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

**FORM 10-Q**

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2017

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ____________ TO ____________

Commission File Number
**001-32663**

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

| | |
|---|---|
| Delaware | 86-0812139 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 200 East Basse Road, Suite 100<br>San Antonio, Texas | 78209 |
| (Address of principal executive offices) | (Zip Code) |

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

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

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

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

Large accelerated filer [ ] Accelerated filer [X] Non-accelerated filer [ ] Smaller reporting company [ ] Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

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

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

| Class | Outstanding at May 1, 2017 |
|---|---|
| Class A Common Stock, $.01 par value | 47,509,562 |
| Class B Common Stock, $.01 par value | 315,000,000 |

**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.**

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**PART I – FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEETS**
**CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES**

| *(In thousands, except share data)* | March 31, 2017 (Unaudited) | December 31, 2016 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 200,621 | $ 541,995 |
| Accounts receivable, net of allowance of $21,706 in 2017 and $22,398 in 2016 | 560,771 | 593,070 |
| Prepaid expenses | 152,994 | 111,569 |
| Assets held for sale | — | 55,602 |
| Other current assets | 50,178 | 39,199 |
| **Total Current Assets** | 964,564 | 1,341,435 |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Structures, net | 1,181,997 | 1,196,676 |
| Other property, plant and equipment, net | 216,819 | 216,157 |
| INTANGIBLE ASSETS AND GOODWILL | | |
| Indefinite-lived intangibles | 986,010 | 960,966 |
| Other intangibles, net | 297,352 | 299,617 |
| Goodwill | 699,830 | 696,263 |
| OTHER ASSETS | | |
| Due from iHeartCommunications | 915,147 | 885,701 |
| Other assets | 124,644 | 122,013 |
| **Total Assets** | $ 5,386,363 | $ 5,718,828 |
| CURRENT LIABILITIES | | |
| Accounts payable | $ 70,575 | $ 86,870 |
| Accrued expenses | 433,715 | 480,872 |
| Deferred income | 113,709 | 67,005 |
| Current portion of long-term debt | 6,678 | 6,971 |
| **Total Current Liabilities** | 624,677 | 641,718 |
| Long-term debt | 5,112,858 | 5,110,020 |
| Deferred tax liability | 622,316 | 638,705 |
| Other long-term liabilities | 261,051 | 259,311 |
| Commitments and Contingent liabilities (Note 4) | | |
| STOCKHOLDERS' DEFICIT | | |
| Noncontrolling interest | 145,140 | 149,886 |
| Preferred stock, $.01 par value, 150,000,000 shares authorized, no shares issued and outstanding | — | — |
| Class A common stock, par value $.01 per share, authorized 750,000,000 shares, issued 48,128,489 and 47,947,123 shares in 2017 and 2016, respectively | 481 | 479 |
| Class B common stock, $.01 par value, 600,000,000 shares authorized, 315,000,000 shares issued and outstanding | 3,150 | 3,150 |
| Additional paid-in capital | 3,152,132 | 3,432,121 |
| Accumulated deficit | (4,154,799) | (4,125,798) |
| Accumulated other comprehensive loss | (376,183) | (386,658) |
| Cost of shares (706,316 in 2017 and 633,851 in 2016) held in treasury | (4,460) | (4,106) |
| **Total Stockholders' Deficit** | (1,234,539) | (930,926) |
| **Total Liabilities and Stockholders' Deficit** | $ 5,386,363 | $ 5,718,828 |

See Notes to Consolidated Financial Statements

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES**
**(UNAUDITED)**

| *(In thousands, except per share data)* | Three Months Ended March 31, | |
|---|---|---|
| | 2017 | 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 |
| Other comprehensive income (loss), net of tax: | | |
| Foreign currency translation adjustments | 9,653 | 27,264 |
| Unrealized holding loss on marketable securities | (57) | (36) |
| Reclassification adjustments | (1,644) | — |
| Other comprehensive income | 7,952 | 27,228 |
| Comprehensive income (loss) | (21,049) | 167,338 |
| Less amount attributable to noncontrolling interest | (2,523) | 2,419 |
| Comprehensive income (loss) attributable to the Company | $ (18,526) | $ 164,919 |
| Net income (loss) attributable to the Company per common share: | | |
| Basic | $ (0.08) | $ 0.39 |
| Weighted average common shares outstanding – Basic | 360,754 | 359,915 |
| Diluted | $ (0.08) | $ 0.39 |
| Weighted average common shares outstanding – Diluted | 360,754 | 360,904 |
| | | |
| Dividends declared per share | $ 0.78 | $ 1.49 |

See Notes to Consolidated Financial Statements

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

| *(In thousands)* | Three Months Ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| **Cash flows from operating activities:** | | |
| Consolidated net income (loss) | $ (30,996) | $ 141,086 |
| **Reconciling items:** | | |
| Depreciation and amortization | 77,494 | 85,395 |
| Deferred taxes | (15,579) | 52,654 |
| Provision for doubtful accounts | 521 | 2,018 |
| Amortization of deferred financing charges and note discounts, net | 2,683 | 2,613 |
| Share-based compensation | 2,359 | 2,370 |
| Gain on disposal of operating and other assets | (33,322) | (285,519) |
| Equity in loss of nonconsolidated affiliates | 472 | 415 |
| Other reconciling items, net | (5,012) | 4,957 |
| Changes in operating assets and liabilities, net of effects of acquisitions and dispositions: | | |
| Decrease in accounts receivable | 37,052 | 80,033 |
| Increase in prepaid expenses and other current assets | (54,808) | (19,331) |
| Decrease in accrued expenses | (59,481) | (64,020) |
| Decrease in accounts payable | (15,506) | (18,190) |
| Increase in accrued interest | 4,835 | 3,069 |
| Increase in deferred income | 44,232 | 25,151 |
| Changes in other operating assets and liabilities | (5,091) | 3,469 |
| Net cash provided by (used for) operating activities | $ (50,147) | $ 16,170 |
| **Cash flows from investing activities:** | | |
| Purchases of property, plant and equipment | (36,344) | (47,202) |
| Proceeds from disposal of assets | 53,279 | 586,690 |
| Purchases of other operating assets | (1,064) | (1,573) |
| Change in other, net | 404 | (14,371) |
| Net cash provided by investing activities | $ 16,275 | $ 523,544 |
| **Cash flows from financing activities:** | | |
| Payments on credit facilities | (375) | (577) |
| Payments on long-term debt | (163) | (517) |
| Net transfers from (to) iHeartCommunications | (29,448) | 290,711 |
| Dividends and other payments from (to) noncontrolling interests | 826 | (789) |
| Dividends paid | (281,673) | (754,217) |
| Change in other, net | (257) | (1,079) |
| Net cash used for financing activities | $ (311,090) | $ (466,468) |
| Effect of exchange rate changes on cash | 3,588 | 3,652 |
| Net increase (decrease) in cash and cash equivalents | (341,374) | 76,898 |
| Cash and cash equivalents at beginning of period | 541,995 | 412,743 |
| Cash and cash equivalents at end of period | $ 200,621 | $ 489,641 |
| **SUPPLEMENTAL DISCLOSURES:** | | |
| Cash paid for interest | 86,759 | 85,959 |
| Cash paid for income taxes | 17,193 | 14,632 |

See Notes to Consolidated Financial Statements

## NOTE 1 – BASIS OF PRESENTATION

### Preparation of Interim Financial Statements

All references in this Quarterly Report on Form 10-Q to the "Company," "we," "us" and "our" refer to Clear Channel Outdoor Holdings, Inc. and its consolidated subsidiaries. Our reportable segments are Americas outdoor advertising ("Americas") and International outdoor advertising ("International"). The accompanying consolidated financial statements were prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, in the opinion of management, include all normal and recurring adjustments necessary to present fairly the results of the interim periods shown. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. Due to seasonality and other factors, the results for the interim periods may not be indicative of results for the full year. The financial statements contained herein should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2016 Annual Report on Form 10-K.

The consolidated financial statements include the accounts of the Company and its subsidiaries and give effect to allocations of expenses from the Company's indirect parent entity, iHeartCommunications, Inc. ("iHeartCommunications"). These allocations were made on a specifically identifiable basis or using relative percentages of headcount or other methods management considered to be a reasonable reflection of the utilization of services provided. 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% to 50% of the voting common stock or otherwise exercises significant influence over operating and financial policies of the company are accounted for under the equity method. All significant intercompany transactions are eliminated in the consolidation process. Certain prior-period amounts have been reclassified to conform to the 2017 presentation.

### 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.

## NOTE 2 – PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

**Dispositions**

In January 2017, Americas sold its Indianapolis, Indiana market to Fairway Media Group, LLC in exchange for certain assets in Atlanta, Georgia with a fair value of $39.6 million, plus approximately $43.0 million in cash, net of closing costs. The assets acquired as part of the transaction consisted of $9.9 million in fixed assets, $29.5 million in intangible assets (including $2.3 million in goodwill) and $0.2 million in other assets. The Company recognized a net gain of $28.6 million related to the sale, which is included within Other operating income, net.

**Property, Plant and Equipment**

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

| *(In thousands)* | March 31, 2017 | December 31, 2016 |
|---|---|---|
| Land, buildings and improvements | $ 153,833 | $ 152,775 |
| Structures | 2,720,902 | 2,684,673 |
| Furniture and other equipment | 153,473 | 148,516 |
| Construction in progress | 60,212 | 58,585 |
| | 3,088,420 | 3,044,549 |
| Less: accumulated depreciation | 1,689,604 | 1,631,716 |
| Property, plant and equipment, net | $ 1,398,816 | $ 1,412,833 |

**Indefinite-lived Intangible Assets**

The Company's indefinite-lived intangible assets consist primarily of billboard permits in its Americas segment. Due to significant differences in both business practices and regulations, billboards in the International segment are subject to long-term, finite contracts unlike the Company's permits in the United States and Canada. Accordingly, there are no indefinite-lived intangible assets in the International segment.

**Other Intangible Assets**

Other intangible assets include definite-lived intangible assets and permanent easements. The Company's definite-lived intangible assets primarily include transit and street furniture contracts, site-leases and other contractual rights, all of which are amortized over the shorter of either the respective lives of the agreements or over the period of time the assets are expected to contribute directly or indirectly to the Company's future cash flows. Permanent easements are indefinite-lived intangible assets which include certain rights to use real property not owned by the Company. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived intangible assets. These assets are recorded at cost.

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

| *(In thousands)* | March 31, 2017 | | December 31, 2016 | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Transit, street furniture and other outdoor contractual rights | $ 569,114 | $ (437,297) | $ 563,863 | $ (426,752) |
| Permanent easements | 162,893 | — | 159,782 | — |
| Other | 4,558 | (1,916) | 4,536 | (1,812) |
| Total | $ 736,565 | $ (439,213) | $ 728,181 | $ (428,564) |

Total amortization expense related to definite-lived intangible assets for the three months ended March 31, 2017 and 2016 was $7.0 million and $9.8 million, respectively.

