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): May 4, 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 May 4, 2017, Clear Channel Outdoor Holdings, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended March 31, 2017. 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 unaudited 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 May 4, 2017
99.2	Unaudited Consolidated Financial Statements as of and for the quarter ended March 31, 2017 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: May 4, 2017

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

Exhibit Index

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Clear Channel Outdoor

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. REPORTS
RESULTS FOR 2017 FIRST QUARTER

San Antonio, TX, May 4, 2017 – Clear Channel Outdoor Holdings, Inc. (NYSE: CCO) today reported financial results for the first quarter ended March 31, 2017.

"In the first quarter, we continued to deliver on our strategic initiatives at our Americas and International outdoor businesses," said Bob Pittman, Executive Chairman and Chief Executive Officer of Clear Channel Outdoor Holdings, Inc. "Around the world, we are investing in building out our digital networks, winning and renewing contracts, and expanding our data-rich, analytics capabilities and automated ad-buying solutions for our marketing partners."

Rich Bressler, Chief Financial Officer of Clear Channel Outdoor Holdings, Inc., said: "Consolidated revenues, operating income and OIBDAN declined in the first quarter. Adjusting for divestitures and foreign exchange, however, our revenues increased. We remain focused on balancing financial discipline with investments to grow our businesses."

Key Financial Highlights

The Company's key financial highlights for the first quarter of 2017 include:

- Consolidated revenue decreased 7.5%. Consolidated revenue increased 1.7%, after adjusting for a $12.8 million impact from movements in foreign exchange rates and the $40.6 million impact of the sale of non-strategic markets and businesses.
- Americas revenues decreased $3.1 million, or 1.1%. Revenues increased $0.7 million, or 0.2%, after adjusting for a $1.4 million impact from movements in foreign exchange rates and a $5.2 million impact from the sale of non-strategic markets.
- International revenues decreased $41.2 million, or 13.4%. Revenues increased $8.3 million, or 3.1%, after adjusting for a $14.2 million impact from movements in foreign exchange rates and a $35.4 million impact from the sale of our businesses in Turkey and Australia.
- Operating income decreased 92.6% to $21.6 million, primarily due to the net gain of $278.3 million on the sale of non-strategic outdoor markets in the first quarter of 2016 compared to the net gain of $28.6 million on the sale of our Americas Indianapolis market in the first quarter of 2017.
- OIBDAN decreased 27.1%. OIBDAN decreased 20.1%, excluding the impact from movements in foreign exchange rates and the impact of the sale of non-strategic markets and businesses.

Key Non-Financial Highlights

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

- Installed 23 new digital billboards and acquired 31 digital boards in our first quarter transaction for a total of 1,167 across North America, and installed 557 digital displays in the first quarter for a total of more than 12,500 across International outdoor's markets.

- Signed a new 10-year partnership with the Honolulu International Airport (HNL) to provide a comprehensive digital advertising network throughout the airport. We are the first media company to offer an in-terminal advertising concession to HNL.
- Won a new five-year contract to provide Milwaukee County's General Mitchell International Airport with an immersive digital media program that integrates the latest innovative advertising media and technologies to offer a new level of opportunities for passenger engagement.
- Began selling and posting a series of new wallscapes and bulletins at the Sunset Millennium premier real estate development project in West Hollywood that are among the largest out-of-home media available in the Los Angeles area.
- Introduced Europe's first out-of-home automated ad-buying tool in the UK after its successful launch in Belgium. Now UK customers can access and buy audience-based packages on an automated guaranteed basis across 'Storm', International outdoor's premium digital out-of-home network in the UK.
- Installed over 150 additional Adshel Live screens in the UK including over 70 phone box products in London and now have over 1,000 Adshel Live screens throughout the UK.
- Plan to install more than 100 digital screens in shopping malls across Sweden by the summer to increase our presence in the country's top 20 cities.
- Strengthened our presence in the Canton of Basel-Stadt, Switzerland, by winning contracts to install 11 digital screens and operate new street furniture poster sites.

GAAP Measures by Segment

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	% Change
Revenue			
Americas	$279,420	$282,528	(1.1)%
International	265,306	306,486	(13.4)%
Consolidated revenue	**$544,726**	**$589,014**	**(7.5)%**
Direct Operating and SG&A expenses[1]			
Americas	$196,559	$193,341	1.7%
International	247,146	275,447	(10.3)%
Consolidated Direct Operating and SG&A expenses[1]	**$443,705**	**$468,788**	**(5.4)%**
Operating income			
Americas	$ 37,566	$ 43,071	(12.8)%
International	(12,513)	(6,841)	(82.9)%
Corporate[2]	(36,066)	(29,623)	(21.7)%
Other operating income, net	32,611	284,774	(88.5)%
Consolidated Operating income	**$ 21,598**	**$291,381**	**(92.6)%**

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 March 31, 2017 and 2016, respectively.

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

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	% Change
Revenue excluding movements in foreign exchange			
Americas	$278,052	$282,528	(1.6)%
International	279,494	306,486	(8.8)%
Consolidated revenue excluding movements in foreign exchange	**$557,546**	**$589,014**	**(5.3)%**
Direct Operating and SG&A expenses[1] excluding movements in foreign exchange			
Americas	$195,162	$193,341	0.9%
International	260,253	275,447	(5.5)%
Consolidated Direct Operating and SG&A expenses excluding movements in foreign exchange	**$455,415**	**$468,788**	**(2.9)%**
OIBDAN			
Americas	$ 82,861	$ 89,187	(7.1)%
International	18,160	31,039	(41.5)%
Corporate	(32,181)	(25,854)	24.5%
Consolidated OIBDAN	**$ 68,840**	**$ 94,372**	**(27.1)%**
OIBDAN excluding movements in foreign exchange			
Americas	$ 82,890	$ 89,187	(7.1)%
International	19,241	31,039	(38.0)%
Corporate	(33,267)	(25,854)	28.7%
Consolidated OIBDAN excluding movements in foreign exchange	**$ 68,864**	**$ 94,372**	**(27.0)%**
Revenue excluding effects of foreign exchange and revenue from markets and businesses sold			
Americas	$276,603	$275,915	0.2%
International	$279,494	$271,145	3.1%
Consolidated revenue, excluding effects of foreign exchange and revenue from markets and businesses sold	**$556,097**	**$547,060**	**1.7%**
OIBDAN excluding effects of foreign exchange and revenue from markets and businesses sold			
Americas	$ 82,407	$ 86,643	(4.9)%
International	$ 19,241	$ 24,839	(22.5)%
Consolidated OIBDAN, excluding effects of foreign exchange and revenue from markets and businesses sold	**$ 68,381**	**$ 85,628**	**(20.1)%**

Certain prior period amounts have been reclassified to conform to the 2017 presentation of financial information throughout the press release.

