 23, 2017. While iHeartCommunications stated that it believes that the refinancing or the extension of the maturity date of the receivables based credit facility, combined with current funds and expected future cash flows, will be sufficient to enable it to meet its obligations as they become due in the ordinary course of business for a period of 12 months, there is no assurance that the receivables based credit facility will be extended in a timely manner or on acceptable terms, or at all.

If iHeartCommunications were to become insolvent, the Company would be an unsecured creditor of iHeartCommunications. In such event, the Company would be treated the same as other unsecured creditors of iHeartCommunications and, if the Company could not obtain cash on a timely basis, the Company could experience a liquidity shortfall.

NOTE 6 - ASSET RETIREMENT OBLIGATION

The Company's asset retirement obligation is reported in Other long-term liabilities and relates to its obligation to dismantle and remove its advertising displays from leased land and to restore the site to its original condition upon the termination or non-renewal of a lease or contract. When the liability is recorded, the cost is capitalized as part of the related long-lived assets' carrying value. Due to the high rate of lease renewals over a long period of time, the calculation assumes that all related assets will be removed at some period over the next 55 years. An estimate of third-party cost information is used with respect to the dismantling of the structures and the reclamation of the site. The interest rate used to calculate the present value of such costs over the retirement period is based on an estimated risk adjusted credit rate for the same period.

The following table presents the activity related to the Company's asset retirement obligation:

	Years Ended December 31,	
(In thousands)	2016	2015
Beginning balance	$ 23,565	$ 24,865
Adjustments due to change in estimate of related costs	(338)	788
Accretion of liability	1,706	1,418
Liabilities settled	(2,680)	(1,498)
Foreign currency	(1,069)	(2,008)
Ending balance	$ 21,184	$ 23,565

NOTE 7 — POSTRETIREMENT BENEFIT PLANS

Certain of the Company's subsidiaries participate in defined benefit or defined contribution plans that cover substantially all regular employees. The Company deposits funds under various fiduciary-type arrangements or provides reserves for these plans. Benefits under the defined benefit plans are typically based either on years of service and the employee's compensation (generally during a fixed number of years immediately before retirement) or on annual credits. The range of assumptions that are used for the defined benefit plans reflect the different economic environments within the various countries.

Defined Benefit Pension Plan Financial Information

The table below presents the components of net periodic cost recognized in the consolidated Statement of Comprehensive Income:

	Years Ended December 31,		
(In thousands)	2016	2015	2014
Service cost	$ 3,647	$ 5,255	$ 4,320
Interest cost	4,197	4,756	5,920
Expected returns on plan assets	(5,788)	(7,018)	(6,737)
Amortization of actuarial gains	1,093	917	(32)
Amortization of prior service costs	(81)	(29)	16
Total net periodic pension expense	$ 3,068	$ 3,881	$ 3,487

On April 1, 2016 the Company transitioned its defined benefit plan in its UK subsidiary to a defined contribution plan. As a part of the transition, the Company recognized a curtailment loss of $0.3 million, which is included as part of net periodic pension expense within the Statement of Comprehensive Income for the year-ended December 31, 2016.

The following tables present the changes in benefit obligations and plan assets:

	Years Ended December 31,	
(In thousands)	2016	2015
Benefit obligation:		
Benefit obligation beginning balance	$ 180,333	$ 184,436
Service cost	3,647	5,255
Interest cost	4,197	4,756
Plan participants' contributions	1,066	1,026
Actuarial loss	27,019	2,807
Benefits paid from trusts	(5,276)	(7,258)
Foreign exchange impact	(18,753)	(9,356)
Other	—	(1,333)
Benefit obligation ending balance	$ 192,233	$ 180,333
Fair value of plan assets:		
Beginning balance, fair value of plan assets	$ 134,400	$ 144,315
Actual return on plan assets	20,678	(1,894)
Company contributions	3,853	4,600
Plan participants' contributions	1,066	1,026
Benefits paid from trusts	(5,276)	(7,258)
Foreign exchange impact	(16,316)	(6,389)
Ending balance, fair value of plan assets	$ 138,405	$ 134,400
The following presents the net funded status recognized in the consolidated balance sheet in "Other long-term liabilities":		
Under-funded status, net	$ (53,828)	$ (45,933)

The following tables present the pre-tax net loss (gain) and amortization of prior service costs and changes in pre-tax net loss (gain) recognized in accumulated other comprehensive income:

(In thousands)	Years Ended December 31, 2016	2015	2014
Beginning balance, accumulated other comprehensive income	$37,757	$28,469	$12,188
Net actuarial loss arising during the period	12,129	11,719	16,734
Amortization of net actuarial loss	(1,390)	(1,123)	18
Amortization of prior service costs	31	25	(20)
Other adjustments	—	(1,333)	(451)
Ending balance, accumulated other comprehensive income	$48,527	$37,757	$28,469

(In thousands)	December 31, 2016	2015	2014
Unrecognized net actuarial loss	$50,088	$39,348	$28,753
Unrecognized prior service cost	(1,561)	(1,591)	(284)
Total	$48,527	$37,757	$28,469

The following table presents the assumptions used to measure the net periodic cost and the year-end benefit obligations:

	Years Ended December 31, 2016	2015	2014
Weighted-average assumptions used to measure net periodic cost			
Discount rate	0.60%-3.75%	0.95%-3.60%	1.20%-4.60%
Expected long-term returns on plan assets	1.40%-6.40%	2.00%-6.10%	2.20%-6.10%
Rate of compensation increases	1.00%-2.30%	1.00%-2.30%	1.00%-2.50%
Weighted-average assumptions used to measure benefit obligations			
Discount rate	0.60%-2.65%	0.95%-3.75%	1.20%-3.60%
Expected long-term returns on plan assets	2.00%-5.70%	2.00%-6.10%	2.00%-6.10%
Rate of compensation increases	1.00%-2.35%	1.00%-2.30%	1.00%-2.50%

Discount Rate

The discount rate assumptions for jurisdictions for which rates are not determined by the government reflect the yields available on high-quality, fixed income debt instruments at the measurement date. A portfolio of high-quality corporate bonds is used to construct a yield curve. The cash flows from the Company’s expected benefit obligation payments are then matched to the yield curve to derive the discount rates. In certain countries, where the markets for high-quality long-term bonds are not generally as well developed, a portfolio of long-term government bonds is used as a base, to which a credit spread is added to simulate corporate bond yields at these maturities in the jurisdiction of each plan, as the benchmark for developing the respective discount rates.

Expected Long-Term Returns on Plan Assets

Expected returns on plan assets, a component of net periodic cost, represent the expected long-term returns on plan assets based on the calculated market-related value of plan assets. Expected long-term returns on plan assets take into account long-term expectations for future returns and the investment policies and strategies of the respective plans. These rates of return are developed by the Company and are tested for reasonableness against historical returns. The use of expected long-term returns on plan assets may result in recognized pension income that is greater or less than the actual returns of those plan assets in any given year. Over time, however, the expected long-term returns are designed to approximate the actual long-term returns, and therefore result in a pattern of income and cost recognition that more closely matches the pattern of the services provided by the employees. Differences between actual and expected returns are recognized as a component of net loss or gain in accumulated other comprehensive income, which is amortized as a component of net periodic cost over the service lives or life expectancy of the plan participants, depending on the plan, provided such amounts exceed certain thresholds provided by accounting standards. The market-related value of plan assets recognizes changes in the fair value of plan assets systematically over a five-year period in the expected return on plan assets line in net periodic cost.