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

| *(In thousands)* | |
|---|---|
| 2018 | $ 19,684 |
| 2019 | $ 15,590 |
| 2020 | $ 13,289 |
| 2021 | $ 12,887 |
| 2022 | $ 11,410 |

**Goodwill**

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

| *(In thousands)* | Americas | International | Consolidated |
|---|---|---|---|
| Balance as of December 31, 2015 | $ 534,683 | $ 223,892 | $ 758,575 |
| Impairment | — | (7,274) | (7,274) |
| Dispositions | (6,934) | (30,718) | (37,652) |
| Foreign currency | (1,998) | (5,051) | (7,049) |
| Assets held for sale | (10,337) | — | (10,337) |
| Balance as of December 31, 2016 | $ 515,414 | $ 180,849 | $ 696,263 |
| Impairment | — | — | — |
| Acquisitions | 2,252 | — | 2,252 |
| Dispositions | — | (1,817) | (1,817) |
| Foreign currency | 583 | 2,460 | 3,043 |
| Assets held for sale | 89 | — | 89 |
| Balance as of March 31, 2017 | $ 518,338 | $ 181,492 | $ 699,830 |

## NOTE 3 – 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 Worldwide Holdings Senior Notes: | | |
| 6.5% Series A Senior Notes Due 2022 | $ 735,750 | $ 735,750 |
| 6.5% Series B Senior Notes Due 2022 | 1,989,250 | 1,989,250 |
| Clear Channel Worldwide Holdings Senior Subordinated Notes: | | |
| 7.625% Series A Senior Subordinated Notes Due 2020 | 275,000 | 275,000 |
| 7.625% Series B Senior Subordinated Notes Due 2020 | 1,925,000 | 1,925,000 |
| Senior Revolving Credit Facility Due 2018(1) | — | — |
| Clear Channel International B.V. Senior Notes Due 2020 | 225,000 | 225,000 |
| Other debt | 14,660 | 14,798 |
| Original issue discount | (6,468) | (6,738) |
| Long-term debt fees | (38,656) | (41,069) |
| Total debt | $ 5,119,536 | $ 5,116,991 |
| Less: current portion | 6,678 | 6,971 |
| Total long-term debt | $ 5,112,858 | $ 5,110,020 |

(1) The Senior revolving credit facility provides for borrowings up to $75.0 million (the revolving credit commitment). As of March 31, 2017, we had $67.3 million of letters of credit outstanding, and $7.7 million of availability, under the senior revolving credit facility.

The aggregate market value of the Company's debt based on market prices for which quotes were available was approximately $5.3 billion and $5.2 billion 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.

**Surety Bonds, Letters of Credit and Guarantees**

As of March 31, 2017, the Company had $68.5 million and $34.9 million in letters of credit and bank guarantees outstanding, respectively. Bank guarantees of $18.6 million were backed by cash collateral. Additionally, as of March 31, 2017, iHeartCommunications had outstanding commercial standby letters of credit and surety bonds of $1.4 million and $51.7 million, respectively, held on behalf of the Company. These surety bonds, letters of credit and bank guarantees relate to various operational matters, including insurance, bid and performance bonds, as well as other items.

## NOTE 4 – COMMITMENTS AND CONTINGENCIES

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; misappropriation of likeness and right of publicity claims; employment and benefits related claims; governmental fines; intellectual property claims; 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.

**Stockholder Litigation**

On May 9, 2016, a stockholder of the Company filed a derivative lawsuit in the Court of Chancery of the State of Delaware, captioned *GAMCO Asset Management Inc. v. iHeartMedia Inc. et al.,* C.A. No. 12312-VCS. The complaint names as defendants iHeartCommunications, Inc. ("iHeartCommunications"), the Company's indirect parent company, iHeartMedia, Inc. ("iHeartMedia"), the parent company of iHeartCommunications, Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. (together, the "Sponsor Defendants"), iHeartMedia's private equity sponsors and majority owners, and the members of the Company's board of directors. The Company also is named as a nominal defendant. The complaint alleges that the Company has been harmed by the intercompany agreements with iHeartCommunications, the Company's lack of autonomy over its own cash and the actions of the defendants in serving the interests of iHeartMedia, iHeartCommunications and the Sponsor Defendants to the detriment of the Company and its minority stockholders. Specifically, the complaint alleges that the defendants have breached their fiduciary duties by causing the Company to: (i) continue to loan cash to iHeartCommunications under the intercompany note at below-market rates; (ii) abandon its growth and acquisition strategies in favor of transactions that would provide cash to iHeartMedia and iHeartCommunications; (iii) issue new debt in the CCIBV note offering (the "CCIBV Note Offering") to provide cash to iHeartMedia and iHeartCommunications through a dividend; and (iv) effect the sales of certain outdoor markets in the U.S. (the "Outdoor Asset Sales") to provide cash to iHeartMedia and iHeartCommunications through a dividend. The complaint also alleges that iHeartMedia, iHeartCommunications and the Sponsor Defendants aided and abetted the directors' breaches of their fiduciary duties. The complaint further alleges that iHeartMedia, iHeartCommunications and the Sponsor Defendants were unjustly enriched as a result of these transactions and that these transactions constituted a waste of corporate assets for which the defendants are liable to the Company. The plaintiff is seeking, among other things, a ruling that the defendants breached their fiduciary duties to the Company and that iHeartMedia, iHeartCommunications and the Sponsor Defendants aided and abetted the board of directors' breaches of fiduciary duty, rescission of payments to iHeartCommunications and its affiliates pursuant to dividends declared in connection with the CCIBV Note Offering and Outdoor Asset Sales, and an order requiring iHeartMedia, iHeartCommunications and the Sponsor Defendants to disgorge all profits they have received as a result of the alleged fiduciary misconduct.

On July 20, 2016, the defendants filed a motion to dismiss plaintiff's verified stockholder derivative complaint for failure to state a claim upon which relief can be granted. On November 23, 2016, the Court granted defendants' motion to dismiss all claims brought by the plaintiff. On December 19, 2016, the plaintiff filed a notice of appeal of the ruling.

## NOTE 5 — RELATED PARTY TRANSACTIONS

The Company records net amounts due from iHeartCommunications as "Due from iHeartCommunications" on the consolidated balance sheets. The accounts represent the revolving promissory note issued by the Company to iHeartCommunications and the revolving promissory note issued by iHeartCommunications to the Company in the face amount of $1.0 billion, or if more or less than such amount, the aggregate unpaid principal amount of all advances. The accounts accrue interest pursuant to the terms of the promissory notes and are generally payable on demand or when they mature on December 15, 2017.

Included in the accounts are the net activities resulting from day-to-day cash management services provided by iHeartCommunications. As a part of these services, the Company maintains collection bank accounts swept daily into accounts of iHeartCommunications (after satisfying the funding requirements of the Trustee Accounts under the CCWH Senior Notes and the CCWH Subordinated Notes). In return, iHeartCommunications funds the Company's controlled disbursement accounts as checks or electronic payments are presented for payment. The Company's claim in relation to cash transferred from its concentration account is on an unsecured basis and is limited to the balance of the "Due from iHeartCommunications" account.

As of March 31, 2017 and December 31, 2016, the asset recorded in "Due from iHeartCommunications" on the consolidated balance sheet was $915.1 million and $885.7 million, respectively. As of March 31, 2017, the fixed interest rate on the "Due from iHeartCommunications" account was 6.5%, which is equal to the fixed interest rate on the CCWH Senior Notes. The net interest income for the three months ended March 31, 2017 and 2016 was $14.8 million and $12.7 million, respectively.

In its Quarterly Report on Form 10-Q filed with the SEC on May 4, 2017, iHeartCommunications stated that its forecast of future cash flows indicates that such cash flows would not be sufficient for it to meet its obligations, including payment of the outstanding receivables based credit facility balance at maturity on December 24, 2017 and payment of the 10% Senior Notes due January 15, 2018, as they become due in the ordinary course of business for a period of 12 months following May 4, 2017. iHeartCommunications further stated that management has determined that there is substantial doubt as to iHeartCommunications' ability to continue as a going concern for a period of 12 months following May 4, 2017.

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

The Company provides advertising space on its billboards for iHeartMedia, Inc. and for radio stations owned by iHeartMedia, Inc. For the three months ended March 31, 2017 and 2016, the Company recorded $1.8 million and $0.3 million, respectively, in revenue for these advertisements.

Under the Corporate Services Agreement between iHeartCommunications and the Company, iHeartCommunications provides management services to the Company, which include, among other things: (i) treasury, payroll and other financial related services; (ii) certain executive officer services; (iii) human resources and employee benefits services; (iv) legal and related services; (v) information systems, network and related services; (vi) investment services; (vii) procurement and sourcing support services; and (viii) other general corporate services. These services are charged to the Company based on actual direct costs incurred or allocated by iHeartCommunications 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 $16.2 million and $9.3 million, respectively, as a component of corporate expenses for these services. In February 2017, the Company 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 agreements provide that CCOH will pay a license fee to iHeartMedia, Inc. in 2017 based on revenues of entities using the Clear Channel name. Included within the management services expense recognized in the three months ended March 31, 2017 is an additional expense of $7.8 million related to this license. Financial distress at iHeartCommunications could impact its ability to provide these services to us, and if iHeartCommunications was to become insolvent or file a bankruptcy petition, such event could cause significant uncertainties and disrupt our operations and/or adversely affect our rights under the Corporate Services Agreement and the other intercompany agreements.

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

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

Pursuant to the Employee Matters Agreement, the Company's employees participate in iHeartCommunications' employee benefit plans, including employee medical insurance and a 401(k) retirement benefit plan. For the three months ended March 31, 2017 and 2016, the Company recorded $2.4 million and $2.3 million, respectively, as a component of selling, general and administrative expenses for these services.

**NOTE 6 – INCOME TAXES**

**Income Tax Benefit (Expense)**

The Company’s income tax benefit (expense) for the three months endedMarch 31, 2017 and 2016, respectively, consisted of the following components:

| *(In thousands)* | Three Months Ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Current tax benefit (expense) | $ 6,258 | $ (10,263) |
| Deferred tax benefit (expense) | 15,579 | (52,654) |
| Income tax benefit (expense) | $ 21,837 | $ (62,917) |

The effective tax rate for the three months endedMarch 31, 2017 was 41.3%. The effective rate for the three months endedMarch 31, 2017 was primarily impacted by the Company's inability to benefit from losses in certain foreign jurisdictions due to uncertainty regarding the ability to utilize those losses in future periods.

The effective tax rate for the three months endedMarch 31, 2016 was 30.8%. The effective rate was primarily impacted by the reversal of the valuation allowance recorded in 2015 against net operating losses in U.S. federal and state jurisdictions due to taxable gains from the dispositions of nine outdoor markets during the period. Additionally, we were unable to benefit from losses in certain foreign jurisdictions due to the uncertainty of the ability to utilize those losses in future periods.

## NOTE 7 – STOCKHOLDERS' EQUITY (DEFICIT)

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

| *(In thousands)* | The Company | Noncontrolling Interests | Consolidated |
|---|---|---|---|
| Balances as of January 1, 2017 | $ (1,080,812) | $ 149,886 | $ (930,926) |
| Net loss | (29,001) | (1,995) | (30,996) |
| Dividends declared | (282,486) | — | (282,486) |
| Payments from noncontrolling interests | — | 826 | 826 |
| Share-based compensation | 2,230 | 129 | 2,359 |
| Disposal of noncontrolling interest | — | (1,046) | (1,046) |
| Foreign currency translation adjustments | 12,176 | (2,523) | 9,653 |
| Unrealized holding loss on marketable securities | (57) | — | (57) |
| Reclassification adjustments | (1,644) | — | (1,644) |
| Other, net | (85) | (137) | (222) |
| Balances as of March 31, 2017 | $ (1,379,679) | $ 145,140 | $ (1,234,539) |
| | | | |
| Balances as of January 1, 2016 | $ (755,599) | $ 187,775 | $ (567,824) |
| Net income | 140,110 | 976 | 141,086 |
| Dividends declared | (540,016) | — | (540,016) |
| Dividends and other payments to noncontrolling interests | — | (789) | (789) |
| Share-based compensation | 2,370 | — | 2,370 |
| Foreign currency translation adjustments | 24,845 | 2,419 | 27,264 |
| Unrealized holding loss on marketable securities | (36) | — | (36) |
| Other, net | (1,863) | 1,225 | (638) |
| Balances as of March 31, 2016 | $ (1,130,189) | $ 191,606 | $ (938,583) |

The Company has granted restricted stock, restricted stock units and options to purchase shares of its class A common stock to certain key individuals.