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 consolidated and segment 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.

First Quarter 2017 Results

Consolidated

Consolidated revenue decreased $44.3 million, or 7.5%, during the first quarter of 2017 as compared to the first quarter of 2016. Consolidated revenue increased $9.0 million, or 1.7%, after adjusting for a $12.8 million impact from movements in foreign exchange rates and the $40.6 million impact from the sale of non-strategic markets and businesses.

Consolidated direct operating and SG&A expenses decreased $25.1 million, or 5.4%, during the first quarter of 2017 as compared to the first quarter of 2016. Consolidated direct operating and SG&A expenses increased $18.9 million, or 4.3%, in the first quarter, after adjusting for a $11.7 million impact of movements in foreign exchange rates and the $32.2 million impact from the sale of non-strategic markets and businesses.

Consolidated operating income decreased 92.6% to $21.6 million, during the first quarter of 2017 as compared to the first quarter of 2016, primarily due to the net gain of $278.3 million on the sale of non-strategic outdoor markets in the first quarter of 2016 compared to the net gain of $28.6 million on the sale of our Americas Indianapolis market in the first quarter of 2017.

The Company's OIBDAN decreased 27.1% to $68.8 million, during the first quarter of 2017 as compared to the first quarter of 2016. The Company's OIBDAN decreased 20.1% in the first quarter 2017 compared to the same period of 2016, after adjusting for movements in foreign exchange rates and the impact from the sale of non-strategic markets and businesses.

Included in the 2017 first quarter operating income and OIBDANwere $3.5 million of direct operating and SG&A expenses and $0.4 million of corporate expenses associated with the Company's strategic revenue and efficiency initiatives, an increase of $1.6 million compared to such expenses in the prior year.

Americas

Americas outdoor revenues decreased $3.1 million, or 1.1%, during the first quarter of 2017 as compared to the first quarter of 2016. Revenues increased $0.7 million, or 0.2%, after adjusting for a $1.4 million impact from movements in foreign exchange rates and a $5.2 million impact from the sale of non-strategic markets.

Direct operating and SG&A expenses increased $3.2 million, or 1.7%, during the first quarter of 2017 as compared to the first quarter of 2016. Direct operating and SG&A expenses increased $4.9 million, or 2.6%, after adjusting for a $1.4 million impact from movements in foreign exchange rates and the $3.1 million impact from the sale of non-strategic markets.

Operating income decreased 12.8% to $37.6 million during the first quarter of 2017 as compared to the first quarter of 2016, resulting primarily from the sale of the non-strategic markets in the first quarter of 2016. OIBDAN decreased $6.3 million, or 7.1%. OIBDAN decreased $4.2 million, or 4.9%, during the first quarter 2017, after adjusting for the $2.0 million impact from the sale of non-strategic markets. Operating income and OIBDAN in the first quarter of 2017 each included $0.6 million in expenses related to investments in strategic revenue and efficiency initiatives compared to $1.1 million in the 2016 period.

International

International outdoor revenues decreased $41.2 million, or 13.4%, during the first quarter of 2017 as compared to the first quarter of 2016. Revenues increased $8.3 million, or 3.1%, after adjusting for a $14.2 million impact from movements in foreign exchange rates and the $35.4 million impact from the sale of our businesses in Turkey and Australia. The increase is primarily due to growth across several markets including Spain, the United Kingdom and Switzerland, primarily from new contracts and digital expansion.

Direct operating and SG&A expenses decreased $28.3 million, or 10.3%, during the first quarter of 2017 as compared to the first quarter of 2016. Direct operating and SG&A expenses increased $13.9 million, or 5.7%, after adjusting for a $13.1 million impact from movements in foreign exchange rates and the $29.1 million impact from the sale of our businesses in Turkey and Australia. Direct operating and SG&A expenses increased primarily due to higher site lease and production expenses in countries experiencing revenue growth.

Operating loss increased 82.9% to $(12.5) million during the first quarter of 2017 as compared to the first quarter of 2016. OIBDAN decreased $12.9 million, or 41.5%. OIBDAN decreased $5.6 million, or 22.5%, during the first quarter 2017, after adjusting for a $1.1 million impact from movements in foreign exchange rates and the $6.2 million impact from the sale of our businesses in Turkey and Australia in 2016. Operating income and OIBDAN in the first quarter of 2017 each include $2.9 million in expenses related to investments in strategic revenue and efficiency initiatives compared to $0.9 million in the 2016 period.

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

CCIBV's consolidated revenues decreased $35.5 million to $223.9 million in the first quarter of 2017 compared to the same period in 2016. This decrease includes a $14.2 million impact from movements in foreign exchange rates.

CCIBV's operating loss was $20.7 million in the first quarter of 2017 compared to operating loss of $14.6 million in the same period in 2016. This decrease includes a $1.1 million impact from movements in foreign exchange rates.

Liquidity and Financial Position

As of March 31, 2017, we had $200.6 million of cash on our balance sheet, including $141.8 million of cash held outside the U.S. by our subsidiaries. For the three months ended March 31, 2017, cash used for operating activities was $50.1 million, cash provided by investing activities was $16.3 million, cash used for financing activities was $311.1 million, and there was $3.6 million impact from movements in foreign exchange rates on cash. The net decrease in cash from December 31, 2016 was $341.4 million.

Capital expenditures for the three months ended March 31, 2017 were $36.3 million compared to $47.2 million for the same period in 2016.