Rate of Compensation Increases and Mortality Rate

The rate of compensation increases is determined by the Company, based upon its long-term plans for such increases. Mortality rate assumptions are based on life expectancy and death rates for different types of participants. Mortality rates are periodically updated based on actual experience.

Defined Benefit Pension Plan Assets

The following table presents the Company’s defined benefit pension plans’ asset classes and their associated fair value at

December 31, 2016 and 2015:

	December 31, 2016		
(In thousands)	Level 1	Level 2	Level 3
Cash and short-term investments	$ 6,229	$ —	$ —
Equity securities	80,658	—	—
Fixed income:			
Corporate bonds	—	9,759	—
Annuity contracts	—	37,531	—
Insurance contracts	—	4,228	—
Fair value of plan assets	$86,887	$51,518	$ —

	December 31, 2015		
(In thousands)	Level 1	Level 2	Level 3
Cash and short-term investments	$ 6,982	$ —	$ —
Equity securities	79,032	—	—
Fixed income:			
Corporate bonds	—	9,404	—
Annuity contracts	—	33,688	—
Insurance contracts	—	5,294	—
Fair value of plan assets	$86,014	$48,386	$ —

Expected Benefit Payments

The following table presents the expected benefit payments to defined benefit pension plan participants over the next ten years. These payments have been estimated based on the same assumptions used to measure the plans' pension benefit obligation at December 31, 2016 and include benefits attributable to estimated future compensation increases, where applicable:

(In thousands)	
2017	4,494
2018	4,108
2019	4,125
2020	4,131
2021	5,400
2022-2026	31,518

Plan Contributions

It is the Company's general practice to fund amounts for pensions sufficient to meet the minimum requirements set forth in applicable employee benefits laws and local tax laws. From time to time, the Company contributes additional amounts as it deems appropriate. The Company contributed $3.9 million, $4.6 million and $5.0 million to defined benefit pension plans during the years ended December 31, 2016, 2015 and 2014, respectively.

Defined Contribution Retirement Plans

The Company's employees participate in retirement plans administered as a service by third-party administrators. Contributions to these plans totaled $14.8 million, $13.2 million and $15.3 million for the years ended December 31, 2016, 2015 and 2014, respectively. Such costs were recorded within Selling, general and administrative expenses.

NOTE 8 – COMMITMENTS, CONTINGENCIES AND GUARANTEES

Leases

The Company accounts for its rentals that include renewal options, annual rent escalation clauses, minimum guarantee payments and maintenance related to displays under the guidance in ASC 840.

The Company considers its non-cancelable contracts that enable it to display advertising on buses, bus shelters, trains, etc. to be leases in accordance with the guidance in ASC 840-10. These contracts may contain minimum annual guarantee payments which generally escalate each year. The Company accounts for these minimum guarantee payments on a straight-line basis. If the rental increases are not scheduled in the lease, such as an increase based on subsequent changes in the index or rate, those rents are considered contingent rentals and are recorded as expense when accruable. Other contracts may contain a variable rent component based on revenue. The Company accounts for these variable components as contingent rentals and records these payments as expense when accruable. No single contract or lease is material to the Company's operations.

The Company accounts for annual rent escalation clauses included in the lease term on a straight-line basis under the guidance in ASC 840-20-25. The Company considers renewal periods in determining its lease terms if at inception of the lease there is reasonable assurance the lease will be renewed. Expenditures for maintenance are charged to operations as incurred, whereas expenditures for renewal and betterments are capitalized.

The Company leases office space, equipment and certain parcels of land occupied by its advertising structures under long-term operating leases. The Company accounts for these leases in accordance with the policies described above.

The Company's contracts with municipal bodies or private companies relating to street furniture, billboards, transit and malls generally require the Company to build bus shelters, kiosks and other public amenities or advertising structures during the term of the contract. The Company owns these structures and is generally allowed to advertise on them for the remaining term of the contract. Once the Company has built the structure, the cost is capitalized and expensed over the shorter of the economic life of the asset or the remaining life of the contract.

In addition, the Company has commitments relating to required purchases of property, plant and equipment under certain street furniture contracts. Certain of the Company's contracts contain penalties for not fulfilling its commitments related to its obligations to build bus shelters, kiosks and other public amenities or advertising structures. Historically, any such penalties have not materially impacted the Company's financial position or results of operations.

As of December 31, 2016, the Company's future minimum rental commitments under non-cancelable operating lease agreements with terms in excess of one year, minimum payments under non-cancelable contracts in excess of one year, capital expenditure commitments and employment contracts consist of the following:

(In thousands)	Non-Cancelable Operating Lease	Non-Cancelable Contracts	Capital Expenditure Commitments
2017	$ 31,469	$ 321,558	$ 49,375
2018	26,419	253,518	7,119
2019	23,520	225,024	4,215
2020	18,653	189,660	1,724
2021	15,096	161,008	1,844
Thereafter	24,248	313,421	10,546
Total	$ 139,405	$ 1,464,189	$ 74,823

Rent expense charged to operations for the years ended December 31, 2016, 2015 and 2014 were $445.9 million, $467.9 million and $528.4 million, respectively.

Legal Proceedings

The Company and its subsidiaries are 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 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. 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.

Although the Company is involved in a variety of legal proceedings in the ordinary course of business, a large portion of the Company's litigation arises in the following contexts: commercial disputes; employment and benefits related claims; governmental fines; and tax disputes.

On April 21, 2015, inspections were conducted at the premises of Clear Channel in Denmark and Sweden as part of an investigation by Danish competition authorities. Additionally, on the same day Clear Channel UK received a communication from the UK competition authorities, also in connection with the investigation by Danish competition authorities. The Company and its affiliates are cooperating with the national competition authorities.

Guarantees

As of December 31, 2016, the Company had outstanding bank guarantees of $32.9 million, of which $14.7 million were backed by cash collateral. Additionally, as of December 31, 2016, Parent Company had outstanding commercial standby letters of credit of $25.2 million held on behalf of the Company and its subsidiaries.

NOTE 9 – INCOME TAXES

The operations of the Company are subject to current income taxes at the local country statutory rate where the income is being earned and in accordance with the rules established by the applicable jurisdiction taxation authorities.

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.

Significant components of the provision for income tax expense are as follows:

	Years Ended December 31,		
(In thousands)	2016	2015	2014
Current tax expense	$ 19,167	$20,858	$ 6,839
Deferred tax benefit	(51,482)	(8,576)	(2,595)
Income tax (benefit) expense	$(32,315)	$12,282	$ 4,244

For the year ended December 31, 2016 the Company recorded an income tax benefit of $32.3 million as compared to a tax expense of $12.3 million for the 2015 year. The change in tax was due primarily to the release of $43.3 million of valuation allowance against certain net operating loss carryforwards in France. Due to positive evidence that now exists, the Company expects to realize the benefit of these net operating loss carryforwards in the future.