**COMPUTATION OF LOSS PER SHARE**

| *(In thousands, except per share data)* | Three Months Ended March 31, 2017 | 2016 |
|---|---|---|
| NUMERATOR: | | |
| Net income (loss) attributable to the Company – common shares | $ (29,001) | $ 140,110 |
| | | |
| DENOMINATOR: | | |
| Weighted average common shares outstanding - basic | 360,754 | 359,915 |
| Stock options and restricted stock(1) | — | 989 |
| Weighted average common shares outstanding - diluted | 360,754 | 360,904 |
| | | |
| Net income (loss) attributable to the Company per common share: | | |
| Basic | $ (0.08) | $ 0.39 |
| Diluted | $ (0.08) | $ 0.39 |

(1) Outstanding equity awards of 7.2 million and 6.1 million for the three months ended March 31, 2017 and 2016, respectively, were not included in the computation of diluted earnings per share because to do so would have been antidilutive.

## NOTE 8 — OTHER INFORMATION

**Other Comprehensive Income (Loss)**

There was no change in deferred income tax liabilities resulting from adjustments to comprehensive loss for the three months ended March 31, 2017 and 2016.

## NOTE 9 – SEGMENT DATA

The Company has two reportable segments, which it believes best reflect how the Company is currently managed – Americas and International. The Americas segment consists of operations primarily in the United States, Canada and Latin America and the International segment primarily includes operations in Europe and Asia. The Americas and International display inventory consists primarily of billboards, street furniture displays and transit displays. Corporate includes infrastructure and support including information technology, human resources, legal, finance and administrative functions of each of the Company's reportable segments, as well as overall executive, administrative and support functions. Share-based payments are recorded in corporate expenses.

The following table presents the Company's reportable segment results for the three months ended March 31, 2017 and 2016:

| *(In thousands)* | Americas | International | Corporate and other reconciling items | Consolidated |
|---|---|---|---|---|
| **Three Months Ended March 31, 2017** | | | | |
| Revenue | $ 279,420 | $ 265,306 | $ — | $ 544,726 |
| Direct operating expenses | 140,473 | 187,458 | — | 327,931 |
| Selling, general and administrative expenses | 56,086 | 59,688 | — | 115,774 |
| Corporate expenses | — | — | 34,540 | 34,540 |
| Depreciation and amortization | 45,295 | 30,673 | 1,526 | 77,494 |
| Other operating income, net | — | — | 32,611 | 32,611 |
| Operating income (loss) | $ 37,566 | $ (12,513) | $ (3,455) | $ 21,598 |
| Capital expenditures | $ 14,104 | $ 21,824 | $ 416 | $ 36,344 |
| Share-based compensation expense | $ — | $ — | $ 2,359 | $ 2,359 |
| **Three Months Ended March 31, 2016** | | | | |
| Revenue | $ 282,528 | $ 306,486 | $ — | $ 589,014 |
| Direct operating expenses | 138,012 | 203,975 | — | 341,987 |
| Selling, general and administrative expenses | 55,329 | 71,472 | — | 126,801 |
| Corporate expenses | — | — | 28,224 | 28,224 |
| Depreciation and amortization | 46,116 | 37,880 | 1,399 | 85,395 |
| Other operating income, net | — | — | 284,774 | 284,774 |
| Operating income (loss) | $ 43,071 | $ (6,841) | $ 255,151 | $ 291,381 |
| Capital expenditures | $ 11,292 | $ 34,913 | $ 997 | $ 47,202 |
| Share-based compensation expense | $ — | $ — | $ 2,370 | $ 2,370 |

## NOTE 10 – GUARANTOR SUBSIDIARIES

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

| *(In thousands)* | March 31, 2017 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Subsidiary Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Cash and cash equivalents | $ 42,225 | $ — | $ 16,594 | $ 141,802 | $ — | $ 200,621 |
| Accounts receivable, net of allowance | — | — | 171,029 | 389,742 | — | 560,771 |
| Intercompany receivables | — | 627,297 | 2,741,198 | 94,763 | (3,463,258) | — |
| Prepaid expenses | 2,893 | 3,433 | 69,242 | 77,426 | — | 152,994 |
| Other current assets | (2,148) | (1,107) | 11,753 | 41,680 | — | 50,178 |
| **Total Current Assets** | 42,970 | 629,623 | 3,009,816 | 745,413 | (3,463,258) | 964,564 |
| Structures, net | — | — | 733,948 | 448,049 | — | 1,181,997 |
| Other property, plant and equipment, net | — | — | 123,655 | 93,164 | — | 216,819 |
| Indefinite-lived intangibles | — | — | 976,395 | 9,615 | — | 986,010 |
| Other intangibles, net | — | — | 259,335 | 38,017 | — | 297,352 |
| Goodwill | — | — | 507,819 | 192,011 | — | 699,830 |
| Due from iHeartCommunications | 915,147 | — | — | — | — | 915,147 |
| Intercompany notes receivable | 182,026 | 4,887,354 | — | — | (5,069,380) | — |
| Other assets | 259,682 | 402,568 | 1,278,853 | 68,956 | (1,885,415) | 124,644 |
| **Total Assets** | $ 1,399,825 | $ 5,919,545 | $ 6,889,821 | $ 1,595,225 | $ (10,418,053) | $ 5,386,363 |
| | | | | | | |
| Accounts payable | $ — | $ — | $ 7,861 | $ 62,714 | $ — | $ 70,575 |
| Intercompany payable | 2,741,198 | — | 722,060 | — | (3,463,258) | — |
| Accrued expenses | 1,904 | — | 73,484 | 358,327 | — | 433,715 |
| Deferred income | — | — | 47,814 | 65,895 | — | 113,709 |
| Current portion of long-term debt | — | — | 104 | 6,574 | — | 6,678 |
| **Total Current Liabilities** | 2,743,102 | — | 851,323 | 493,510 | (3,463,258) | 624,677 |
| Long-term debt | — | 4,888,510 | 1,908 | 222,440 | — | 5,112,858 |
| Intercompany notes payable | — | 5,000 | 5,027,480 | 36,900 | (5,069,380) | — |
| Deferred tax liability | 772 | 1,367 | 671,952 | (51,775) | — | 622,316 |
| Other long-term liabilities | 1,427 | — | 134,304 | 125,320 | — | 261,051 |
| Total stockholders' equity (deficit) | (1,345,476) | 1,024,668 | 202,854 | 768,830 | (1,885,415) | (1,234,539) |
| **Total Liabilities and Stockholders' Equity (Deficit)** | $ 1,399,825 | $ 5,919,545 | $ 6,889,821 | $ 1,595,225 | $ (10,418,053) | $ 5,386,363 |

| *(In thousands)* | December 31, 2016 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Subsidiary Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Cash and cash equivalents | $ 300,285 | $ — | $ 61,542 | $ 180,168 | $ — | $ 541,995 |
| Accounts receivable, net of allowance | — | — | 193,474 | 399,596 | — | 593,070 |
| Intercompany receivables | — | 687,043 | 2,694,094 | 99,431 | (3,480,568) | — |
| Prepaid expenses | 1,363 | 3,433 | 51,751 | 55,022 | — | 111,569 |
| Assets held for sale | — | — | 55,602 | — | — | 55,602 |
| Other current assets | — | — | 6,873 | 32,326 | — | 39,199 |
| **Total Current Assets** | 301,648 | 690,476 | 3,063,336 | 766,543 | (3,480,568) | 1,341,435 |
| Structures, net | — | — | 746,877 | 449,799 | — | 1,196,676 |
| Other property, plant and equipment, net | — | — | 124,138 | 92,019 | — | 216,157 |
| Indefinite-lived intangibles | — | — | 951,439 | 9,527 | — | 960,966 |
| Other intangibles, net | — | — | 259,915 | 39,702 | — | 299,617 |
| Goodwill | — | — | 505,478 | 190,785 | — | 696,263 |
| Due from iHeartCommunications | 885,701 | — | — | — | — | 885,701 |
| Intercompany notes receivable | 182,026 | 4,887,354 | — | — | (5,069,380) | — |
| Other assets | 280,435 | 418,658 | 1,320,838 | 65,589 | (1,963,507) | 122,013 |
| **Total Assets** | $ 1,649,810 | $ 5,996,488 | $ 6,972,021 | $ 1,613,964 | $ (10,513,455) | $ 5,718,828 |
| | | | | | | |
| Accounts payable | $ — | $ — | $ 14,897 | $ 71,973 | $ — | $ 86,870 |
| Intercompany payable | 2,694,094 | — | 786,474 | — | (3,480,568) | — |
| Accrued expenses | 2,223 | 58,652 | 35,509 | 384,488 | — | 480,872 |
| Dividends payable | — | | | | | — |
| Deferred income | — | — | 33,471 | 33,534 | — | 67,005 |
| Current portion of long-term debt | — | — | 89 | 6,882 | — | 6,971 |
| **Total Current Liabilities** | 2,696,317 | 58,652 | 870,440 | 496,877 | (3,480,568) | 641,718 |
| Long-term debt | — | 4,886,318 | 1,711 | 221,991 | — | 5,110,020 |
| Intercompany notes payable | — | 5,000 | 5,027,681 | 36,699 | (5,069,380) | — |
| Deferred tax liability | 772 | 1,367 | 685,780 | (49,214) | — | 638,705 |
| Other long-term liabilities | 1,055 | — | 135,094 | 123,162 | — | 259,311 |
| Total stockholders' equity (deficit) | (1,048,334) | 1,045,151 | 251,315 | 784,449 | (1,963,507) | (930,926) |
| **Total Liabilities and Stockholders' Equity (Deficit)** | $ 1,649,810 | $ 5,996,488 | $ 6,972,021 | $ 1,613,964 | $ (10,513,455) | $ 5,718,828 |

| *(In thousands)* | Three Months Ended March 31, 2017 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Subsidiary Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Revenue | $ — | $ — | $ 252,986 | $ 291,740 | $ — | $ 544,726 |
| Operating expenses: | | | | | | |
| Direct operating expenses | — | — | 124,892 | 203,039 | — | 327,931 |
| Selling, general and administrative expenses | — | — | 48,471 | 67,303 | — | 115,774 |
| Corporate expenses | 3,927 | — | 22,281 | 8,332 | — | 34,540 |
| Depreciation and amortization | — | — | 43,517 | 33,977 | — | 77,494 |
| Other operating income (expense), net | (103) | — | 32,603 | 111 | — | 32,611 |
| Operating income (loss) | (4,030) | — | 46,428 | (20,800) | — | 21,598 |
| Interest (income) expense, net | (301) | 88,331 | (637) | 5,240 | — | 92,633 |
| Interest income on Due from iHeartCommunications | 14,807 | — | — | — | — | 14,807 |
| Intercompany interest income | 4,065 | 85,102 | 15,018 | — | (104,185) | — |
| Intercompany interest expense | 14,807 | 57 | 89,167 | 154 | (104,185) | — |
| Equity in loss of nonconsolidated affiliates | (32,636) | (21,289) | (25,700) | (875) | 80,028 | (472) |
| Other income (expense), net | 5,447 | — | (1,457) | (123) | — | 3,867 |
| Loss before income taxes | (26,853) | (24,575) | (54,241) | (27,192) | 80,028 | (52,833) |
| Income tax benefit (expense) | (2,148) | (1,107) | 21,605 | 3,487 | — | 21,837 |
| Consolidated net loss | (29,001) | (25,682) | (32,636) | (23,705) | 80,028 | (30,996) |
| Less amount attributable to noncontrolling interest | — | — | — | (1,995) | — | (1,995) |
| Net loss attributable to the Company | $ (29,001) | $ (25,682) | $ (32,636) | $ (21,710) | $ 80,028 | $ (29,001) |
| Other comprehensive income (loss), net of tax: | | | | | | |
| Foreign currency translation adjustments | — | — | (226) | 9,879 | — | 9,653 |
| Unrealized holding loss on marketable securities | — | — | — | (57) | — | (57) |
| Reclassification adjustments | — | — | — | (1,644) | — | (1,644) |
| Equity in subsidiary comprehensive income | 10,475 | 5,199 | 10,701 | — | (26,375) | — |
| Comprehensive loss | (18,526) | (20,483) | (22,161) | (13,532) | 53,653 | (21,049) |
| Less amount attributable to noncontrolling interest | — | — | — | (2,523) | — | (2,523) |
| Comprehensive loss attributable to the Company | $ (18,526) | $ (20,483) | $ (22,161) | $ (11,009) | $ 53,653 | $ (18,526) |