On February 23, 2017, we paid a special dividend of $282.5 million to our stockholders using a portion of the proceeds from the sales of certainnon-strategic U.S. markets and of our Australia business.

Conference Call

The Company, along with its parent company, iHeartMedia, Inc., will host a conference call to discuss results on May 4, 2017 at 8:30 a.m. Eastern Time. The conference call number is (800) 398-9386 (U.S. callers) and (612) 332-0418 (International callers) and the passcode for both is 422506. 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 422506. 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 March 31, 2017	Three Months Ended March 31, 2016
Revenue	$544,726	$589,014
Operating expenses:		
Direct operating expenses (excludes depreciation and amortization)	327,931	341,987
Selling, general and administrative expenses (excludes depreciation and amortization)	115,774	126,801
Corporate expenses (excludes depreciation and amortization)	34,540	28,224
Depreciation and amortization	77,494	85,395
Other operating income, net	32,611	284,774
Operating income	**21,598**	**291,381**
Interest expense	92,633	93,873
Interest income on Due from iHeartCommunications	14,807	12,713
Equity in loss of nonconsolidated affiliates	(472)	(415)
Other income (expense), net	3,867	(5,803)
Income (loss) before income taxes	(52,833)	204,003
Income tax benefit (expense)	21,837	(62,917)
Consolidated net income (loss)	(30,996)	141,086
Less: Amount attributable to noncontrolling interest	(1,995)	976
Net income (loss) attributable to the Company	**$ (29,001)**	**$140,110**

For the three months ended March 31, 2017, foreign exchange rate movements decreased the Company’s revenues by $12.8 million and decreased direct operating expenses by $9.1 million, SG&A expenses by $2.6 million and Corporate expenses by $1.1 million.

TABLE 2 - Selected Balance Sheet Information

Selected balance sheet information for March 31, 2017 and December 31, 2016:

(In millions)	March 31, 2017	December 31, 2016
Cash and cash equivalents	$ 200.6	$ 542.0
Total current assets	964.6	1,341.4
Net property, plant and equipment	1,398.8	1,412.8
Due from iHeartCommunications	915.1	885.7
Total assets	5,386.4	5,718.8
Current liabilities (excluding current portion of long-term debt)	618.0	634.7
Long-term debt (including current portion of long-term debt)	5,119.5	5,117.0
Shareholders’ deficit	(1,234.5)	(930.9)

TABLE 3 - Total Debt

At March 31, 2017 and December 31, 2016, Clear Channel Outdoor Holdings had a total net debt of:

(In millions)	March 31, 2017	December 31, 2016
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	14.7	14.8
Original issue discount	(6.5)	(6.7)
Long-term debt fees	(38.7)	(41.1)
Total debt	5,119.5	5,117.0
Cash	200.6	542.0
Net Debt	$ 4,918.9	$ 4,575.0

The current portion of long-term debt was $6.7 million and $7.0 million as of March 31, 2017 and December 31, 2016, respectively.

Supplemental Disclosure Regarding Non-GAAP Financial Information

The following tables set forth the Company's OIBDAN for the three months and year ended March 31, 2017 and 2016. 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 (expense), 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. In the first quarter of 2017, the Company sold its Indianapolis market. 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 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.

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 March 31, 2017								
Americas	$ 82,890	$ (29)	**$ 82,861**	$ —	$ 45,295	$ —	$ —	$ 37,566
International	19,241	(1,081)	**18,160**	—	30,673	—	—	(12,513)
Corporate	(33,267)	1,086	**(32,181)**	2,359	1,526	—	—	(36,066)
Other operating income, net	—	—	**—**	—	—	—	(32,611)	32,611
Consolidated	**$ 68,864**	**$ (24)**	**$ 68,840**	**$ 2,359**	**$ 77,494**	**$ —**	**$ (32,611)**	**$ 21,598**
Three Months Ended March 31, 2016								
Americas	$ 89,187	$ —	**$ 89,187**	$ —	$ 46,116	$ —	$ —	$ 43,071
International	31,039	—	**31,039**	—	37,880	—	—	(6,841)
Corporate	(25,854)	—	**(25,854)**	2,370	1,399	—	—	(29,623)
Other operating expense, net	—	—	**—**	—	—	—	(284,774)	284,774
Consolidated	**$ 94,372**	**$ —**	**$ 94,372**	**$ 2,370**	**$ 85,395**	**$ —**	**$(284,774)**	**$291,381**

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

(In thousands)	Three Months Ended March 31, 2017	2016	% Change
Consolidated revenue	$544,726	$589,014	(7.5)%
Excluding: Foreign exchange decrease	12,820	—	
Consolidated revenue excluding effects of foreign exchange	**$557,546**	**$589,014**	(5.3)%
Americas revenue	$279,420	$282,528	(1.1)%
Excluding: Foreign exchange (increase) decrease	(1,368)	—	
Americas revenue excluding effects of foreign exchange	**$278,052**	**$282,528**	(1.6)%
International revenue	$265,306	$306,486	(13.4)%
Excluding: Foreign exchange decrease	14,188	—	
International revenue excluding effects of foreign exchange	**$279,494**	**$306,486**	(8.8)%

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 March 31, 2017	Three Months Ended March 31, 2016	% Change
Consolidated direct operating and SG&A expenses	$443,705	$468,788	(5.4)%
Excluding: Foreign exchange decrease	11,710	—	
Consolidated direct operating and SG&A expenses excluding effects of foreign exchange	**$455,415**	**$468,788**	(2.9)%
Americas direct operating and SG&A expenses	$196,559	$193,341	1.7%
Excluding: Foreign exchange (increase) decrease	(1,397)	—	
Americas direct operating and SG&A expenses excluding effects of foreign exchange	**$195,162**	**$193,341**	0.9%
International direct operating and SG&A expenses	$247,146	$275,447	(10.3)%
Excluding: Foreign exchange decrease	13,107	—	
International direct operating and SG&A expenses excluding effects of foreign exchange	**$260,253**	**$275,447**	(5.5)%