For the year ended December 31, 2015 the Company recorded income tax expense of $12.3 million as compared to $4.2 million for the 2014 year. The change in tax was due primarily to a reduction in unrecognized tax benefits during 2014, which resulted from the expiration of statutes of limitations to assess taxes in the United Kingdom. This decrease in unrecognized tax benefits resulted in a reduction to current tax expense of $18.5 million during 2014.

Significant components of the Company’s deferred tax liabilities and assets as of December 31, 2016 and 2015 are as follows:

(In thousands)	December 31, 2016	December 31, 2015
Deferred tax assets:		
Intangibles and fixed assets	18,630	8,696
Accrued expenses	6,221	3,070
Net operating loss carryforwards	126,562	122,370
Bad debt reserves	995	1,315
Pension provision	5,941	4,624
Other	16,863	13,088
Total deferred tax assets	175,212	153,163
Less: Valuation allowance	111,811	140,066
Total deferred tax assets, net of valuation allowance	63,401	13,097
Net deferred tax assets	$ 63,401	$ 13,097

At December 31, 2016, the Company had recorded tax effected net operating loss carryforwards for various jurisdictions that total $126.6 million. The net operating losses expire in varying amounts starting in 2017 with some amounts having no expiration date. The Company has recorded valuation allowances of $78.0 million as an offset to the net operating losses. The remaining deferred tax valuation allowance of $33.8 million offsets other foreign deferred tax assets that are not expected to be realized.

The reconciliation of income tax computed at the local country statutory rates to income tax benefit is:

	Years Ended December 31, 2016		2015		2014	
(In thousands)	Amount	Percent	Amount	Percent	Amount	Percent
Taxes computed at local statutory rates	$(16,563)	33%	$ 11,569	23%	$ 7,054	18%
(Increases) decreases in income taxes resulting from:						
Nondeductible items	(1,258)	2%	(17,247)	(35)%	(14,171)	(36)%
Tax contingencies	2,816	(6)%	1,434	3%	14,657	37%
Valuation allowances	38,608	(76)%	(5,736)	(11)%	(10,640)	(27)%
Other, net	8,712	(17)%	(2,302)	(5)%	(1,144)	(3)%
Income tax benefit (expense)	$ 32,315	(64)%	$(12,282)	(25)%	$ (4,244)	(11)%

During 2016, the Company recorded tax benefit of approximately $32.3 million. The 2016 income tax benefit and (64)% effective tax rate were impacted primarily by the release of $43.3 million of valuation allowance against certain net operating loss carryforwards in France. In addition, the Company recorded a book gain on the sale of our Australia outdoor business which had no associated local country tax expense.

During 2015, the Company recorded tax expense of approximately $12.3 million. The 2015 income tax expense and (25)% effective tax rate were impacted primarily by certain nondeductible interest and other intercompany charges and the Company’s inability to benefit from losses in certain jurisdictions.

During 2014, the Company recorded tax expense of approximately $4.2 million. The 2014 income tax expense and (11)% effective tax rate were impacted primarily by certain nondeductible interest and other intercompany charges and the Company's inability to benefit from losses in certain jurisdictions. These items were partially offset by the $18.5 million in net tax benefits associated with a decrease in unrecognized tax benefits resulting from the expiration of statutes of limitations to assess taxes in the United Kingdom.

The Company continues to record interest and penalties related to unrecognized tax benefits in current income tax expense. The total amount of interest accrued at December 31, 2016 and 2015, was $1.1 million and $1.0 million, respectively. The total amount of unrecognized tax benefits and accrued interest and penalties at December 31, 2016 and 2015, was $14.8 million and $16.7 million, respectively, of which $14.0 million and $15.0 million is included in "Other long-term liabilities." In addition, $0.8 million and $1.7 million of unrecognized tax benefits are recorded net with the Company's deferred tax assets for its net operating losses as opposed to being recorded in "Other long-term liabilities" at December 31, 2016 and 2015, respectively. The total amount of unrecognized tax benefits at December 31, 2016 and 2015 that, if recognized, would impact the effective income tax rate were $13.9 million and $15.0 million, respectively.

During 2016, the Company reversed $6.2 million in unrecognized tax benefits, inclusive of interest, primarily as a result of the expiration of statutes of limitations to assess taxes in certain foreign jurisdictions.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

(In thousands)	Years Ended December 31, 2016	2015
Unrecognized Tax Benefits		
Balance at beginning of period	$ 15,697	$ 16,457
Increases for tax position taken in the current year	4,301	4,407
Increases for tax positions taken in previous years	1,559	—
Decreases for tax position taken in previous years	(1,913)	(1,294)
Decreases due to lapse of statute of limitations	(5,895)	(3,873)
Balance at end of period	$ 13,749	$ 15,697

NOTE 10 — OTHER INFORMATION

Barter and Trade

Barter and trade revenues and expenses from continuing operations are included in consolidated revenue and selling, general and administrative expenses, respectively. Barter and trade revenues were $5.7 million, $8.2 million and $8.2 million for the years ended December 31, 2016, 2015 and 2014, respectively. Barter and trade expenses were $5.2 million, $4.3 million and $6.6 million for the years ended December 31, 2016, 2015 and 2014, respectively.

The following table discloses the components of "Other assets" at:

(In thousands)	December 31, 2016	December 31, 2015
Prepaid expenses	$ 7,021	$ 9,196
Deposits	4,544	11,307
Investments	7,122	4,367
Deferred income taxes	63,401	13,097
Other	27,260	4,275
Total other assets	$ 109,348	$ 42,242

The following table discloses the components of "Accrued expenses" at:

(In thousands)	December 31, 2016	December 31, 2015
Accrued employee compensation and benefits	$ 74,824	$ 77,743
Accrued rent and lease	98,001	100,641
Accrued taxes	28,159	21,409
Accrued other	70,925	83,438
Total accrued expenses	$ 271,909	$ 283,231

The following table discloses the components of "Other long-term liabilities" at:

(In thousands)	December 31, 2016	December 31, 2015
Unrecognized tax benefits	$ 13,749	$ 15,697
Asset retirement obligation (Note 6)	21,184	23,565
Postretirement benefit obligation (Note 7)	53,828	45,933
Other	29,020	17,802
Total other long-term liabilities	$ 117,781	$ 102,997

The following table discloses the components of "Accumulated other comprehensive income," net of tax, at:

(In thousands)	December 31, 2016	December 31, 2015
Cumulative currency translation adjustments	$ 483,242	$ 369,966
Cumulative pension adjustments	(41,873)	(30,059)
Cumulative unrealized gain on securities	118	133
Total accumulated other comprehensive income	$ 441,487	$ 340,040

The following table discloses the components of "Other operating income, net" at:

	Years Ended December 31,		
(In thousands)	2016	2015	2014
Acquisition costs	$ —	$ (367)	$ —
Gain on disposal of assets	74,980	4,813	4,539
Other	—	171	—
Total other operating income, net	$74,980	$4,617	$4,539

NOTE 11 — SUBSEQUENT EVENTS

In connection with the preparation of the financial statements and in accordance with Accounting Standards Codification 855-10, Subsequent Events – Overall, management has evaluated and reviewed the affairs of the Company for subsequent events that would impact the financial statements for the year ended December 31, 2016 through February 23, 2017, the date the financial statements were available to be issued.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition together with the consolidated financial statements and related notes included elsewhere in this document. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described under "Forward-Looking Statements." Actual results may differ materially from those contained in any forward-looking statements.