| *(In thousands)* | Three Months Ended March 31, 2016 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Subsidiary Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| Revenue | $ — | $ — | $ 253,079 | $ 335,935 | $ — | $ 589,014 |
| Operating expenses: | | | | | | |
| Direct operating expenses | — | — | 120,460 | 221,527 | — | 341,987 |
| Selling, general and administrative expenses | — | — | 48,727 | 78,074 | — | 126,801 |
| Corporate expenses | 3,339 | — | 14,418 | 10,467 | — | 28,224 |
| Depreciation and amortization | — | — | 44,550 | 40,845 | — | 85,395 |
| Other operating income (expense), net | (116) | — | 289,897 | (5,007) | — | 284,774 |
| Operating income (loss) | (3,455) | — | 314,821 | (19,985) | — | 291,381 |
| Interest expense, net | (330) | 88,078 | 436 | 5,689 | — | 93,873 |
| Interest income on Due from iHeartCommunications | 12,713 | — | — | — | — | 12,713 |
| Intercompany interest income | 4,033 | 85,451 | 13,203 | — | (102,687) | — |
| Intercompany interest expense | 12,713 | — | 89,484 | 490 | (102,687) | — |
| Equity in earnings (loss) of nonconsolidated affiliates | 138,911 | (33,187) | (38,509) | (777) | (66,853) | (415) |
| Other income (expense), net | 629 | — | (1,322) | (5,110) | — | (5,803) |
| Income (loss) before income taxes | 140,448 | (35,814) | 198,273 | (32,051) | (66,853) | 204,003 |
| Income tax benefit (expense) | (338) | 958 | (59,314) | (4,223) | — | (62,917) |
| Consolidated net income (loss) | 140,110 | (34,856) | 138,959 | (36,274) | (66,853) | 141,086 |
| Less amount attributable to noncontrolling interest | — | — | 48 | 928 | — | 976 |
| Net income (loss) attributable to the Company | $ 140,110 | $ (34,856) | $ 138,911 | $ (37,202) | $ (66,853) | $ 140,110 |
| Other comprehensive income (loss), net of tax: | | | | | | |
| Foreign currency translation adjustments | — | — | (5,664) | 32,928 | — | 27,264 |
| Unrealized holding loss on marketable securities | — | — | — | (36) | — | (36) |
| Equity in subsidiary comprehensive income | 24,809 | 24,425 | 30,473 | — | (79,707) | — |
| Comprehensive income (loss) | 164,919 | (10,431) | 163,720 | (4,310) | (146,560) | 167,338 |
| Less amount attributable to noncontrolling interest | — | — | — | 2,419 | — | 2,419 |
| Comprehensive income (loss) attributable to the Company | $ 164,919 | $ (10,431) | $ 163,720 | $ (6,729) | $ (146,560) | $ 164,919 |

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

| *(In thousands)* | Three Months Ended March 31, 2017 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Subsidiary Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| **Cash flows from operating activities:** | | | | | | |
| Consolidated net loss | $ (29,001) | $ (25,682) | $ (32,636) | $ (23,705) | $ 80,028 | $ (30,996) |
| Reconciling items: | | | | | | |
| Depreciation and amortization | — | — | 43,517 | 33,977 | — | 77,494 |
| Deferred taxes | — | — | (13,828) | (1,751) | — | (15,579) |
| Provision for doubtful accounts | — | — | 649 | (128) | — | 521 |
| Amortization of deferred financing charges and note discounts, net | — | 2,192 | — | 491 | — | 2,683 |
| Share-based compensation | — | — | 2,038 | 321 | — | 2,359 |
| Gain on disposal of operating assets, net | — | — | (32,609) | (713) | — | (33,322) |
| Equity in loss of nonconsolidated affiliates | 32,636 | 21,289 | 25,700 | 875 | (80,028) | 472 |
| Other reconciling items, net | — | — | (1,294) | (3,718) | — | (5,012) |
| Changes in operating assets and liabilities, net of effects of acquisitions and dispositions: | | | | | | |
| Decrease in accounts receivable | — | — | 21,796 | 15,256 | — | 37,052 |
| Increase in prepaids and other current assets | (1,530) | — | (29,598) | (23,680) | — | (54,808) |
| Increase (decrease) in accrued expenses | 1,422 | (57,545) | 42,311 | (45,669) | — | (59,481) |
| Decrease in accounts payable | — | — | (7,038) | (8,468) | — | (15,506) |
| Increase in accrued interest | — | — | 6 | 4,829 | — | 4,835 |
| Increase in deferred income | — | — | 12,211 | 32,021 | — | 44,232 |
| Changes in other operating assets and liabilities | — | — | (1,811) | (3,280) | — | (5,091) |
| Net cash provided by (used for) operating activities | $ 3,527 | $ (59,746) | $ 29,414 | $ (23,342) | $ — | $ (50,147) |
| **Cash flows from investing activities:** | | | | | | |
| Purchases of property, plant and equipment | — | — | (13,880) | (22,464) | — | (36,344) |
| Proceeds from disposal of assets | — | — | 51,914 | 1,365 | — | 53,279 |
| Purchases of other operating assets | — | — | — | (1,064) | — | (1,064) |
| Change in other, net | — | — | (1) | 405 | — | 404 |
| Net cash provided by (used for) investing activities | $ — | $ — | $ 38,033 | $ (21,758) | $ — | $ 16,275 |
| **Cash flows from financing activities:** | | | | | | |
| Payments on credit facilities | — | — | — | (375) | — | (375) |
| Payments on long-term debt | — | — | (22) | (141) | — | (163) |
| Net transfers to iHeartCommunications | (29,448) | — | — | — | — | (29,448) |
| Dividends and other payments to noncontrolling interests | — | — | — | 826 | — | 826 |
| Dividends paid | (281,673) | — | — | — | — | (281,673) |
| Intercompany funding | 49,791 | 59,746 | (112,373) | 2,836 | — | — |
| Change in other, net | (257) | — | — | — | — | (257) |
| Net cash provided by (used for) financing activities | (261,587) | 59,746 | (112,395) | 3,146 | — | (311,090) |
| Effect of exchange rate changes on cash | — | — | — | 3,588 | — | 3,588 |
| Net decrease in cash and cash equivalents | (258,060) | — | (44,948) | (38,366) | — | (341,374) |
| Cash and cash equivalents at beginning of year | 300,285 | — | 61,542 | 180,168 | — | 541,995 |
| Cash and cash equivalents at end of year | $ 42,225 | $ — | $ 16,594 | $ 141,802 | $ — | $ 200,621 |

| *(In thousands)* | Three Months Ended March 31, 2016 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Company | Subsidiary Issuer | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Eliminations | Consolidated |
| **Cash flows from operating activities:** | | | | | | |
| Consolidated net income (loss) | $ 140,110 | $ (34,856) | $ 138,959 | $ (36,274) | $ (66,853) | $ 141,086 |
| Reconciling items: | | | | | | |
| Depreciation and amortization | — | — | 44,550 | 40,845 | — | 85,395 |
| Deferred taxes | — | — | 53,232 | (578) | — | 52,654 |
| Provision for doubtful accounts | — | — | 1,497 | 521 | — | 2,018 |
| Amortization of deferred financing charges and note discounts, net | — | 1,873 | 308 | 432 | — | 2,613 |
| Share-based compensation | — | — | 1,016 | 1,354 | — | 2,370 |
| (Gain) loss on sale of operating and fixed assets | — | — | (290,091) | 4,572 | — | (285,519) |
| Equity in (earnings) loss of nonconsolidated affiliates | (138,911) | 33,187 | 38,509 | 777 | 66,853 | 415 |
| Other reconciling items, net | — | — | 4,957 | — | — | 4,957 |
| Changes in operating assets and liabilities, net of effects of acquisitions and dispositions: | | | | | | |
| Decrease in accounts receivable | — | — | 25,782 | 54,251 | — | 80,033 |
| (Increase) decrease in prepaids and other current assets | (1,402) | — | 377 | (18,306) | — | (19,331) |
| Decrease in accrued expenses | (615) | (251) | (25,577) | (37,577) | — | (64,020) |
| Decrease in accounts payable | — | — | (5,741) | (12,449) | — | (18,190) |
| Increase (decrease) in accrued interest | — | 6,632 | (3,432) | (131) | — | 3,069 |
| Increase in deferred income | — | — | 11,277 | 13,874 | — | 25,151 |
| Changes in other operating assets and liabilities | — | — | 2,830 | 639 | — | 3,469 |
| Net cash provided by (used for) operating activities | $ (818) | $ 6,585 | $ (1,547) | $ 11,950 | $ — | $ 16,170 |
| **Cash flows from investing activities:** | | | | | | |
| Purchases of property, plant and equipment | — | — | (11,023) | (36,179) | — | (47,202) |
| Proceeds from disposal of assets | — | — | 351,470 | 235,220 | — | 586,690 |
| Purchases of other operating assets | — | — | (1,357) | (216) | — | (1,573) |
| Decrease in intercompany notes receivable, net | — | 2,000 | — | — | (2,000) | — |
| Dividends from subsidiaries | — | — | 234,554 | — | (234,554) | — |
| Change in other, net | — | — | 1 | (14,372) | — | (14,371) |
| Net cash provided by investing activities | $ — | $ 2,000 | $ 573,645 | $ 184,453 | $ (236,554) | $ 523,544 |
| **Cash flows from financing activities:** | | | | | | |
| Payments on credit facilities | — | — | — | (577) | — | (577) |
| Payments on long-term debt | — | — | (15) | (502) | — | (517) |
| Net transfers to iHeartCommunications | 290,711 | — | — | — | — | 290,711 |
| Dividends and other payments to noncontrolling interests | — | — | — | (789) | — | (789) |
| Dividends paid | (754,217) | — | — | (234,554) | 234,554 | (754,217) |
| Increase (decrease) in intercompany notes payable, net | — | — | (3,781) | 1,781 | 2,000 | — |
| Intercompany funding | 576,608 | (8,585) | (579,735) | 11,712 | — | — |
| Change in other, net | (959) | — | — | (120) | — | (1,079) |
| Net cash provided by (used for) financing activities | 112,143 | (8,585) | (583,531) | (223,049) | 236,554 | (466,468) |
| Effect of exchange rate changes on cash | — | — | — | 3,652 | — | 3,652 |
| Net increase (decrease) in cash and cash equivalents | 111,325 | — | (11,433) | (22,994) | — | 76,898 |
| Cash and cash equivalents at beginning of year | 218,701 | — | 18,455 | 175,587 | — | 412,743 |
| Cash and cash equivalents at end of year | $ 330,026 | $ — | $ 7,022 | $ 152,593 | $ — | $ 489,641 |

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

### 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 contained in Item 1 of this Quarterly Report on Form 10-Q. Our discussion is presented on both a consolidated and segment basis. All references in this Quarterly Report on Form 10-Q to "we," "us" and "our" refer to Clear Channel Outdoor Holdings, Inc. and its consolidated subsidiaries. Our reportable segments are Americas outdoor advertising ("Americas") and International outdoor advertising ("International"). Our Americas and International segments provide outdoor advertising services in their respective geographic regions using various digital and traditional display types. Certain prior period amounts have been reclassified to conform to the 2017 presentation.