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

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	% Change
Corporate Expense	$34,540	$28,224	22.4%
Excluding: Non-cash compensation expense	(2,359)	(2,370)	
Corporate Expense excluding non-cash compensation expense	**$32,181**	**$25,854**	24.5%
Excluding: Foreign exchange decrease	$ 1,086	$ —	
Corporate Expense excluding non-cash compensation expense and effects of foreign exchange	**$33,267**	**$25,854**	28.7%

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 March 31, 2017	2016	% Change
Consolidated revenue	$544,726	$589,014	(7.5)%
Excluding: Revenue from markets and businesses sold	(1,449)	(41,954)	
Excluding: Foreign exchange decrease	12,820	—	
Consolidated revenue, excluding effects of foreign exchange and revenue from markets and businesses sold	**$556,097**	**$547,060**	1.7%
Americas revenue	$279,420	$282,528	(1.1)%
Excluding: Revenue from non-strategic markets sold	(1,449)	(6,613)	
Excluding: Foreign exchange (increase) decrease	(1,368)	—	
Americas revenue, excluding effects of foreign exchange and revenue from non-strategic markets sold	**$276,603**	**$275,915**	0.2%
International revenue	$265,306	$306,486	(13.4)%
Excluding: Revenue from businesses sold	—	(35,341)	
Excluding: Foreign exchange decrease	14,188	—	
International revenue, excluding effects of foreign exchange and revenue from businesses sold	**$279,494**	**$271,145**	3.1%

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 March 31, 2017	2016	% Change
Consolidated direct operating and SG&A expenses	$443,705	$468,788	(5.4)%
Excluding: Operating expenses from markets and businesses sold	(966)	(33,210)	
Excluding: Foreign exchange decrease	11,710	—	
Consolidated direct operating and SG&A expenses, excluding effects of foreign exchange and operating expenses from markets and businesses sold	**$454,449**	**$435,578**	4.3%
Americas direct operating and SG&A expenses	$196,559	$193,341	1.7%
Excluding: Operating expenses from non-strategic markets sold	(966)	(4,069)	
Excluding: Foreign exchange (increase) decrease	(1,397)	—	
Americas direct operating and SG&A expenses, excluding effects of foreign exchange and operating expenses from non-strategic markets sold	**$194,196**	**$189,272**	2.6%
International direct operating and SG&A expenses	$247,146	$275,447	(10.3)%
Excluding: Operating expenses from businesses sold	—	(29,141)	
Excluding: Foreign exchange decrease	13,107	—	
International direct operating and SG&A expenses, excluding effects of foreign exchange and operating expenses from businesses sold	**$260,253**	**$246,306**	5.7%

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 March 31, 2017	2016	% Change
Consolidated operating income	$ 21,598	$ 291,381	(92.6)%
Excluding: Revenue, direct operating and SG&A expenses from markets and businesses sold	(483)	(8,744)	
Excluding: Foreign exchange (increase) decrease	24	—	
Excluding: Non-cash compensation expense	2,359	2,370	
Excluding: Depreciation and amortization	77,494	85,395	
Excluding: Impairment charges	—	—	
Excluding: Other operating (income) expense, net	(32,611)	(284,774)	
Consolidated OIBDAN, excluding effects of foreign exchange and OIBDAN from markets and businesses sold	**$ 68,381**	**$ 85,628**	(20.1)%
Americas Outdoor operating income	$ 37,566	$ 43,071	(12.8)%
Excluding: Revenue, direct operating and SG&A expenses from non-strategic markets sold	(483)	(2,544)	
Excluding: Foreign exchange decrease	29	—	
Excluding: Depreciation and amortization	45,295	46,116	
Americas Outdoor OIBDAN, excluding effects of foreign exchange and OIBDAN from non-strategic markets sold	**$ 82,407**	**$ 86,643**	(4.9)%
International Outdoor operating income	$(12,513)	$ (6,841)	82.9%
Excluding: Revenue, direct operating and SG&A expenses of businesses sold	—	(6,200)	
Excluding: Foreign exchange decrease	1,081	—	
Excluding: Depreciation and amortization	30,673	37,880	
International Outdoor OIBDAN, excluding effects of foreign exchange and OIBDAN from businesses sold	**$ 19,241**	**$ 24,839**	(22.5)%

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 1,100 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.

CLEAR CHANNEL INTERNATIONAL B.V.

CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2017 and 2016

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands)	March 31, 2017 (unaudited)	December 31, 2016
CURRENT ASSETS		
Cash and cash equivalents	$ 43,638	$ 64,437
Accounts receivable, net of allowance of $7,286 in 2017 and $7,967 in 2016	259,631	263,125
Prepaid expenses	52,777	38,365
Other current assets	33,978	27,840
Total Current Assets	390,024	393,767
PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment, net	273,621	265,658
INTANGIBLE ASSETS AND GOODWILL		
Intangible assets, net	20,565	20,434
Goodwill	181,493	180,851
OTHER ASSETS		
Related party notes receivable	232,854	233,149
Other assets	110,424	109,348
Total Assets	$1,208,981	$ 1,203,207
CURRENT LIABILITIES		
Accounts payable	$ 59,843	$ 67,516
Accrued expenses	266,992	271,909
Deferred income	60,863	29,816
Current portion of long-term debt	567	558
Total Current Liabilities	388,265	369,799
Long-term debt	222,440	221,991
Related party subordinated notes payable	985,203	963,706
Other long-term liabilities	118,886	117,781
Commitments and contingencies (Note 5)		
SHAREHOLDER’S DEFICIT		
Noncontrolling interest	549	1,671
Parent Company’s net investment	(938,975)	(913,228)
Accumulated other comprehensive income	432,613	441,487
Total Shareholder’s Deficit	(505,813)	(470,070)
Total Liabilities and Shareholder’s Deficit	$1,208,981	$ 1,203,207