Format of Presentation

Management's discussion and analysis of our financial condition and results of operations ("MD&A") should be read in conjunction with the consolidated financial statements and related footnotes included elsewhere in this document. Our discussion is presented on a consolidated basis. In this MD&A, references to (i) "we," "us" or "our" are to Clear Channel International B.V. together with its consolidated subsidiaries, (ii) "Issuer" are to Clear Channel International B.V. without any of its subsidiaries, (iii) "Parent Company" are to Clear Channel Outdoor Holdings, Inc., our indirect parent company and (iv) "iHeartCommunications" are to iHeartCommunications, Inc., the indirect parent of Parent Company. We provide outdoor advertising services in geographic regions using various digital and traditional display types. Certain prior period amounts have been reclassified to conform to the 2016 presentation.

Management typically monitors our businesses by reviewing the average rates, average revenue per display, occupancy and inventory levels of each of our display types by market. Our advertising revenue is derived from selling advertising space on the displays we own or operate in key markets, consisting primarily of billboards, street furniture and transit displays. Part of our long-term strategy is to pursue the technology of digital displays, including flat screens, LCDs and LEDs, as additions to traditional methods of displaying our clients' advertisements. We are currently installing these technologies in a number of our markets.

Advertising revenue is highly correlated to changes in gross domestic product ("GDP") as advertising spending has historically trended in line with GDP within each market. Our results are also impacted by fluctuations in foreign currency exchange rates as well as economic conditions in the markets in which we have operations.

Relationship with iHeartCommunications

There are several agreements which govern our relationship with Parent Company and Parent Company's relationship with iHeartCommunications including a Master Agreement, Corporate Services Agreement, Employee Matters Agreement and Tax Matters Agreement, which relate to corporate, employee, tax and other services provided by iHeartCommunications. iHeartCommunications has the right to terminate these agreements in various circumstances. As of February 23, 2017, no notice of termination of any of these agreements has been received from iHeartCommunications.

Under the Corporate Services Agreement, iHeartCommunications provides management services to Parent Company and its subsidiaries, including us. These services are allocated to us based on actual direct costs incurred or allocated by iHeartCommunications based on headcount, revenue or other factors on a pro rata basis. For the years ended December 31, 2016, 2015 and 2014, we recorded approximately $5.4 million, $5.0 million and $4.8 million, respectively. Such costs are a component of corporate expenses for these services.

Other Related Party Agreements

iHeartCommunications and CCOH provide management services to us, which include, among other things: (i) treasury and other financial related services; (ii) certain executive officer services; (iii) legal and related services; and (iv) other general corporate services. These services are charged to us based on actual direct costs incurred or allocated by iHeartCommunications and CCOH based on headcount, revenue or other factors on a pro rata basis. For the years ended December 31, 2016, 2015 and 2014 the Company recorded $5.4 million, $5.0 million and $4.8 million, respectively, for these services. Such costs are included in corporate expenses.

As part of a license agreement between Outdoor Management Services, Inc., an indirect wholly-owned subsidiary of Parent Company, we are charged a royalty fee to license intellectual property, copyrights, trademarks and other intangible assets, which are held by iHM Identity, Inc., a direct wholly-owned subsidiary of iHeartCommunications. For the years ended December 31, 2016, 2015 and 2014, we were charged royalty fees of $11.3 million, $12.4 million and $15.1 million, respectively, in relation to this agreement. Such costs are included in selling, general and administrative expenses.

We are a subsidiary of Parent Company, a publicly traded company. As a result, we incur certain costs related to quarterly and annual reporting in order for Parent Company to comply with SEC reporting requirements. In addition, we incur costs related to the preparation of budgets, forecasts and other strategic initiatives of Parent Company. Such costs are charged back to Parent Company on a quarterly basis based on the time incurred by our employees to perform the work. The fees that were charged to Parent Company in relation to these services during the years ended December 31, 2016, 2015 and 2014 were $17.9 million, $18.7 million and $20.4 million, respectively. Such costs are included as a reduction in corporate expenses.

Consolidated Results of Operations

The comparison of our results of operations for the years ended December 31, 2016 and 2015 is as follows:

(U.S. dollars in thousands)	Years Ended December 31, 2016	Years Ended December 31, 2015	% Change
Revenue	$1,168,707	$1,222,400	(4.4)%
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	753,610	792,566	(4.9)%
Selling, general and administrative expenses (excludes depreciation and amortization)	258,626	266,417	(2.9)%
Corporate expenses (excludes depreciation and amortization)	25,830	25,332	2.0%
Depreciation and amortization	97,607	118,892	(17.9)%
Impairment charges	7,274	—	
Other operating income, net	74,980	4,617	
Operating income	100,740	23,810	323.1%
Interest expense, net	37,899	68,112	
Equity in loss of nonconsolidated affiliates	(2,837)	(1,935)	
Other expense, net	(9,246)	(3,381)	
Income (loss) before income taxes	50,758	(49,618)	
Income tax expense (benefit)	(32,315)	12,282	
Consolidated net income (loss)	83,073	(61,900)	
Less amount attributable to noncontrolling interest	6,167	7,095	
Net income (loss) attributable to the Company	$ 76,906	$ (68,995)	

Consolidated Revenue

Revenue decreased $53.7 million during 2016 compared to 2015. Excluding the $35.3 million impact from movements in foreign exchange rates, revenues decreased $18.4 million during 2016 compared to 2015. The decrease in revenue is due to a $22.7 million decrease in revenue resulting from the sale of our businesses in Turkey and Australia in the second and fourth quarters of 2016, respectively, as well as lower revenue in the United Kingdom as a result of the London bus shelter contract not being renewed. This decrease was partially offset by growth across most of our markets including Italy, Spain, Sweden, France and Belgium, primarily from new digital assets and new contracts.

Consolidated Direct Operating Expenses

Direct operating expenses decreased $39.0 million during 2016 compared to 2015. Excluding the $23.8 million impact from movements in foreign exchange rates, direct operating expenses decreased $15.1 million during 2016 compared to 2015. The decrease was driven by a $14.6 million decrease in direct operating expenses resulting from the sale of our businesses in Turkey and Australia and lower rent expense due to lower revenue in the United Kingdom as a result of the London bus shelter contract not being renewed. These decreases were partially offset by higher site lease and production expenses in countries experiencing revenue growth.

Consolidated Selling, General and Administrative ("SG&A") Expenses

SG&A expenses decreased $7.8 million during 2016 compared to 2015. Excluding the $5.7 million impact from movements in foreign exchange rates, SG&A expenses decreased $2.1 million during 2016 compared to 2015. The decrease in SG&A expenses was primarily due to a $3.0 million decrease in SG&A expenses resulting from the sale of our businesses in Turkey and Australia, partially offset by higher variable compensation expenses.