We manage our operating segments by focusing primarily on their operating income, while Corporate expenses, Other operating income (expense), net, Interest expense, Interest income on the Revolving Promissory Note issued by iHeartCommunications to the Company (the "Due from iHeartCommunications Note"), Equity in earnings (loss) of nonconsolidated affiliates, Other income, net and Income tax benefit (expense) are managed on a total company basis and are, therefore, included only in our discussion of consolidated results.

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 worldwide, 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, both domestically and internationally.

Advertising revenue for our segments is highly correlated to changes in gross domestic product ("GDP") as advertising spending has historically trended in line with GDP, both domestically and internationally. Internationally, our results are impacted by fluctuations in foreign currency exchange rates as well as economic conditions in the foreign markets in which we have operations.

### Executive Summary

The key developments that impacted our business during the three months ended March 31, 2017 are summarized below:

- Consolidated revenue decreased $44.3 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding a $12.8 million impact from movements in foreign exchange rates, consolidated revenue decreased $31.5 million during the three months ended March 31, 2017 compared to the same period of 2016.
- In January 2017, we sold our Indianapolis, Indiana market in exchange for certain assets in Atlanta, Georgia, plus $43.0 million in cash, net of closing costs. A net gain of $28.6 million was recognized related to the sale. In 2016, we sold nine non-strategic U.S. markets and our businesses in Turkey and Australia.
- On February 23, 2017, we paid a special dividend of $282.5 million using a portion of the cash proceeds from the sales of certain non-strategic U.S. outdoor markets and of our Australia outdoor business.

Revenues and expenses "excluding the impact of foreign exchange movements" in this Management's Discussion & Analysis of Financial Condition and Results of Operations are presented 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. Revenues and expenses "excluding the impact of foreign exchange movements" are calculated by converting the current period's revenues and expenses in local currency to U.S. dollars using average foreign exchange rates for the prior period.

## RESULTS OF OPERATIONS

### Consolidated Results of Operations

The comparison of our historical results of operations for the three months ended March 31, 2017 to the three months ended March 31, 2016 is as follows:

| *(In thousands)* | Three Months Ended March 31, | | % |
|---|---|---|---|
| | 2017 | 2016 | Change |
| Revenue | $ 544,726 | $ 589,014 | (7.5)% |
| Operating expenses: | | | |
| Direct operating expenses (excludes depreciation and amortization) | 327,931 | 341,987 | (4.1)% |
| Selling, general and administrative expenses (excludes depreciation and amortization) | 115,774 | 126,801 | (8.7)% |
| Corporate expenses (excludes depreciation and amortization) | 34,540 | 28,224 | 22.4% |
| Depreciation and amortization | 77,494 | 85,395 | (9.3)% |
| Other operating income (expense), 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 | |

***Consolidated Revenue***

Consolidated revenue decreased $44.3 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding a $12.8 million impact from movements in foreign exchange rates, consolidated revenue decreased $31.5 million during the three months ended March 31, 2017 compared to the same period of 2016. The decrease in consolidated revenue is primarily due to the sale of certain non-strategic outdoor markets and international businesses which generated $42.0 million in revenue in 2016 and $1.5 million in 2017. This decrease was partially offset by revenue growth from new digital assets and new contracts.

***Consolidated Direct Operating Expenses***

Consolidated direct operating expenses decreased $14.1 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding a $9.1 million impact from movements in foreign exchange rates, consolidated direct operating expenses decreased $4.9 million during the three months ended March 31, 2017 compared to the same period of 2016. Lower direct operating expenses was primarily due to the sale of certain non-strategic outdoor markets and international businesses.

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

Consolidated SG&A expenses decreased $11.0 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding a $2.6 million impact from movements in foreign exchange rates, consolidated SG&A expenses decreased $8.5 million during the three months ended March 31, 2017 compared to the same period of 2016. SG&A expenses were lower primarily due to the sale of certain non-strategic outdoor markets and international businesses.

***Corporate Expenses***

Corporate expenses increased $6.3 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding the $1.1 million impact from movements in foreign exchange rates, corporate expenses increased $7.4 million during the three months ended March 31, 2017 compared to the same period of 2016 primarily due to the $7.8 million trademark license fee paid to iHeartMedia, Inc. (see Note 5 to our Consolidated Financial Statements located in Part I of this Quarterly Report on Form 10-Q).

***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. These costs consist primarily of severance related to workforce initiatives, consolidation of locations and positions, 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 $3.9 million during the three months ended March 31, 2017. Of these costs, $0.6 million was incurred by our Americas segment, $2.9 million was incurred by our International segment, and $0.4 million was incurred by Corporate. Of these expenses, $0.7 million are reported within direct operating expenses, $2.8 million are reported within SG&A and $0.4 million are reported within corporate expenses.

Strategic revenue and efficiency costs were $2.3 million during the three months ended March 31, 2016. Of these costs, $1.1 million was incurred by our Americas segment, $0.9 million was incurred by our International segment and $0.3 million was incurred by Corporate. Of these expenses, $0.7 million are reported within direct operating expenses, $1.3 million are reported within SG&A and $0.3 million are reported within corporate expenses.

***Depreciation and Amortization***

Depreciation and amortization decreased $7.9 million during the three months ended March 31, 2017, compared to the same period in 2016 primarily due to assets becoming fully depreciated or fully amortized and the disposal of assets related to the sale of our Indianapolis market in 2017 and the sale of nine non-strategic U.S. markets and our businesses in Turkey and Australia in 2016.

***Other operating income (expense), net***

Other operating expense, net was $32.6 million for the three months ended March 31, 2017 primarily due to the sale of the Americas' Indianapolis market for certain assets in Atlanta, Georgia, plus $43.0 million in cash, net of closing costs, resulting in a net gain of $28.6 million.

Other operating income was $284.8 million for the three months ended March 31, 2016, which primarily related to the sale of nine non-strategic outdoor markets at the beginning of the year. In the first quarter of 2016, Americas outdoor sold nine non-strategic outdoor markets including Cleveland and Columbus, Ohio, Des Moines, Iowa, Ft. Smith, Arkansas, Memphis, Tennessee, Portland, Oregon, Reno, Nevada, Seattle, Washington and Wichita, Kansas for net proceeds of $592.3 million in cash and certain advertising assets in Florida. The Company recognized a net gain of $281.7 million.

***Interest Expense***

Interest expense decreased $1.2 million during the three months ended March 31, 2017 compared to the same period of 2016.

***Interest Income on Due from iHeartCommunications***

Interest income increased $2.1 million during the three months ended March 31, 2017 compared to the same period of 2016 due to a higher average outstanding balance on the Due from iHeartCommunications note.

***Other income (expense), net***

Other income, net of $3.9 million for the three months ended March 31, 2017 related primarily to net foreign exchange gains recognized in connection with intercompany notes denominated in foreign currencies.

Other expense, net of $5.8 million for the three months ended March 31, 2016 related primarily to net foreign exchange losses recognized in connection with intercompany notes denominated in foreign currencies.

***Income tax expense***

Our operations are included in a consolidated income tax return filed by iHeartMedia. However, for our financial statements, our provision for income taxes was computed as if we file separate consolidated federal income tax returns with our subsidiaries.

The effective tax rate for the three months ended March 31, 2017 was 41.3%. The effective rate was primarily impacted by the Company's inability to benefit from losses in certain foreign jurisdictions due to uncertainty regarding the ability to utilize those losses in future periods.

The effective tax rate for the three months ended March 31, 2016 was 30.8% and was primarily impacted by the reversal of the valuation allowance recorded in 2015 against net operating losses in U.S. federal and state jurisdictions due to taxable gains from the dispositions of nine outdoor markets during the period. In addition, we were unable to record benefits on losses in certain foreign jurisdictions due to the uncertainty of the ability to utilize those losses in future periods.

**Americas Outdoor Advertising Results of Operations**

Our Americas outdoor operating results were as follows:

| *(In thousands)* | Three Months Ended March 31, | | % |
|---|---|---|---|
| | 2017 | 2016 | Change |
| Revenue | $ 279,420 | $ 282,528 | (1.1)% |
| Direct operating expenses | 140,473 | 138,012 | 1.8% |
| SG&A expenses | 56,086 | 55,329 | 1.4% |
| Depreciation and amortization | 45,295 | 46,116 | (1.8)% |
| Operating income | $ 37,566 | $ 43,071 | (12.8)% |

Americas revenue decreased $3.1 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding the $1.4 million impact from movements in foreign exchange rates, Americas revenue decreased $4.5 million during the three months ended March 31, 2017 compared to the same period of 2016. The decrease in revenue is due to the $5.2 million impact of the sale of non-strategic outdoor markets and a decrease in Spectacolor revenue from lower inventory. This was partially offset by increased revenues from new airport contracts, as well as, digital billboards from new deployments and higher occupancy on existing digital billboards.

Americas direct operating expenses increased $2.5 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding the $0.9 million impact from movements in foreign exchange rates, Americas direct operating expenses increased $1.6 million during the three months ended March 31, 2017 compared to the same period of 2016. The increase in direct operating expenses was driven by higher site lease expenses related to new airport contracts and printed displays, partially offset by the $2.0 million impact of the sale of non-strategic outdoor markets. Americas SG&A expenses increased $0.7 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding the $0.5 million impact from movements in foreign exchange rates, Americas SG&A expenses increased $0.2 million during the three months ended March 31, 2017 compared to the same period of 2016.

**International Outdoor Advertising Results of Operations**

Our International operating results were as follows:

| *(In thousands)* | Three Months Ended March 31, | | % |
|---|---|---|---|
| | 2017 | 2016 | Change |
| Revenue | $ 265,306 | $ 306,486 | (13.4)% |
| Direct operating expenses | 187,458 | 203,975 | (8.1)% |
| SG&A expenses | 59,688 | 71,472 | (16.5)% |
| Depreciation and amortization | 30,673 | 37,880 | (19.0)% |
| Operating income | $ (12,513) | $ (6,841) | 82.9% |

International revenue decreased $41.2 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding the $14.2 million impact from movements in foreign exchange rates, International revenue decreased $27.0 million during the three months ended March 31, 2017 compared to the same period of 2016. The decrease in revenue is primarily 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 other markets including Spain, the United Kingdom and Switzerland, primarily from new contracts and digital expansion.

International direct operating expenses decreased $16.5 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding the $10.0 million impact from movements in foreign exchange rates, International direct operating expenses decreased $6.5 million during the three months ended March 31, 2017 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 Turkey and Australia, partially offset by higher site lease and production expenses in countries experiencing revenue growth. International SG&A expenses decreased $11.8 million during the three months ended March 31, 2017 compared to the same period of 2016. Excluding the $3.1 million impact from movements in foreign exchange rates, International SG&A expenses decreased $8.7 million during the three months ended March 31, 2017 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.

**Reconciliation of Segment Operating Income to Consolidated Operating Income**

| *(In thousands)* | Three Months Ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Americas Outdoor Advertising | $ 37,566 | $ 43,071 |
| International Outdoor Advertising | (12,513) | (6,841) |
| Other operating income (loss), net | 32,611 | 284,774 |
| Corporate and other [1] | (36,066) | (29,623) |
| Consolidated operating income | $ 21,598 | $ 291,381 |

(1) Corporate and other includes expenses related to Americas and International as well as overall executive, administrative and support functions.