See Notes to Consolidated Financial Statements

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenue	$223,937	259,401
Operating expenses:		
Direct operating expenses (excludes depreciation and amortization)	165,386	179,519
Selling, general and administrative expenses (excludes depreciation and amortization)	50,970	61,689
Corporate expenses (excludes depreciation and amortization)	11,582	9,059
Depreciation and amortization	17,173	23,929
Other operating income, net	479	228
Operating loss	(20,695)	(14,567)
Interest expense, net	7,575	9,638
Equity in loss of nonconsolidated affiliates	(875)	(777)
Other expense, net	(728)	(2,952)
Net loss before income taxes	(29,873)	(27,934)
Income tax (benefit) expense	(3,270)	3,466
Consolidated net loss	(26,603)	(31,400)
Less amount attributable to noncontrolling interest	44	1,417
Net loss attributable to the Company	$ (26,647)	$ (32,817)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(3,658)	1,639
Unrealized holding gain (loss) on marketable securities	7	(5)
Reclassification adjustments	(1,643)	—
Other comprehensive income (loss), net of tax	(5,294)	1,634
Comprehensive loss	(31,941)	(31,183)
Less amount attributable to noncontrolling interest	17	1,345
Comprehensive loss attributable to the Company	$ (31,958)	$ (32,528)

See Notes to Consolidated Financial Statements

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Cash flows from operating activities:		
Consolidated net loss	$(26,603)	$(31,400)
Reconciling items:		
Depreciation and amortization	17,173	23,929
Deferred taxes	(59)	687
Provision for doubtful accounts	(65)	459
Amortization of deferred financing charges and note discounts, net	491	432
Share-based compensation	192	1,354
Gain on sale of operating assets	(479)	(228)
Equity in loss of nonconsolidated affiliates	875	777
Noncash capitalized interest expense	7,931	8,796
Other reconciling items, net	1,002	2,496
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease in accounts receivable	6,501	50,634
Increase in prepaid expenses	(14,948)	(8,320)
Decrease in accrued expenses	(10,901)	(24,120)
Decrease in accounts payable	(6,659)	(11,410)
Increase in deferred income	30,987	14,268
Changes in other operating assets and liabilities	(6,940)	(11,347)
Net cash provided by (used for) operating activities	(1,502)	17,007
Cash flows from investing activities:		
Purchases of property, plant and equipment	(20,187)	(19,098)
Proceeds from disposal of assets	1,815	642
Purchases of other operating assets	(1,064)	(216)
Decrease in related party notes receivable, net	296	1,779
Other, net	(235)	(781)
Net cash used for investing activities	(19,375)	(17,674)
Cash flows from financing activities:		
Payments on credit facilities	—	(502)
Payments on long-term debt	(141)	—
Net transfers from related parties	(2,992)	(2,062)
Increase (decrease) in related party notes payable	1,865	(549)
Other, net	—	(120)
Net cash used for financing activities	(1,268)	(3,233)
Effect of exchange rate changes on cash	1,346	1,806
Net decrease in cash and cash equivalents	(20,799)	(2,094)
Cash and cash equivalents at beginning of period	64,437	47,869
Cash and cash equivalents at end of period	$ 43,638	$ 45,775
Cash paid for interest	—	—
Cash paid for income taxes	4,941	4,429

See Notes to Consolidated Financial Statements

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S DEFICIT
(UNAUDITED)

(In thousands)	The Company	Non-controlling Interest	Consolidated
Balance, January 1, 2016	**$ (413,022)**	**$ 32,332**	**$ (380,690)**
Consolidated net income (loss)	(32,817)	1,417	(31,400)
Foreign currency translation adjustments	294	1,345	1,639
Unrealized holding loss on marketable securities	(5)	—	(5)
Net transfers from related parties	(2,062)	—	(2,062)
Capitalization of interest on related party subordinated notes payable	(35,454)	—	(35,454)
Other, net	1,354	—	1,354
Balance, March 31, 2016	**$ (481,712)**	**$ 35,094**	**$ (446,618)**

(In thousands)	The Company	Non-controlling Interest	Consolidated
Balance, January 1, 2017	**$ (471,741)**	**$ 1,671**	**$ (470,070)**
Consolidated net income (loss)	(26,647)	44	(26,603)
Foreign currency translation adjustments	(3,675)	17	(3,658)
Unrealized holding gain on marketable securities	7	—	7
Disposals of non-controlling interests	—	(1,046)	(1,046)
Net transfers from related parties	(2,992)	—	(2,992)
Reclassification adjustments	(1,643)	—	(1,643)
Other, net	329	(137)	192
Balance, March 31, 2017	**$ (506,362)**	**$ 549**	**$ (505,813)**

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 and 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.

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: Belgium, Denmark, Estonia, Finland, France, Holland, Hungary, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

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 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 6, *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

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 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. 2016-09,*Compensation—Stock Compensation (Topic 718)*. This update changes the accounting for certain aspects of share-based payments to employees. Income tax effects of share-based payment awards will be recognized in the income statement with the vesting or settlement of the awards and the record keeping for additional paid-in capital pools will no longer be necessary. Additionally, companies can make a policy election to either estimate forfeitures or recognize them as they occur. The standard is effective for annual periods, and for interim periods within those annual periods, beginning after December 15, 2016. The Company adopted this standard in the first quarter of 2017. The retrospective adoption of this guidance did not result in material changes to the Company's consolidated financial statements.

During the first quarter of 2017, the FASB issued ASU 2017-04,*Intangibles—Goodwill and Other (Topic 350).* This update eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The standard is effective for annual and any interim impairment tests performed for 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 first quarter of 2017, the FASB issued ASU 2017-07,*Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. This update requires bifurcation of the net benefit cost, with the service cost component being presented with other employee compensation costs in operating income and the other components being reported separately outside of operations. The standard is effective for annual and any interim 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

Property, Plant and Equipment

The Company's property, plant and equipment consisted of the following classes of assets at March 31, 2017 and December 31, 2016, respectively:

(In thousands)	March 31, 2017	December 31, 2016
Land, buildings and improvements	$ 44,118	$ 43,121
Structures	510,369	494,436
Furniture and other equipment	82,979	79,428
Construction in progress	35,371	34,846
	672,837	651,831
Less: accumulated depreciation	399,216	386,173
Property, plant and equipment, net	$273,621	$ 265,658

Total depreciation expense related to property, plant and equipment for the three months ended March 31, 2017 and 2016 was $15.9 million and $20.4 million, respectively.