Corporate Expenses

Corporate expenses increased $0.5 million during 2016 compared to 2015. Excluding the $4.1 million impact from movements in foreign exchange rates, corporate expenses increased $4.6 million during 2016 compared to 2015.

Strategic Revenue and Efficiency Initiatives

Included in the amounts for direct operating expenses, SG&A and corporate expenses discussed above are expenses incurred in connection with our strategic revenue and efficiency initiatives. The costs were incurred to improve revenue growth, enhance yield, reduce costs, and organize each business to maximize performance and profitability. These costs consist primarily of consolidation of locations and positions, severance related to workforce initiatives, consulting expenses and other costs incurred in connection with improving our businesses. These costs are expected to provide benefits in future periods as the initiative results are realized.

Strategic revenue and efficiency costs were $9.7 million and $16.8 million for the years ended December 31, 2016 and 2015, respectively. Of these costs, $1.4 million are reported within direct operating expenses, $5.9 million are reported within SG&A and $2.4 million are reported within corporate expense for 2016 compared to $7.7 million, $3.4 million and $5.7 million, respectively, for 2015.

Depreciation and Amortization

Depreciation and amortization decreased $21.3 million during 2016 compared to 2015 primarily due to assets becoming fully depreciated or fully amortized, the sale of certain businesses, as well as the impact of movements in foreign exchange rates.

Impairment Charges

The Company performs its annual impairment test on July 1 of each year. In addition, we test for impairment of property, plant and equipment whenever events and circumstances indicate that depreciable assets might be impaired. As a result of these impairment tests, we recorded impairment charges of $7.3 million during 2016 related to goodwill in one market. We concluded no goodwill impairment charge was required for 2015.

Other Operating Income, Net

Other operating income, net of $75.0 million for 2016 primarily related to the net gain of $127.6 million on sale on our Australia business in the fourth quarter of 2016, partially offset by the $56.6 million loss, which includes $32.2 million in cumulative translation adjustments, on the sale of our Turkey business in the second quarter of 2016.

Other operating income, net of $4.6 million for 2015 primarily related to the net gains recognized from the disposal of operating and fixed assets.

Interest Expense, Net

Interest expense, net decreased $30.2 million during 2016 compared to 2015 due to lower average outstanding balances on related party notes payable.

Equity in Earnings (Loss) of Nonconsolidated Affiliates

Equity in loss of nonconsolidated affiliates of $2.8 million and $1.9 million for the years 2016 and 2015, respectively, included the loss from our equity investments.

Income Tax Benefit (Expense)

Our operations are included in a consolidated income tax return filed by iHeartMedia. However, for purposes of our financial statements, our provision for income taxes was computed assuming that we filed separate consolidated income tax returns together with our subsidiaries.

The effective tax rates for 2016 and 2015 were (60)% and (25)%, respectively. The 2016 income tax benefit and (60)% effective tax rate were impacted primarily by the release of $43.3 million of valuation allowance against certain net operating loss carryforwards in France. In addition, we recorded a book gain on the sale of our Australia outdoor business which had no associated local country tax expense. The 2015 income tax expense and (25)% effective tax rate were impacted primarily by certain nondeductible interest and other intercompany charges and our inability to benefit from losses in certain jurisdictions.

Consolidated Results of Operations

The comparison of our results of operations for the years ended December 31, 2015 and 2014 is as follows:

(U.S. dollars in thousands)	Years Ended December 31, 2015	2014	% Change
Revenue	$1,222,400	$1,381,653	(11.5)%
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	792,566	897,136	(11.7)%
Selling, general and administrative expenses (excludes depreciation and amortization)	266,417	294,353	(9.5)%
Corporate expenses (excludes depreciation and amortization)	25,332	30,880	(18.0)%
Depreciation and amortization	118,892	138,878	(14.4)%
Other operating income, net	4,617	4,539	1.7%
Operating income	23,810	24,945	(4.6)%
Interest expense, net	68,112	72,147	
Equity in earnings (loss) of nonconsolidated affiliates	(1,935)	2,038	
Other income (expense), net	(3,381)	6,176	
Loss before income taxes	(49,618)	(38,988)	
Income tax expense	12,282	4,244	
Consolidated net loss	(61,900)	(43,232)	
Less amount attributable to noncontrolling interest	7,095	8,814	
Net loss attributable to the Company	$ (68,995)	$ (52,046)	

Consolidated Revenue

Revenue decreased $159.3 million compared to 2014. Excluding the $206.1 million impact from movements in foreign exchange rates, revenues increased $46.8 million compared to 2014 primarily driven by new contracts along with higher occupancy and higher rates for our transit and street furniture products, particularly digital, in certain European countries, including Sweden, Norway, Italy and the UK, as well as from new contracts in Australia.

Consolidated Direct Operating Expenses

Direct operating expenses decreased $104.6 million compared to 2014. Excluding the $133.5 million impact from movements in foreign exchange rates, direct operating expenses increased $28.9 million compared to 2014 primarily as a result of higher variable costs associated with higher revenue, as well as site lease termination fees on lower-margin boards incurred in connection with strategic revenue and efficiency initiatives.

Consolidated Selling, General and Administrative ("SG&A") Expenses

SG&A expenses decreased $27.9 million compared to 2014. Excluding the $46.7 million impact from movements in foreign exchange rates, SG&A expenses increased $18.8 million compared to 2014 primarily due to higher compensation expense, including commissions in connection with higher revenues.

Corporate Expenses

Corporate expenses decreased $5.5 million compared to 2014. Excluding the $3.4 million impact from movements in foreign exchange rates, corporate expenses decreased $2.1 million compared to 2014 primarily due to cost savings resulting from our strategic revenue and efficiency initiatives, as well as lower spending on such initiatives, partially offset by the impact of higher variable compensation expense.

Revenue and Efficiency Initiatives

Included in the amounts for direct operating expenses, SG&A and corporate expenses discussed above are expenses of $16.8 million and $17.5 million incurred in connection with our strategic revenue and efficiency initiatives during 2015 and 2014, respectively. The costs were incurred to improve revenue growth, enhance yield, reduce costs, and organize each business to maximize performance and profitability. These costs consist primarily of consolidation of locations and positions, severance related to workforce initiatives, consulting expenses and other costs incurred in connection with improving our businesses. These costs are expected to provide benefits in future periods as the initiative results are realized. Of these costs, during 2015, $7.7 million are reported within direct operating expenses, $3.4 million are reported within SG&A and $5.7 million are reported within corporate expense compared to $1.8 million, $4.8 million and $10.9 million, respectively, in 2014.

Depreciation and Amortization

Depreciation and amortization decreased $20.0 million during 2015 compared to 2014 primarily due to the impact of movements in foreign exchange rates and assets becoming fully depreciated or amortized.

Impairment Charges

We performed our annual impairment tests as of July 1, 2015 and as of October 1, 2014 on our goodwill and other intangible assets and recorded no impairment charges for 2015 and 2014.

Other Operating Income, Net

Other operating income, net of $4.6 million in 2015 and $4.5 million in 2014 primarily related to the proceeds from the disposal of operating and fixed assets.