**Share-Based Compensation Expense**

We have granted restricted stock, restricted stock units and options to purchase shares of our Class A common stock to certain key individuals under our equity incentive plans. Certain employees receive equity awards pursuant to our equity incentive plans. As of March 31, 2017, there was $10.0 million of unrecognized compensation cost related to unvested share-based compensation arrangements that will vest based on service conditions. This cost is expected to be recognized over a weighted average period of approximately 2.4 years.

Share-based compensation expenses are recorded in corporate expenses and were $2.4 million and $2.4 million for the three months ended March 31, 2017 and 2016, respectively.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash Flows

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

| *(In thousands)* | Three Months Ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Cash provided by (used for): | | |
| Operating activities | $ (50,147) | $ 16,170 |
| Investing activities | $ 16,275 | $ 523,544 |
| Financing activities | $ (311,090) | $ (466,468) |

***Operating Activities***

Cash used for operating activities was $50.1 million during the three months ended March 31, 2017 compared to $16.2 million of cash provided by operating activities during the three months ended March 31, 2016. The decrease in cash provided by operating activities is primarily attributable to changes in working capital balances, particularly accounts payable and accrued expenses, which was driven primarily by the timing of payments.

***Investing Activities***

Cash provided by investing activities of $16.3 million during the three months ended March 31, 2017 primarily reflected net cash proceeds from the sale of our outdoor Indianapolis market of $43.0 million. Those sale proceeds were partially offset by our capital expenditures of$36.3 million. We spent $14.1 million in our Americas segment primarily related to the construction of new advertising structures such as digital displays, $21.8 million in our International segment primarily related to street furniture and transit advertising structures and $0.4 million in Corporate primarily related to equipment and software purchases.

Cash provided by investing activities of $523.5 million during the three months ended March 31, 2016 primarily reflected net cash proceeds from the sale of nine non-strategic outdoor markets including Cleveland and Columbus, Ohio, Des Moines, Iowa, Ft. Smith, Arkansas, Memphis, Tennessee, Portland, Oregon, Reno, Nevada, Seattle, Washington and Wichita, Kansas for net proceeds of $592.3 million in cash and certain advertising assets in Florida. Those sale proceeds were partially offset by our capital expenditures of $47.2 million. We spent $11.3 million in our Americas segment primarily related to the construction of new advertising structures such as digital displays and $34.9 million in our International segment primarily related to new advertising structures such as billboards and street furniture and renewals of existing contracts.

***Financing Activities***

Cash used for financing activities of $311.1 million during the three months ended March 31, 2017 primarily reflected a cash dividend of $282.5 million and net transfers of $29.4 million in cash to iHeartCommunications, which represents the activity in the "Due from iHeartCommunications" account.

Cash used for financing activities of $466.5 million during the three months ended March 31, 2016 primarily reflected two cash dividends paid in the aggregate amount of $754.2 million, partially offset by net transfers of $290.7 million in cash from iHeartCommunications, which represents the activity in the "Due from/to iHeartCommunications" account.

### Anticipated Cash Requirements

Our primary sources of liquidity are cash on hand, cash flow from operations, the revolving promissory note with iHeartCommunications and our senior revolving credit facility, and, to the extent we use cash to support iHeartCommunications' liquidity needs in the future, cash from liquidity-generating transactions. 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, a portion of which is held by non-wholly owned subsidiaries or is otherwise subject to certain restrictions and not readily accessible to us. We have the ability and intent to indefinitely reinvest the undistributed earnings of consolidated subsidiaries based outside of the United States. If any excess cash held by our foreign subsidiaries were needed to fund operations in the United States, we could presently repatriate available funds without a requirement to accrue or pay U.S. taxes. This is a result of significant deficits, as calculated for tax law purposes, in our foreign earnings and profits, which gives us flexibility to make future cash distributions as non-taxable returns of capital.

Our primary uses of liquidity are for our working capital, capital expenditure, debt service, special dividend and other funding requirements. Based on our current and anticipated levels of operations and conditions in our markets, we believe that cash on hand, cash flows from operations, repayment of amounts outstanding under the revolving promissory note with iHeartCommunications and borrowing capacity under our senior revolving credit facility will enable us to meet our working capital, capital expenditure, debt service, special dividend and other funding requirements, including the debt service on the CCWH Senior Notes, the CCWH Subordinated Notes and the CCIBV Senior Notes, for at least the next 12 months. We believe our long-term plans, which include promoting outdoor media spending, capitalizing on our diverse geographic and product opportunities and the continued deployment of digital displays, will enable us to continue generating cash flows from operations sufficient to meet our liquidity and funding requirements long term. However, our anticipated results are subject to significant uncertainty. Our ability to fund our working capital, capital expenditures, debt service, special dividend 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.

During the fourth quarter of 2016, we sold our business in Australia for cash proceeds of$195.7 million, net of cash retained by the purchaser and closing costs. In January 2017, we sold our Indianapolis, Indiana outdoor market in exchange for certain assets in Atlanta, Georgia, plus approximately $43.0 million in cash, net of closing costs. On February 23, 2017, we paid a special cash dividend to our stockholders of $282.5 million using proceeds from the sales of certain non-strategic U.S. markets and of our business in Australia. iHeartCommunications received 89.9% or approximately $254.0 million, of the dividend, with the remaining 10.1%, or approximately $28.5 million, paid to our public stockholders. The payment of these special dividends reduces the amount of cash available to us for future working capital, capital expenditure, debt service and other funding requirements. Future special cash dividends will be dependent upon, among other things, our having sufficient available cash.

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

In addition to any special dividends that our board of directors may declare using the proceeds of any liquidity-generating transactions or other available cash, we may declare special dividends using the proceeds of payments from iHeartCommunications under the Due from iHeartCommunications note. Our board of directors has established a committee that has the non-exclusive authority to demand payments under the Due from iHeartCommunications note under certain specified circumstances tied to iHeartCommunications' liquidity or the amount outstanding under the Due from iHeartCommunications note, as long as our board of directors declares a simultaneous dividend equal to the amount so demanded. Any future repayments and dividends would further reduce the amount of the Due from iHeartCommunications note asset that is available to us as a source of liquidity for ongoing working capital, capital expenditure, debt service, special dividend and other funding requirements.

As our controlling stockholder, iHeartCommunications may request and may exert pressure on us to engage in transactions for the purpose of supporting its liquidity needs, such as financings or asset sales, which may negatively affect our business operations or our capital structure. In its Quarterly Report on Form 10-Q filed with the SEC on May 4, 2017, iHeartCommunications stated that its forecast of future cash flows indicates that such cash flows would not be sufficient for it to meet its obligations, including payment of the outstanding receivables based credit facility balance at maturity on December 24, 2017 and payment of the 10% Senior Notes due January 15, 2018, as they become due in the ordinary course of business for a period of 12 months following May 4, 2017. iHeartCommunications further stated that management has determined that there is substantial doubt as to iHeartCommunications' ability to continue as a going concern for a period of 12 months following May 4, 2017.

iHeartCommunications provides the day-to-day cash management services for our cash activities and balances in the U.S. We do not have any material committed external sources of capital other than iHeartCommunications, and iHeartCommunications is not required to provide us with funds to finance our working capital or other cash requirements. We have no access to the cash transferred from us to iHeartCommunications under the cash management arrangement other than our right to demand payment by iHeartCommunications of the amounts owed to us under the Due from iHeartCommunications note. As of March 31, 2017, iHeartCommunications had $365.0 million recorded as "Cash and cash equivalents" on its consolidated balance sheets, of which $200.6 million was held by us and our subsidiaries, and we had$915.1 million due to us from iHeartCommunications under the Due from iHeartCommunications note. Further deterioration in the financial condition or liquidity of iHeartCommunications could result in its inability to repay amounts due to us under the Due from iHeartCommunications note when demanded or at maturity, and could also have the effect of increasing our borrowing costs or impairing our access to capital markets. If iHeartCommunications was to become insolvent or file for bankruptcy, we would be an unsecured creditor of iHeartCommunications. In that event, we would be treated the same as other unsecured creditors of iHeartCommunications and, if we were not repaid or otherwise entitled to amounts outstanding or previously paid under the revolving promissory note, could not obtain cash previously transferred to iHeartCommunications on a timely basis or retain cash previously received from iHeartCommunications, we could experience a liquidity shortfall.

We were in compliance with the covenants contained in our material financing agreements as of March 31, 2017. Our ability to comply with the maintenance covenant in our senior secured credit facility may be affected by events beyond our control, including prevailing economic, financial and industry conditions.

In its Quarterly Report on Form 10-Q filed with the SEC on May 4, 2017, iHeartCommunications stated that it was in compliance with the covenants contained in its material financing agreements as of March 31, 2017, other than a payment default on notes held by a subsidiary of iHeartCommunications that has informed iHeartCommunications it does not currently intend to collect the principal amount due or exercise or request enforcement of any remedy with respect to the payment default under the applicable indenture. iHeartCommunications stated that this payment default is below the $100.0 million cross-default threshold in iHeartCommunications' debt documents. iHeartCommunications similarly stated in its Quarterly Report that its future results are subject to significant uncertainty and there can be no assurance it will be able to maintain compliance with these covenants. iHeartCommunications stated in its Quarterly Report that these covenants include a requirement in its senior secured credit facilities that it receive an opinion from its auditors in connection with its year-end audit that is not subject to a "going concern" or like qualification or exception. Moreover, iHeartCommunications stated in its Quarterly Report that its ability to comply with the covenants in its material financing agreements may be affected by events beyond its control, including the uncertainties described under "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-Anticipated Cash Requirements" in its Quarterly Report and prevailing economic, financial and industry conditions. As discussed therein, the breach of any covenants set forth in iHeartCommunications' financing agreements would result in a default thereunder, and an event of default would permit the lenders under a defaulted financing agreement to declare all indebtedness thereunder to be immediately due and payable. In addition, iHeartCommunications stated in its Quarterly Report that if iHeartCommunications is unable to repay its obligations under any secured credit facility, the lenders could proceed against any assets that were pledged to secure such facility. Finally, iHeartCommunications stated in its Quarterly Report that a default or acceleration under any of its material financing agreements could cause a default under other obligations that are subject to cross-default and cross-acceleration provisions.

**Sources of Capital**

As of March 31, 2017 and December 31, 2016, we had the following debt outstanding, cash and cash equivalents and amounts due from iHeartCommunications:

| *(In millions)* | March 31, 2017 | December 31, 2016 |
|---|---|---|
| Clear Channel Worldwide Holdings Senior Notes due 2022 | $ 2,725.0 | $ 2,725.0 |
| Clear Channel Worldwide Holdings Senior Subordinated Notes due 2020 | 2,200.0 | 2,200.0 |
| Senior Revolving Credit Facility due 2018(1) | — | — |
| 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 |
| Less: Cash and cash equivalents | 200.6 | 542.0 |
| Less: Due from iHeartCommunications | 915.1 | 885.7 |
| | $ 4,003.8 | $ 3,689.3 |

(1) The senior revolving credit facility provides for borrowings up to $75.0 million (the revolving credit commitment). As of March 31, 2017, we had $67.3 million of letters of credit outstanding, and $7.7 million of availability, under the senior revolving credit facility.

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

***Promissory Notes with iHeartCommunications***

We maintain accounts that represent net amounts due to or from iHeartCommunications, which are recorded as “Due from iHeartCommunications” on our consolidated balance sheets. The accounts represent our revolving promissory note issued by us to iHeartCommunications and the revolving promissory note issued by iHeartCommunications to us, in each case in the face amount of $1.0 billion, or if more or less than such amount, the aggregate unpaid principal amount of all advances. The accounts accrue interest pursuant to the terms of the promissory notes and are generally payable on demand or when they mature on December 15, 2017. Included in the accounts are the net activities resulting from day-to-day cash management services provided by iHeartCommunications. Such day-to-day cash management services relate only to our cash activities and balances in the U.S. and exclude any cash activities and balances of our non-U.S. subsidiaries. As of March 31, 2017 and December 31, 2016, the asset recorded in “Due from iHeartCommunications” on our consolidated balance sheet was $915.1 million and $885.7 million, respectively. As of March 31, 2017, we had no borrowings under the revolving promissory note to iHeartCommunications.