Intangible Assets

The following table presents the gross carrying amount and accumulated amortization for each major class of intangible assets at March 31, 2017 and December 31, 2016, respectively:

	March 31, 2017		December 31, 2016	
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Transit, street furniture and contractual rights	$ 216,216	$ (195,907)	$ 212,201	$ (192,034)
Other	927	(671)	905	(638)
Total	$ 217,143	$ (196,578)	$ 213,106	$ (192,672)

Total amortization expense related to definite-lived intangible assets for the three months ended March 31, 2017 and 2016 was $1.3 million and $3.6 million, respectively.

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

(In thousands)	
2018	2,652
2019	1,515
2020	1,376
2021	1,021
2022	1,021

Goodwill

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

(In thousands)	
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
Dispositions	(1,817)
Foreign currency	2,459
Balance as of March 31, 2017	$181,493

The beginning balance as of December 31, 2015 is net of cumulative impairments of $229.3 million.

NOTE 4 – LONG-TERM DEBT

Long-term debt outstanding as of March 31, 2017 and December 31, 2016 consisted of the following:

(In thousands)	March 31, 2017	December 31, 2016
Clear Channel International B.V. Senior Notes	$225,000	$ 225,000
Other debt	6,641	6,674
Original issue discount	(1,740)	(1,838)
Long-term debt fees	(6,894)	(7,287)
Total debt	$223,007	$ 222,549
Less: current portion	567	558
Total long-term debt	$222,440	$ 221,991

The aggregate market value of the Company's debt based on market prices for which quotes were available was approximately $243.5 million and $242.9 million at March 31, 2017 and December 31, 2016, respectively. Under the fair value hierarchy established by ASC 820-10-35, the market value of the Company's debt is classified as Level 1.

NOTE 5 – COMMITMENTS, CONTINGENCIES AND GUARANTEES

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.

International Outdoor Investigation

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. Clear Channel and its affiliates are cooperating with the national competition authorities.

Guarantees

As of March 31, 2017, the Company had outstanding bank guarantees of $32.0 million, of which $14.5 million were backed by cash collateral. Additionally, as of March 31, 2017, Parent Company had outstanding commercial standby letters of credit of $28.6 million held on behalf of the Company and its subsidiaries.

NOTE 6 – 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 March 31, 2017, which bears interest at a fixed rate of 0.32%.

Related party subordinated notes payable at each of March 31, 2017 and December 31, 2016, respectively, and consisted of:

(In thousands)	March 31, 2017	December 31, 2016
Notes due to Clear Channel C.V.	$349,627	$ 342,532
Notes due to CCO International Holdings B.V.	635,576	621,174
Total Related Party Notes Payable	$985,203	$ 963,706

During the three months ended March 31, 2017, the Company capitalized $7.9 million in interest payable, which had been accrued in relation to related party subordinated notes payable. During the three months ended March 31, 2016, the Company capitalized $44.3 million in interest payable, which had been accrued in relation to related party subordinated notes payable. Of the amount capitalized, $8.8 million related to interest accrued during the three months ended March 31, 2016.

Related Party Notes Receivable

The Company, as lender, had four outstanding notes receivable balances with four related parties, Clear Channel KNR Neth Antilles N.V., Clear Channel C.V., CCO International Holdings B.V. and Clear Channel Worldwide Holdings, Inc. at March 31, 2017. 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. and Clear Channel KNR Neth Antilles N.V. notes bear interest at 3.65% plus three-month USD LIBOR and 0.88% plus three-month HKD LIBOR, respectively.

The balances outstanding at March 31, 2017 and December 31, 2016 on these Related Party Notes Receivable are as follows:

(In thousands)	**March 31, 2017**	**December 31, 2016**
Note due from Clear Channel C.V.	$222,777	$ 222,777
Note due from CCO International Holdings B.V.	4,593	5,372
Note due from Clear Channel Worldwide Holdings, Inc.	5,000	5,000
Note due from Clear Channel KNR Neth Antilles N.V.	484	$ —
Total Related Party Notes Receivable	$232,854	$ 233,149

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; (iv) licensing of intellectual property, copyrights, trademarks and other intangible assets 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 three months ended March 31, 2017 and 2016, the Company recorded $8.6 million and $4.8 million, respectively, for these services, which are included in Corporate expenses in the Statement of Comprehensive Loss. The increase is primarily due to a $4.3 million management service expense related to an agreement between CCOH and its indirect parent company, iHeartMedia, Inc., that CCOH will pay a license fee to iHeartMedia, Inc. in 2017 based on revenues by entities using the Clear Channel name. The agreement, entered into in February 2017, related to the potential purchase of the Clear Channel registered trademarks and domain names.

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 three months ended March 31, 2017 and 2016 were $4.3 million and $5.5 million, respectively. Such costs are included as a reduction in Corporate expenses in the Statement of Comprehensive Loss.

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.

NOTE 7 – INCOME TAXES

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

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Current tax (benefit) expense	$ (3,211)	$ 2,779
Deferred tax (benefit) expense	(59)	687
Income tax (benefit) expense	$ (3,270)	$ 3,466

The effective tax rates for the three months ended March 31, 2017 and 2016 were 10.9% and (12.4)%, respectively. The effective rates were primarily impacted by certain nondeductible interest and other intercompany charges and the Company's inability to benefit from losses in certain jurisdictions. In addition, the effective tax rates were impacted by the timing and mix of earnings in the jurisdictions in which the Company operates.

NOTE 8 – 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 loss:

(In thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Service cost	$ 714	$ 854
Interest cost	911	1,107
Expected returns on plan assets	(1,529)	(1,698)
Amortization of actuarial gains	266	430
Amortization of prior service costs	(44)	(46)
Total net periodic pension expense	$ 318	$ 647

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 $0.2 million and $0.5 million to defined benefit pension plans during the three months ended March 31, 2017 and 2016, 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 $3.5 million and $3.9 million for the three months ended March 31, 2017 and 2016, respectively.