Interest Expense, Net

Interest expense, net decreased $4.0 million in 2015 compared to 2014 primarily due to lower average outstanding balances on related party notes payable.

Equity in Earnings (Loss) of Nonconsolidated Affiliates

Equity in loss of nonconsolidated affiliates of $1.9 million for 2015 included the loss from our equity investments.

Equity in earnings of nonconsolidated affiliates of $2.0 million for 2014 included the earnings from our equity investments.

Income Tax Benefit (Expense)

Our operations are included in a consolidated income tax return filed by iHeartMedia. However, for purposes of our financial statements, our provision for income taxes was computed assuming that we filed separate consolidated income tax returns together with our subsidiaries.

The effective tax rates for the years ended December 31, 2015, and December 31, 2014 were (25)% and (11)% respectively. The effective rates were primarily impacted by our inability to record tax benefits on tax losses in certain jurisdictions due to the uncertainty of the ability to utilize those losses in future years. In addition, the effective tax rates were impacted by the timing and mix of earnings in the various jurisdictions in which we operate. For tax year ended December 31, 2014, the effective tax rate was further impacted by the expiration of statutes of limitations to assess taxes in the United Kingdom causing us to record $18.5 million in net tax benefits associated with a decrease in unrecognized tax benefits.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following discussion highlights our cash flow activities during the years ended December 31, 2016 and 2015:

(U.S. dollars in thousands)	Years Ended December 31, 2016	2015	2014
Cash provided by (used for):			
Operating activities	$ 135,592	$ 46,322	$ 39,452
Investing activities	99,130	(319,681)	(45,095)
Financing activities	(214,928)	282,342	(26,407)

Operating Activities

2016

Cash provided by operating activities in 2016 was $135.6 million compared to $46.3 million in 2015. Our consolidated net income included $31.4 million of non-cash items in 2016. Our consolidated net loss in 2015 included $116.4 million of non-cash items. Non-cash items affecting our net loss include impairment charges, depreciation and amortization, deferred taxes, provision for doubtful accounts, amortization of deferred financing charges and note discounts, net, share-based compensation, gain on disposal of operating assets, equity in loss of nonconsolidated affiliates, noncash capitalized interest expense and other reconciling items, net as presented on the face of the consolidated statement of cash flows. The increase in cash provided by operating activities is primarily attributed to changes in working capital balances, particularly accounts receivable, which was driven primarily by improved collections. Cash provided by operating activities includes cash payments made of $19.6 million for the year ended December 31, 2016, primarily related to interest incurred on long-term debt. No cash was paid for interest during the year ended December 31, 2015.

2015

Cash provided by operating activities in 2015 was $46.3 million compared to $39.5 million in 2014. Our consolidated net loss included $116.4 million of non-cash items in 2015. Our consolidated net loss in 2014 included $129.9 million of non-cash items. Non-cash items affecting our net loss include depreciation and amortization, deferred taxes, provision for doubtful accounts, share-based compensation, gain on disposal of operating assets, equity in loss of nonconsolidated affiliates and other reconciling items, net as presented on the face of the consolidated statement of cash flows. The increase in cash provided by operating activities can be partially attributed to changes in working capital balances, resulting from higher revenues in the fourth quarter compared to the prior year, as well as the timing of payments. Cash provided by operating activities includes cash payments made of $48.4 million for the year ended December 31, 2014, primarily related to interest incurred on related party notes payable. No cash was paid for interest during the year ended December 31, 2015.

2014

Cash provided by operating activities in 2014 was $39.5 million. Our consolidated net loss included $129.9 million of non-cash items in 2014. Non-cash items affecting our net loss include depreciation and amortization, deferred taxes, provision for doubtful accounts, share-based compensation, gain on disposal of operating assets, equity in loss of nonconsolidated affiliates and other reconciling items, net as presented on the face of the consolidated statement of cash flows. The increase in cash provided by operating activities primarily related to interest incurred on related party notes payable.

Investing Activities

2016

Cash provided by investing activities of $99.1 million during 2016 primarily reflected proceeds from the sale of the Australian market for $195.7 million, net of cash retained by the purchaser and closing costs. This was partially offset by capital expenditures of $88.5 million related to new advertising structures such as billboards and street furniture and renewals of existing contracts.

2015

Cash used for investing activities of $319.7 million in 2015 primarily reflected capital expenditures of $70.2 million related to purchases of billboard and street furniture advertising structures, the impact of increases in related party notes receivable of $225.1 million and the acquisition of a phone booth advertiser in the UK for $24.7 million.

2014

Cash used for investing activities of $45.1 million in 2014 primarily reflected capital expenditures of $57.5 million primarily related to street furniture advertising and digital billboard structures. Partially offsetting cash used for investing activities were proceeds from the sale of our 49% interest in Buspak, a bus advertising company in Hong Kong, and sales of operating and fixed assets.

Financing Activities

2016

Cash used for financing activities of $214.9 million during 2016 primarily reflected net transfers to related parties of $208.8 million.

2015

Cash provided by financing activities of $282.3 million in 2015 primarily reflected the net proceeds from the issuance of $225.0 million of 8.75% senior notes due 2020.

2014

Cash used for financing activities of $26.4 million in 2014 primarily reflected net payments made on related party notes payable, partially offset by net transfers from related parties.

Cash Paid for Interest on Related Party Subordinated Notes Payable and Long-term Debt

During 2016, we made cash interest payments of $19.6 million on the 8.75% Senior Notes due 2020. We made no cash interest payments in relation to interest incurred on related party subordinated notes payable on long-term debt during 2015.

Anticipated Cash Requirements

Our primary sources of liquidity are cash on hand and cash flow from operations. Based on our current and anticipated levels of operations and conditions in our markets, we believe that cash on hand and cash flows from operations will enable us to meet our working capital, capital expenditure and other funding requirements. We believe our long-term plans, which include promoting outdoor media spending and capitalizing on our diverse geographic and product opportunities, including the continued deployment of digital displays, will enable us to continue to generate cash flows from operations sufficient to meet our liquidity and funding requirements long term. However, significant assumptions underlie this belief, including, among other things, that we will continue to be successful in implementing our business strategy and that there will be no material adverse developments in our business, liquidity or capital requirements. Our anticipated results are subject to significant uncertainty and may be affected by events beyond our control, including prevailing economic, financial and industry conditions. At

December 31, 2016, we had $64.4 million of cash on our balance sheet, a portion of which is held by non-wholly owned subsidiaries or is otherwise subject to certain restrictions and not readily accessible to us. Our policy is to permanently reinvest the earnings of our subsidiaries as these earnings generally remain in those jurisdictions for operating needs and continued functioning of their businesses. However, if any excess cash held by us and our subsidiaries were needed to fund operations in the United States, Parent Company has the ability to cause us to make distributions and repatriate available funds.

Our ability to fund our working capital, capital expenditures and other obligations depends on our future operating performance and cash from operations. 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.

We were in compliance with the covenants contained in our financing agreements as of December 31, 2016.

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

During the fourth quarter of 2016, International outdoor sold its business in Australia, for cash proceeds of $195.7 million, net of cash retained by the Australian outdoor market and closing costs.