In accordance with the terms of the settlement for the derivative litigation filed by our stockholders regarding the Due from iHeartCommunications note, as previously disclosed, we established a committee of our board of directors, consisting of our independent and disinterested directors, for the specific purpose of monitoring the Due from iHeartCommunications note. This committee has the non-exclusive authority to demand payments under the Due from iHeartCommunications note under certain specified circumstances tied to iHeartCommunications’ liquidity or the amount outstanding under the Due from iHeartCommunications note, as long as our board of directors declares a simultaneous dividend equal to the amount so demanded. The committee last made a demand under the Due from iHeartCommunications note on August 11, 2014. If future demands are made in accordance with the terms of the committee charter, we will declare a simultaneous dividend equal to the amount so demanded, which would further reduce the amount of the “Due from iHeartCommunications” asset that is available to us as a source of liquidity for ongoing working capital, capital expenditure, debt service and other funding requirements.

The net interest income for the three months endedMarch 31, 2017 and 2016 was $14.8 million and $12.7 million, respectively. At March 31, 2017 and December 31, 2016, the fixed interest rate on the “Due from iHeartCommunications” account was 6.5%, which is equal to the fixed interest rate on the CCWH Senior Notes. If the outstanding balance on the Due from iHeartCommunications note exceeds $1.0 billion and under certain other circumstances tied to iHeartCommunications’ liquidity, the rate will be variable but will in no event be less than 6.5% nor greater than 20%.

Our working capital requirements and capital for general corporate purposes, including acquisitions and capital expenditures, may be provided to us by iHeartCommunications, in its sole discretion, pursuant to the revolving promissory note issued by us to iHeartCommunications or pursuant to repayment of the revolving promissory note issued by iHeartCommunications to us. If we are unable to obtain financing from iHeartCommunications, we may need to obtain additional financing from banks or other lenders, or through public offerings or private placements of debt or equity, strategic relationships or other arrangements at some future date. We may be unable to successfully obtain additional debt or equity financing on satisfactory terms or at all.

As long as iHeartCommunications maintains a significant interest in us, pursuant to the Master Agreement between iHeartCommunications and us, iHeartCommunications will have the option to limit our ability to incur debt or issue equity securities, among other limitations, which could adversely affect our ability to meet our liquidity needs. Under the Master Agreement with iHeartCommunications, we are limited in our borrowings from third parties to no more than $400.0 million at any one time outstanding, without the prior written consent of iHeartCommunications.

***Clear Channel Worldwide Holdings Senior Notes***

As of March 31, 2017, CCWH senior notes represented $2.7 billion aggregate principal amount of indebtedness outstanding, which consisted of $735.75 million aggregate principal amount of 6.5% Series A Senior Notes due 2022 (the “Series A CCWH Senior Notes”) and $1,989.25 million aggregate principal amount of 6.5% Series B CCWH Senior Notes due 2022 (the “Series B CCWH Senior Notes” and, together with the Series A CCWH Senior Notes, the “CCWH Senior Notes”). The CCWH Senior Notes are guaranteed by us, Clear Channel Outdoor, Inc. (“CCOI”) and certain of our direct and indirect subsidiaries.

The Series A CCWH Senior Notes indenture and Series B CCWH Senior Notes indenture restrict our ability to incur additional indebtedness but permit us to incur additional indebtedness based on an incurrence test. Under this test, in order to incur additional indebtedness, our debt to adjusted EBITDA ratios (as defined by the indentures) must be lower than 7.0:1 and 5.0:1 for total debt and senior debt, respectively, and in order to incur additional indebtedness that is subordinated to the CCWH Senior Notes, our debt to adjusted EBITDA ratios (as defined by the indentures) must be lower than 7.0:1. The indentures contain certain other exceptions that allow us to incur additional indebtedness. The Series B CCWH Senior Notes indenture also restricts our ability to pay dividends, but permits us to pay dividends from the proceeds of indebtedness or the proceeds from asset sales if our debt to adjusted EBITDA ratios (as defined by the indenture) are lower than 7.0:1 and 5.0:1 for total debt and senior debt, respectively. The Series B CCWH Senior Notes indenture also contains certain other exceptions that allow us to pay dividends, including (i) $525.0 million of dividends made pursuant to general restricted payment baskets and (ii) dividends made using proceeds received upon a demand by us of amounts outstanding under the Due from iHeartCommunications note. The Series A CCWH Senior Notes indenture does not limit our ability to pay dividends.

Our consolidated leverage ratio, defined as total debt divided by EBITDA (as defined by the CCWH Senior Notes indentures) for the preceding four quarters was 8.2:1 as of March 31, 2017, and senior leverage ratio, defined as senior debt divided by EBITDA (as defined by the CCWH Senior Notes indentures) for the preceding four quarters was 4.3:1 as of March 31, 2017. As required by the definition of EBITDA in the CCWH Senior Notes indentures, our EBITDA for the preceding four quarters of $632.6 million is calculated as operating income (loss) before depreciation, amortization, impairment charges and gains and losses on acquisitions and divestitures plus share-based compensation and is further adjusted for the following: (i) costs incurred in connection with severance, the closure and/or consolidation of facilities, retention charges, consulting fees and other permitted activities; (ii) extraordinary, non-recurring or unusual gains or losses or expenses; (iii) non-cash charges; and (iv) various other items. Because our consolidated leverage ratio exceeded the limit in the incurrence tests described above, we are not currently permitted to incur additional indebtedness using the incurrence test in the Series A CCWH Senior Notes indenture and the Series B CCWH Senior Notes indenture, and we are not currently permitted to pay dividends from the proceeds of indebtedness or the excess proceeds from asset sales under the Series B CCWH Senior Notes indenture. There are other exceptions in these indentures that allow us to incur additional indebtedness and pay dividends.

The following table reflects a reconciliation of EBITDA (as defined by the CCWH Senior Notes indentures) to operating income and net cash provided by operating activities for the four quarters ended March 31, 2017:

| *(In millions)* | Four Quarters Ended March 31, 2017 |
|---|---|
| **EBITDA** (as defined by the CCWH Senior Notes indentures) | $ 632.6 |
| Less adjustments to EBITDA (as defined by the CCWH Senior Notes indentures): | |
| Costs incurred in connection with severance, the closure and/or consolidation of facilities, retention charges, consulting fees and other permitted activities | (15.3) |
| Extraordinary, non-recurring or unusual gains or losses or expenses (as referenced in the definition of EBITDA in the CCWH Senior Notes indentures) | (9.8) |
| Non-cash charges | (5.6) |
| Other items | 16.7 |
| Less: Depreciation and amortization, Impairment charges, Gains and losses on acquisitions and divestitures and Share-based compensation expense | (250.8) |
| **Operating income** | 367.8 |
| Plus: Depreciation and amortization, Impairment charges, Gain (loss) on disposal of operating and fixed assets and Share-based compensation expense | 242.4 |
| Less: Interest expense | (373.7) |
| Plus: Interest income on Due from iHeartCommunications | 52.4 |
| Less: Current income tax expense | (28.8) |
| Plus: Other income, net | (60.9) |
| Adjustments to reconcile consolidated net loss to net cash provided by operating activities (including Provision for doubtful accounts, Amortization of deferred financing charges and note discounts, net and Other reconciling items, net) | 79.2 |
| Change in assets and liabilities, net of assets acquired and liabilities assumed | (35.4) |
| **Net cash provided by operating activities** | $ 243.0 |

***Clear Channel Worldwide Holdings Senior Subordinated Notes***

As of March 31, 2017, CCWH Subordinated Notes represented $2.2 billion aggregate principal amount of indebtedness outstanding, which consist of $275.0 million aggregate principal amount of 7.625% Series A Senior Subordinated Notes due 2020 (the "Series A CCWH Subordinated Notes") and $1,925.0 million aggregate principal amount of 7.625% Series B Senior Subordinated Notes due 2020 (the "Series B CCWH Subordinated Notes").

The Series A CCWH Subordinated Notes indenture and Series B CCWH Subordinated Notes indenture restrict our ability to incur additional indebtedness but permit us to incur additional indebtedness based on an incurrence test. In order to incur additional indebtedness under this test, our debt to adjusted EBITDA ratio (as defined by the indentures) must be lower than 7.0:1. The indentures contain certain other exceptions that allow us to incur additional indebtedness. The Series B CCWH Subordinated Notes indenture also permits us to pay dividends from the proceeds of indebtedness or the proceeds from asset sales if our debt to adjusted EBITDA ratio (as defined by the indenture) is lower than 7.0:1. Because our debt to adjusted EBITDA ratio exceeded the thresholds in the indentures as of March 31, 2017, we are not currently permitted to incur additional indebtedness using the incurrence test in the Series A CCWH Subordinated Notes Indenture and the Series B CCWH Subordinated Notes indenture, and we are not currently permitted to pay dividends from the proceeds of indebtedness or the excess proceeds from asset sales under the Series B CCWH Subordinated Notes indenture. The Series B CCWH Subordinated Notes indenture contains certain other exceptions that allow us to incur indebtedness and pay dividends, including (i) $525.0 million of dividends made pursuant to general restricted payment baskets and (ii) dividends made using proceeds received upon a demand by us of amounts outstanding under the Due from iHeartCommunications note. The Series A CCWH Subordinated Notes indenture does not limit our ability to pay dividends.

***Senior Revolving Credit Facility Due 2018***

During the third quarter of 2013, we entered into a five-year senior secured revolving credit facility with an aggregate principal amount of $75.0 million. The revolving credit facility may be used for working capital needs, to issue letters of credit and for other general corporate purposes. As of March 31, 2017, there were no amounts outstanding under the revolving credit facility, and $67.3 million of letters of credit under the revolving credit facility which reduce availability under the facility. The revolving credit facility contains a springing covenant that requires us to maintain a secured leverage ratio (as defined in the revolving credit facility) of not more than 1.5:1 that is tested at the end of a quarter if availability under the facility is less than 75% of the aggregate commitments under the facility. We were in compliance with the secured leverage ratio covenant as of March 31, 2017.

***CCIBV Senior Notes***

During the fourth quarter of 2015, Clear Channel International B.V., an international subsidiary of ours, issued $225.0 million aggregate principal amount outstanding of its 8.75% Senior Notes due 2020 (“CCIBV Senior Notes”).

The indenture governing the CCIBV Senior Notes contains covenants that limit Clear Channel International B.V.’s ability and the ability of its 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 CCIBV’s assets.

***Other Debt***

Other debt consists primarily of capital leases and loans with international banks. As ofMarch 31, 2017, approximately $14.7 million was outstanding as other debt.

***iHeartCommunications’ Debt Covenants***

iHeartCommunications’ senior secured credit facilities contain a significant financial covenant which must be tested quarterly and requires iHeartCommunications to limit the ratio of its consolidated secured debt, net of cash and cash equivalents, to consolidated EBITDA (as defined by iHeartCommunications’ senior secured credit facilities) for the preceding four quarters. The maximum ratio permitted under this financial covenant was 8.75:1 for the four quarters ended March 31, 2017. In its Quarterly Report on Form 10-Q filed with the SEC on May 4, 2017, iHeartCommunications stated that it was in compliance with this covenant as ofMarch 31, 2017.