NOTE 9 – OTHER INFORMATION

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

(In thousands)	March 31, 2017	December 31, 2016
Prepaid expenses	$ 8,426	$ 7,021
Deposits	4,687	4,544
Investments	6,725	7,122
Deferred income taxes	64,210	63,401
Other	26,376	27,260
Total other assets	$110,424	$ 109,348

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

(In thousands)	March 31, 2017	December 31, 2016
Accrued employee compensation and benefits	$ 75,767	$ 74,824
Accrued rent	94,600	98,001
Accrued taxes	17,073	28,159
Accrued other	79,552	70,925
Total accrued expenses	$266,992	$ 271,909

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

(In thousands)	March 31, 2017	December 31, 2016
Unrecognized tax benefits	$ 14,958	$ 13,749
Asset retirement obligation	21,472	21,184
Postretirement benefit obligation (Note 8)	55,724	53,828
Other	26,732	29,020
Total other long-term liabilities	$118,886	$ 117,781

NOTE 10 – 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 three months ended March 31, 2017 through May 4, 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. 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 2017 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 certain 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, Intellectual Property Licensing Agreements, 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 May 4, 2017, no notice of termination of any of these agreements has been received from iHeartCommunications.

Under the Corporate Services and Intellectual Property Licensing Agreements, iHeartCommunications provides management services to Parent Company and its subsidiaries, including us and licenses intellectual property, copyrights, trademarks and other intangible assets to us. The costs of these services and licenses 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 three months ended March 31, 2017 and 2016, we recorded approximately $8.6 million and $4.8 million, respectively, for these services, which are reflected as a component of corporate expenses. The increase is primarily due to an agreement entered into in February 2017 in which CCOH and its indirect parent company, iHeartMedia, Inc., entered into an agreement related to the potential purchase of the Clear Channel registered trademarks and domain names. The agreement provide that CCOH will pay a license fee to iHeartMedia, Inc. in 2017 based on revenues by entities using the Clear Channel name. For the three months ended March 31, 2017, we recognized $4.3 million in relation to this license.

Other Related Party Agreements

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 three months ended March 31, 2017 and 2016 were $4.3 million and $5.5 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 three months ended March 31, 2017 and 2016 is as follows:

(U.S. dollars in thousands)	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016	% Change
Revenue	$223,937	$259,401	(13.7)%
Operating expenses:			
Direct operating expenses (excludes depreciation and amortization)	165,386	179,519	(7.9)%
Selling, general and administrative expenses (excludes depreciation and amortization)	50,970	61,689	(17.4)%
Corporate expenses (excludes depreciation and amortization)	11,582	9,059	27.9%
Depreciation and amortization	17,173	23,929	(28.2)%
Other operating income, net	479	228	
Operating loss	(20,695)	(14,567)	42.1%
Interest expense, net	7,575	9,638	
Equity in loss of nonconsolidated affiliates	(875)	(777)	
Other expense, net	(728)	(2,952)	
Loss before income taxes	(29,873)	(27,934)	
Income tax expense (benefit)	(3,270)	3,466	
Consolidated net loss	(26,603)	(31,400)	
Less amount attributable to noncontrolling interest	44	1,417	
Net loss attributable to the Company	$ (26,647)	$ (32,817)	

Consolidated Revenue

For the three months ended March 31, 2017, revenue decreased $35.5 million compared to the same period of 2016. Excluding the $14.2 million impact from movements in foreign exchange rates, revenues decreased $21.3 million compared to the same period of 2016. The decrease in revenue is due to a $35.4 million decrease in revenue resulting from the sale of our businesses in Turkey and Australia in 2016. This was partially offset by growth across several markets including Spain, the United Kingdom and Switzerland, primarily from new contracts and digital expansion.

Consolidated Direct Operating Expenses

For the three months ended March 31, 2017, direct operating expenses decreased $14.1 million compared to the same period of 2016. Excluding the $10.0 million impact from movements in foreign exchange rates, direct operating expenses decreased $4.1 million compared to the same period of 2016. The decrease was driven by a $22.5 million decrease in direct operating expenses resulting from the 2016 sales of our businesses in Australia and Turkey, partially offset by higher site lease and production expenses in countries experiencing revenue growth.

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

For the three months ended March 31, 2017, SG&A expenses decreased $10.7 million compared to the same period of 2016. Excluding the $3.1 million impact from movements in foreign exchange rates, SG&A expenses decreased $7.6 million compared to the same period of 2016. The decrease in SG&A expenses was primarily due to a $6.7 million decrease resulting from the sale of our businesses in Turkey and Australia.

Corporate Expenses

For the three months ended March 31, 2017, corporate expenses increased $2.5 million compared to the same period of 2016. Excluding the $1.1 million impact from movements in foreign exchange rates, corporate expenses increased $3.6 million compared to the same period of 2016. The increase in corporate expenses was primarily due to the $4.3 million new license fee for the Clear Channel registered trademarks and domain names.

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 $3.2 million and $1.0 million during the three months ended March 31, 2017 and 2016, respectively. Of these costs, $0.4 million are reported within direct operating expenses, $2.5 million are reported within SG&A and $0.3 million are reported within corporate expense for the three months ended March 31, 2017 compared to $0.4 million within direct operating expenses, $0.5 million within SG&A and $0.1 million within corporate expense for the three months ended March 31, 2016.

Depreciation and Amortization

Depreciation and amortization decreased $6.8 million during the three months ended March 31, 2017 compared to the same period of 2016 primarily due to assets becoming fully depreciated or fully amortized and the disposal of assets related to the sale of our businesses in Australia and Turkey in 2016.

Other Operating Income, Net

Other operating income, net was $0.5 million for the three months ended March 31, 2017 primarily related to the net gains recognized from the disposal of operating and fixed assets.

Other operating income, net of $0.2 million for the three months ended March 31, 2016 primarily related to the net gains recognized from the disposal of operating and fixed assets.

Interest Expense, Net

Interest expense, net decreased $2.1 million during the three months ended March 31, 2017 compared to the same period of 2016. The decrease in interest expense primarily related to lower average outstanding balances and weighted average interest rates, as well as the impact of changes in foreign currency rates.