Cash Management Arrangement

iHeartCommunications provides cash management services to us and Parent Company. It is iHeartCommunications' policy to permanently reinvest the earnings of its non-U.S. subsidiaries as these earnings are generally redeployed in those jurisdictions for operating needs and to maintain the continued function of such subsidiaries' businesses. The amount of any cash that is distributed is determined on a basis mutually agreeable to us and iHeartCommunications, and not on a predetermined basis. Excess cash from our operations which is distributed to iHeartCommunications is applied against principal or accrued interest on the subordinated notes payable to subsidiaries of Parent Company, including Clear Channel C.V.

Senior Notes

As of December 31, 2016, we had $225.0 million aggregate principal amount outstanding of 8.75% Senior Notes due 2020.

The Senior Notes mature on December 15, 2020 and bear interest at a rate of 8.75% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The Senior Notes are guaranteed by certain of our existing and future subsidiaries. The Senior Notes are senior unsecured obligations that rank pari passu in right of payment to all of our unsubordinated indebtedness, and the guarantees of the Senior Notes are senior unsecured obligations that rank pari passu in right of payment to all unsubordinated indebtedness of the guarantors of the Senior Notes.

We may redeem the Senior Notes at our option, in whole or part, at any time prior to December 15, 2017, at a price equal to 100% of the principal amount of the notes redeemed, plus a make-whole premium, plus accrued and unpaid interest to the redemption date. We may redeem the Senior Notes, in whole or in part, on or after December 15, 2017, at the redemption prices set forth in the indenture plus accrued and unpaid interest to the redemption date. At any time on or before December 15, 2017, we may elect to redeem up to 40% of the aggregate principal amount of the Senior Notes at a redemption price equal to 108.75% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net proceeds of one or more equity offerings.

The indenture governing the Senior Notes contains covenants that limit our ability and the ability of our restricted subsidiaries to, among other things: (i) pay dividends, redeem stock or make other distributions or investments; (ii) incur additional debt or issue certain preferred stock; (iii) transfer or sell assets; (iv) create liens on assets; (v) engage in certain transactions with affiliates; (vi) create restrictions on dividends or other payments by the restricted subsidiaries; and (vii) merge, consolidate or sell substantially all of our assets.

Related Party Subordinated Notes Payable

As of December 31, 2016 and December 31, 2015, we had related party subordinated notes payable balances outstanding of $963.7 million and $986.1 million, respectively. The unsecured subordinated notes payable are owed to other wholly-owned subsidiaries of Parent Company and bear interest at 0.3%—3.4% plus three-month EUR, GBP or USD LIBOR. In December 2015, we entered into an agreement with Clear Channel C.V., whereby we were discharged from our obligations under several related party subordinated notes payable with an aggregate principal amount of $909.5 million (including accrued interest of $29.6 million).

Subsidiary Credit Facilities

Certain of our subsidiaries are the primary borrowers under various credit and overdraft facilities with European banks. These facilities are denominated primarily in Euros. As of December 31, 2016, there was $4.1 million outstanding under these facilities and there was approximately $4.4 million available for borrowings.

Commitments, Contingencies and Guarantees

We are currently involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued our 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 our assumptions or the effectiveness of our strategies related to these proceedings. See "Business—Legal Proceedings".

SEASONALITY

Typically, we experience our lowest financial performance in the first quarter of the calendar year, resulting in a loss from operations in that period. We typically experience our strongest performance in the second and fourth quarters of the calendar year. We expect this trend to continue in the future. Due to this seasonality and certain other factors, the results for the interim periods may not be indicative of results for the full year.

MARKET RISK

We are exposed to market risks arising from changes in market rates and prices, including movements in foreign currency exchange rates and inflation.

On June 23, 2016, the United Kingdom (the "U.K.") held a referendum in which voters approved an exit of the U.K. from the European Union (the "E.U."), commonly referred to as "Brexit". We are currently headquartered in the U.K. and transact business in many key European markets. As a result of the referendum, it is expected that the British government will begin negotiating the terms of the U.K.'s withdrawal from the E.U. It is unclear how these negotiations will impact the economies of the U.K., the E.U. and other countries. This uncertainty may cause our customers to closely monitor their costs and reduce the amount they spend on advertising. The announcement of Brexit caused the British pound's currency rate to weaken against the U.S. dollar. Any of these or similar effects of Brexit could adversely impact our business, operating results, cash flows and financial condition.

Foreign Currency Exchange Rate Risk

We have operations in several countries in Europe and Singapore. Operations in these countries are measured in their local currencies, and our consolidated financial statements are presented in U.S. dollars. 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 have operations. 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 decreased our net income for the year ended December 31, 2016 by $13.0 million, respectively. We estimate a 10% decrease in the value of the U.S. dollar relative to foreign currencies during the year ended December 31, 2016 would have increased our net income for the year ended December 31, 2016 by corresponding amounts.

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 United States 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.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. On an ongoing basis, we evaluate our estimates that are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of expenses that are not readily apparent from other sources. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such difference could be material. Our significant accounting policies are discussed in the notes to our consolidated financial statements included in this document. Management believes that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management’s most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. The following narrative describes these critical accounting estimates, the judgments and assumptions and the effect if actual results differ from these assumptions.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations. We test goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired. The fair value of our reporting units is used to apply value to the net assets of each reporting unit. To the extent that the carrying amount of net assets would exceed the fair value, an impairment charge may be required to be recorded.

The discounted cash flow approach we use for valuing goodwill as part of the two-step impairment testing approach involves estimating future cash flows expected to be generated from the related assets, discounted to their present value using a risk-adjusted discount rate. Terminal values are also estimated and discounted to their present value.

On July 1, 2016, we performed our annual impairment test in accordance with ASC 350-30-35, resulting in a goodwill impairment charge of $7.3 million related to one country. In determining the fair value of our reporting units, we used the following assumptions:

- Expected cash flows underlying our business plans for the periods 2016 through 2020. Our cash flow assumptions are based on detailed, multi-year forecasts performed by each of our operating segments, and reflect the advertising outlook across our businesses.
- Cash flows beyond 2020 are projected to grow at a perpetual growth rate, which we estimated at 3.0%.
- In order to risk adjust the cash flow projections in determining fair value; we utilized a discount rate of approximately 8.0% to 11.5% for each of our reporting units.

Based on our annual assessment using the assumptions described above, a hypothetical 10% reduction in the estimated fair value in each of our reporting units would not result in a material impairment condition.

Tax Accruals

Our estimates of income taxes and the significant items giving rise to the deferred tax assets and liabilities are shown in the notes to our consolidated financial statements and reflect our assessment of actual future taxes to be paid on items reflected in the financial statements, giving consideration to both timing and probability of these estimates. Actual income taxes could vary from these estimates due to future changes in income tax law or results from the final review of our tax returns by foreign tax authorities.

We use our judgment to determine whether it is more likely than not that our deferred tax assets will be realized. Deferred tax assets are reduced by valuation allowances if the Company believes it is more likely than not that some portion or the entire asset will not be realized.