Equity in Loss of Nonconsolidated Affiliates

Equity in loss of nonconsolidated affiliates of $0.9 million and $0.8 million for the three months ended March 31, 2017 and 2016, 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 the three months ended March 31, 2017 and 2016 were 10.9% and (12.4)%, respectively. The effective rates were primarily impacted by certain nondeductible interest and other intercompany charges and the Company's inability to benefit from losses in certain jurisdictions. In addition, the effective tax rates were impacted by the timing and mix of earnings in the jurisdictions in which the Company operates.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following discussion highlights our cash flow activities during the three months ended March 31, 2017 and 2016:

(U.S. dollars in thousands)	**Three Months Ended March 31,**	
	2017	**2016**
Cash provided by (used for):		
Operating activities	$ (1,502)	$ 17,007
Investing activities	(19,375)	(17,674)
Financing activities	(1,268)	(3,233)

Operating Activities

Cash used for operating activities was $1.5 million during the three months ended March 31, 2017 compared to cash provided by operating activities of $17.0 million during the three months ended March 31, 2016. The decrease in cash provided by operating activities is primarily attributed to the sale of our business in Australia during the fourth quarter of 2016 and changes in working capital balances, particularly accounts receivable, which was driven primarily by the timing of payments.

Investing Activities

Cash used for investing activities of $19.4 million and $17.7 million during the three months ended March 31, 2017 and 2016, respectively, primarily reflected capital expenditures of $20.2 million and $19.1 million, respectively, related to new advertising structures such as billboards and street furniture and renewals of existing contracts.

Financing Activities

Cash used for financing activities of $1.3 million during the three months ended March 31, 2017 primarily reflects net transfers to related parties of $3.0 million and payments on long-term debt of $0.1 million, offset by net proceeds from related party notes receivable of $1.9 million.

Cash used for financing activities of $3.2 million during the three months ended March 31, 2016 primarily reflected the net transfers to related parties of $2.1 million.

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 March 31, 2017, we had $43.6 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 March 31, 2017.

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.

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 functioning 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 March 31, 2017, 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 in 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 March 31, 2017 and December 31, 2016, we had related party subordinated notes payable balances outstanding of $1.0 billion and $1.0 billion, respectively. The unsecured subordinated notes payable are owed to other wholly-owned subsidiaries of Parent Company and bear interest at a rate of 0.3%—3.4% plus three-month EUR, GBP or USD LIBOR.

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 March 31, 2017, there were no amounts outstanding under these facilities and there was approximately $5.4 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 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.

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 from the European Union (the "E.U."), commonly referred to as "Brexit". We are currently headquartered in the U.K. and we transact business in many key European markets. The announcement of Brexit caused the British pound currency rate to weaken against the U.S. dollar. Further, Brexit may create global economic uncertainty, which may cause our customers to closely monitor their costs and reduce the amount they spend on advertising. Any of these effects of Brexit, among others, could adversely affect our business, financial condition, operating results and cash flows.

Foreign Currency Exchange Rate Risk

We have operations in several countries in Europe and in 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 loss for the three months ended March 31, 2017 by $2.8 million. We estimate a 10% decrease in the value of the U.S. dollar relative to foreign currencies during the three months ended March 31, 2017 would have increased our net loss for the three months ended March 31, 2017 by a corresponding amount.

This analysis does not consider the implications that such currency fluctuations could have on the overall economic activity that could exist in such an environment in the 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.

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 for the three months ended March 31, 2017 and 2016 and at March 31, 2017 and December 31, 2016. The selected historical financial data for the three months ended March 31, 2017 and 2016 and at March 31, 2017 and December 31, 2016 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."

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In millions)	Three Months Ended March 31, 2017					
			Non-Guarantor Subsidiaries			
	Issuer	Guarantor Subsidiaries	Europe	Non-Europe (1)	Eliminations	Consolidated
Results of Operations Data:						
Revenue	$ —	$ 99.8	$118.8	$ 5.3	$ —	$ 223.9
Direct operating, SG&A and Corporate expenses	(0.1)	95.1	129.1	3.8	—	227.9
Depreciation and amortization	—	6.4	10.4	0.4	—	17.2
Other operating (expense) income	—	(0.4)	0.9	—	—	0.5
Operating income (loss)	$ 0.1	$ (2.1)	$ (19.8)	$ 1.1	$ —	$ (20.7)
Other Financial Data:						
Capital expenditures	$ —	$ 10.5	$ 9.6	$ 0.1	$ —	$ 20.2
Balance Sheet Data (at end of period):						
Cash and cash equivalents	$ 1.0	$ 35.5	$ 5.4	$ 1.7	$ —	$ 43.6
Current assets	1.0	159.6	221.4	8.0	—	390.0
Property, plant and equipment, net	—	116.2	152.6	4.8	—	273.6
Intercompany assets	11.4	329.8	137.3	38.5	(517.0)	—
Total assets	235.2	747.9	688.0	54.9	(517.0)	1,209.0
Current liabilities	5.5	153.6	223.3	5.9	—	388.3
Long-term debt, less current maturities	216.4	5.7	0.3	—	—	222.4
Related party subordinated notes payable	484.0	501.2	—	—	—	985.2

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

CLEAR CHANNEL INTERNATIONAL B.V. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

(In millions)	Three Months Ended March 31, 2016					
			Non-Guarantor Subsidiaries			
	Issuer	Guarantor Subsidiaries	Europe	Non-Europe (1)	Eliminations	Consolidated
Results of Operations Data:						
Revenue	$ —	$ 100.9	$123.6	$ 34.9	$ —	$ 259.4
Operating expenses	0.1	93.6	127.6	29.0	—	250.3
Depreciation and amortization	—	8.2	12.4	3.3	—	23.9
Other operating (expense) income	—	(0.1)	0.3	—	—	0.2
Operating income (loss)	$ (0.1)	$ (1.0)	$ (16.1)	$ 2.6	$ —	$ (14.6)
Other Financial Data:						
Capital expenditures	$ —	$ 8.2	$ 4.8	$ 6.1	$ —	$ 19.1
Balance Sheet Data (at December 31, 2016):						
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, net of 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.

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.