We use our judgment to determine whether it is more likely than not that we will sustain positions that we have taken on tax returns and, if so, the amount of benefit to initially recognize within our financial statements. We regularly review our uncertain tax positions and adjust our unrecognized tax benefits (UTBs) in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law. These adjustments to our UTBs may affect our income tax expense. Settlement of uncertain tax positions may require use of our cash.

Asset Retirement Obligations

ASC 410-20 requires us to estimate our obligation upon the termination or nonrenewal of a lease, to dismantle and remove our billboard structures from the leased land and to reclaim the site to its original condition.

Due to the high rate of lease renewals over a long period of time, our calculation assumes all related assets will be removed at some period over the next 55 years. An estimate of third-party cost information is used with respect to the dismantling of the structures and the reclamation of the site. The interest rate used to calculate the present value of such costs over the retirement period is based on an estimated risk-adjusted credit rate for the same period.

SELECTED ISSUER, GUARANTOR AND NON-GUARANTOR FINANCIAL DATA

Certain of our subsidiaries organized under the laws of Belgium, England and Wales, the Netherlands, Sweden and Switzerland guarantee the Senior Notes. Certain of our subsidiaries organized under the other jurisdictions where we conduct operations do not guarantee the notes. The following tables set forth unaudited selected separate historical financial data for us, the guarantors and non-guarantor subsidiaries as of and for the years ended December 31, 2016 and 2015. The selected historical financial data as of and for the years ended December 31, 2016 and 2015 are derived from our unaudited consolidated financial statements and related notes included herein. Historical results are not necessarily indicative of the results to be expected for future periods.

We are not subject to the reporting requirements of the SEC. The financial information included herein is not intended to comply with the requirements of Regulation S-X under the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder. Specifically, we have not included any separate financial statements for the guarantors or a footnote to our consolidated financial statements showing financial information for the guarantors and the non-guarantor subsidiaries as would be required if we had registered the Senior Notes with the SEC. The information set forth below will be the only information presenting separate financial data for us, the guarantors and the non-guarantors that you will receive.

You should read the information presented below in conjunction with our historical consolidated financial statements and related notes herein, as well as the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	Year Ended December 31, 2016					
			Non-Guarantor Subsidiaries			
(In millions)	Issuer	Guarantor Subsidiaries	Europe	Non-Europe (1)	Eliminations	Consolidated
Results of Operations Data:						
Revenue	$ —	$ 452.8	$587.1	$ 128.8	$ —	$ 1,168.7
Direct operating, SG&A and Corporate expenses	1.0	399.7	532.8	104.6	—	1,038.1
Depreciation and amortization	—	36.8	48.6	12.2	—	97.6
Impairment charges	—	7.3	—	—	—	7.3
Other operating (expense) income	—	128.6	(52.5)	(1.1)	—	75.0
Operating income (loss)	$ (1.0)	$ 137.6	$ (46.8)	$ 10.9	$ —	$ 100.7
Other Financial Data:						
Capital expenditures	$ —	$ 39.3	$ 30.3	$ 18.9	$ —	$ 88.5
Balance Sheet Data (at end of period):						
Cash and cash equivalents	$ —	$ 56.7	$ 6.1	$ 1.6	$ —	$ 64.4
Current assets	—	173.0	211.3	9.5	—	393.8
Property, plant and equipment, net	—	110.2	150.6	4.9	—	265.7
Intercompany assets	(439.1)	324.3	137.5	34.2	(56.9)	—
Total assets	(216.3)	749.9	674.4	52.1	(56.9)	1,203.2
Current liabilities	0.7	147.0	216.7	5.4	—	369.8
Long-term debt, less current maturities	215.9	5.7	0.4	—	—	222.0
Related party subordinated notes payable	—	963.7	—	—	—	963.7

(1) Includes subsidiaries organized under the laws of Australia, New Zealand and Singapore and certain other immaterial or dormant subsidiaries. In October of 2016, we sold our subsidiaries in Australia and New Zealand.

(In millions)	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries: Europe	Non-Guarantor Subsidiaries: Non-Europe (1)	Eliminations	Consolidated
	Year Ended December 31, 2015					
Results of Operations Data:						
Revenue	$ —	$ 499.8	$583.9	$ 138.7	$ —	$ 1,222.4
Operating expenses	0.3	439.2	530.5	114.3	—	1,084.3
Depreciation and amortization	—	52.5	56.2	10.2	—	118.9
Other operating (expense) income	—	2.1	2.5	—	—	4.6
Operating income (loss)	$ (0.3)	$ 10.2	$ (0.3)	$ 14.2	$ —	$ 23.8
Other Financial Data:						
Capital expenditures	$ —	$ 22.5	$ 31.0	$ 16.7	$ —	$ 70.2
Balance Sheet Data (at December 31, 2015):						
Cash and cash equivalents	$ 2.0	$ 19.2	$ 15.4	$ 11.3	$ —	$ 47.9
Current assets	1.9	174.9	232.2	58.5	—	467.5
Property, plant and equipment, net	—	113.7	179.9	49.5	—	343.1
Intercompany assets	(157.2)	402.2	190.5	45.4	(480.9)	—
Total assets	(155.2)	1,067.8	727.6	188.0	(480.9)	1,347.3
Current liabilities	0.9	173.0	215.0	28.1	—	417.0
Long-term debt, net of current maturities	222.0	—	—	—	—	222.0
Related party subordinated notes payable	—	986.1	—	—	—	986.1

(1) Includes subsidiaries organized under the laws of Australia, New Zealand and Singapore and certain other immaterial or dormant subsidiaries.

FORWARD LOOKING STATEMENTS

This document includes "forward-looking statements." Forward-looking statements include statements concerning future events or our future financial performance that is not historical information. Words such as "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts" and variations of such words or similar expressions that predict or indicate future events or trends, or that do not relate to historical matters, identify forward-looking statements. All forward-looking statements attributable to us apply only as of the date hereof. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and projections will result or be achieved. Uncertainties and other factors that could cause actual results to differ materially from our expectations include, but are not limited to:

- risks associated with weak or uncertain global economic conditions and their impact on the capital markets, including any impact as a result of Brexit;
- industry conditions, including competition;
- legislative or regulatory requirements;
- restrictions on outdoor advertising of certain products;

- our dependence on Clear Channel Outdoor Holdings, Inc.'s management team and key individuals;
- regulations and consumer concerns regarding privacy and data protection;
- the possibility of a breach of our security measures;
- environmental, health, safety and land use legislation and regulations;
- risks of doing business in multiple jurisdictions;
- fluctuations in exchange rates and currency values;
- our ability to obtain or retain key concessions and contracts;
- risks associated with many factors, including technological, general economic and political conditions in the countries in which we currently do business;
- the risk that we may not be able to integrate the operations of acquired businesses successfully;
- the restrictions imposed by the financing agreements of iHeartCommunications, Inc. and Clear Channel Outdoor Holdings, Inc.; and
- the restrictions imposed by other operating agreements between iHeartCommunications, Inc. and Clear Channel Outdoor Holdings, Inc.

The foregoing factors are not exhaustive and new factors may emerge or changes to the foregoing factors may occur that could impact our business. Except to the extent required by law, we undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.