***Disposals***

In January 2017, we sold our Indianapolis, Indiana market in exchange for certain assets in Atlanta, Georgia, plus approximately$43.0 million in cash, net of closing costs. A net gain of $28.6 million was recognized related to the sale.

**Uses of Capital**

***Special Dividends***

On February 23, 2017, we paid a special cash dividend to our stockholders of $282.5 million, using proceeds from the sales of certain non-strategic U.S. markets and of our business in Australia. iHeartCommunications received 89.9%, or approximately $254.0 million, with the remaining 10.1%, or approximately $28.5 million, paid to our public stockholders. The payment of these special dividends reduces the amount of cash available to us for future working capital, capital expenditure, debt service and other funding requirements.

**Commitments, Contingencies and Guarantees**

We are currently involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued our estimate of the probable costs for resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. Please refer to "Legal Proceedings" in Part II, Item 1 of this Quarterly Report on Form 10-Q.

**Seasonality**

Typically, both our Americas and International segments experience their lowest financial performance in the first quarter of the calendar year, with International historically experiencing a loss from operations in that period. Our International segment typically experiences its 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 equity security prices and foreign currency exchange rates.

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". Our International segment is currently headquartered in the U.K. and transacts 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 countries throughout the world. Foreign operations are measured in their local currencies. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we 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. Our foreign operations reported a net loss of $25.4 million for three months ended March 31, 2017. 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 $2.5 million. 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 by a corresponding amount.

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

**Inflation**

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

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

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

A wide range of factors could materially affect future developments and performance, including but not limited to:

- risks associated with weak or uncertain global economic conditions and their impact on the capital markets;
- other general economic and political conditions in the United States and in other countries in which we currently do business, including those resulting from recessions, political events and acts or threats of terrorism or military conflicts;
- 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 and management;
- 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;
- our ability to implement our business strategies;
- the risk that we may not be able to integrate the operations of acquired businesses successfully;
- the risk that our strategic revenue and efficiency initiatives may not be entirely successful or that any cost savings achieved from such strategic revenue and efficiency initiatives may not persist;
- the impact of our substantial indebtedness, including the effect of our leverage on our financial position and earnings;
- our ability to generate sufficient cash from operations or liquidity-generating transactions and our need to allocate significant amounts of our cash to make payments on our indebtedness, which in turn could reduce our financial flexibility and ability to fund other activities;
- our relationship with iHeartCommunications, including its ability to elect all of the members of our Board of Directors and its ability as our controlling stockholder to determine the outcome of matters submitted to our stockholders and certain additional matters governed by intercompany agreements between us;
- the impact of the above and similar factors on iHeartCommunications, our primary direct or indirect external source of capital, which has significant need for capital; and
- certain other factors set forth in our other filings with the SEC.

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

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Required information is presented under "Market Risk" within Item 2 of this Part I.

### ITEM 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, we have carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Our disclosure controls and procedures are designed to provide reasonable assurance that information we are required to disclose in reports that are filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified by the SEC. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2017 at the reasonable assurance level.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II -- OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

We currently 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 our assumptions or the effectiveness of our strategies related to these proceedings. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on our financial condition or results of operations.

Although we are involved in a variety of legal proceedings in the ordinary course of business, a large portion of our litigation arises in the following contexts: commercial disputes; misappropriation of likeness and right of publicity claims; employment and benefits related claims; governmental fines; intellectual property claims; and tax disputes.

**Stockholder Litigation**

On May 9, 2016, a stockholder of the Company filed a derivative lawsuit in the Court of Chancery of the State of Delaware, captioned *GAMCO Asset Management Inc. v. iHeartMedia Inc. et al.,* C.A. No. 12312-VCS. The complaint names as defendants iHeartCommunications, Inc. ("iHeartCommunications"), the Company's indirect parent company, iHeartMedia, Inc. ("iHeartMedia"), the parent company of iHeartCommunications, Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. (together, the "Sponsor Defendants"), iHeartMedia's private equity sponsors and majority owners, and the members of the Company's board of directors. The Company also is named as a nominal defendant. The complaint alleges that the Company has been harmed by the intercompany agreements with iHeartCommunications, the Company's lack of autonomy over its own cash and the actions of the defendants in serving the interests of iHeartMedia, iHeartCommunications and the Sponsor Defendants to the detriment of the Company and its minority stockholders. Specifically, the complaint alleges that the defendants have breached their fiduciary duties by causing the Company to: (i) continue to loan cash to iHeartCommunications under the intercompany note at below-market rates; (ii) abandon its growth and acquisition strategies in favor of transactions that would provide cash to iHeartMedia and iHeartCommunications; (iii) issue new debt in the CCIBV note offering (the "CCIBV Note Offering") to provide cash to iHeartMedia and iHeartCommunications through a dividend; and (iv) effect the sales of certain outdoor markets in the U.S. (the "Outdoor Asset Sales") to provide cash to iHeartMedia and iHeartCommunications through a dividend. The complaint also alleges that iHeartMedia, iHeartCommunications and the Sponsor Defendants aided and abetted the directors' breaches of their fiduciary duties. The complaint further alleges that iHeartMedia, iHeartCommunications and the Sponsor Defendants were unjustly enriched as a result of these transactions and that these transactions constituted a waste of corporate assets for which the defendants are liable to the Company. The plaintiff is seeking, among other things, a ruling that the defendants breached their fiduciary duties to the Company and that iHeartMedia, iHeartCommunications and the Sponsor Defendants aided and abetted the board of directors' breaches of fiduciary duty, rescission of payments to iHeartCommunications and its affiliates pursuant to dividends declared in connection with the CCIBV Note Offering and Outdoor Asset Sales, and an order requiring iHeartMedia, iHeartCommunications and the Sponsor Defendants to disgorge all profits they have received as a result of the alleged fiduciary misconduct.

On July 20, 2016, the defendants filed a motion to dismiss plaintiff's verified stockholder derivative complaint for failure to state a claim upon which relief can be granted. On November 23, 2016, the Court granted defendants' motion to dismiss all claims brought by the plaintiff. On December 19, 2016, the plaintiff filed a notice of appeal of the ruling.

**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.

## ITEM 1A. RISK FACTORS

For information regarding our risk factors, please refer to Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2016 (the "Annual Report") and our Quarterly Reports on Form 10-Q. There have not been any material changes in the risk factors disclosed in our Annual Report and Quarterly Reports, except that we are updating the risk factor entitled "Our agreements with iHeartCommunications impose obligations on, and iHeartCommunications' financing agreements effectively impose restrictions on, our ability to finance operations and capital needs, make acquisitions and engage in other business activities" to replace a portion of that risk factor with a new risk factor entitled "If iHeartCommunications was to become insolvent or file a bankruptcy petition, it could cause significant uncertainties and risks for our operations and our liquidity" as set forth below:

***Our agreements with iHeartCommunications impose obligations on, and iHeartCommunications' financing agreements effectively impose restrictions on, our ability to finance operations and capital needs, make acquisitions and engage in other business activities***

We have entered into a Master Agreement, a Corporate Services Agreement, an Employee Matters Agreement, a Tax Matters Agreement, a Trademark License Agreement and a number of other agreements with iHeartCommunications setting forth various matters governing our relationship with iHeartCommunications while it remains a significant stockholder in us. These agreements allow iHeartCommunications to retain control over many aspects of our operations, in addition to iHeartCommunications' ability to control us through its controlling ownership of our common stock. We are not able to terminate these agreements or amend them in a manner we deem more favorable so long as iHeartCommunications continues to own shares of our common stock representing more than 50% of the total voting power of our common stock. iHeartCommunications' financing agreements also impose a number of restrictions on us.

In addition, the Master Agreement and, in some cases, iHeartCommunications' financing agreements, include restrictive covenants that, among other things, restrict our ability to:

- issue any shares of capital stock or securities convertible into capital stock;
- incur additional indebtedness;
- make certain acquisitions and investments;
- repurchase our stock;
- dispose of certain assets; and
- merge or consolidate.

The rights of iHeartCommunications under these agreements, in addition to iHeartCommunications' ability to control us through its controlling ownership of our common stock, may allow iHeartCommunications to delay or prevent an acquisition of us that our other stockholders may consider favorable. In addition, the restrictions contained in these agreements limit our ability to finance operations and capital needs, make acquisitions or engage in other business activities, including our ability to grow and increase our revenue or respond to competitive changes.

***If iHeartCommunications was to become insolvent or file a bankruptcy petition, it could cause significant uncertainties and risks for our operations and our liquidity***

Pursuant to the Corporate Services Agreement, we are obligated to use various corporate services provided by iHeartCommunications and its affiliates, including treasury, payroll and other financial services, certain executive officer services, human resources and employee benefit services, legal services, information systems and network services and procurement and sourcing support. Financial distress at iHeartCommunications could impact its ability to provide these services to us, and if iHeartCommunications was to become insolvent or file a bankruptcy petition, such event could cause significant uncertainties and disrupt our operations and/or adversely affect our rights under the Corporate Services Agreement and the other intercompany agreements.

Also pursuant to the Corporate Services Agreement, substantially all of the cash generated from our domestic Americas operations is transferred daily into accounts of iHeartCommunications (after satisfying our controlled disbursement accounts and the funding requirements of the trustee accounts under the senior notes and the senior subordinated notes issued by Clear Channel Worldwide Holdings, Inc., an indirect, wholly-owned subsidiary of ours), where funds of ours and of iHeartCommunications are commingled, and recorded as "Due from/to iHeartCommunications" on the consolidated balance sheet. Net amounts owed between us and iHeartCommunications are evidenced by revolving promissory notes. We do not have any material committed external sources of capital independent from iHeartCommunications, and iHeartCommunications is not required to provide us with funds to finance our working capital or other cash requirements. In addition, we have no access to the cash transferred from us to iHeartCommunications other than our right to demand payment by iHeartCommunications of the amounts owed to us under the revolving promissory note.

The "Due from iHeartCommunications" note previously was the subject of derivative litigation filed by our stockholders in the Delaware Court of Chancery. Pursuant to the terms of the settlement, our board of directors established a committee for the specific purpose of monitoring the Due from iHeartCommunications note. That committee has the non-exclusive authority to demand payments under the Due from iHeartCommunications note under certain specified circumstances tied to iHeartCommunications' liquidity or the amount outstanding under the Due from iHeartCommunications note as long as our board of directors declares a simultaneous dividend equal to the amount so demanded. Any future repayments and simultaneous dividends would further reduce the amount of the Due from iHeartCommunications note asset that is available to us as a source of liquidity for ongoing working capital, capital expenditure, debt service, special dividend and other funding requirements.

If iHeartCommunications was to become insolvent or file a bankruptcy petition, we would be an unsecured creditor of iHeartCommunications. In such event, if we were not repaid or otherwise entitled to the full amounts outstanding under the Due from iHeartCommunications note, or could not obtain such amounts on a timely basis, we could experience a liquidity shortfall. In addition, any repayments that we receive on the note during the applicable preference period prior to the filing of an iHeartCommunications bankruptcy petition may potentially be avoidable as a preference and subject to recovery by the iHeartCommunications bankruptcy estate, which could further exacerbate any liquidity shortfall. At March 31, 2017, the asset recorded in "Due from iHeartCommunications" on the consolidated balance sheet was$915.1 million.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth the purchases of shares of our Class A common stock made during the quarter endedMarch 31, 2017 by or on behalf of us or an affiliated purchaser:

| Period | Total Number of Shares Purchased[(1)] | Average Price Paid per Share[(1)] | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| January 1 through January 31 | — | $ — | — | $ — |
| February 1 through February 28 | — | — | — | — |
| March 1 through March 31 | 72,465 | 4.87 | — | — |
| Total | 72,465 | $ 4.87 | — | $ — |

(1) The shares indicated consist of shares of our class A common stock tendered by employees to us during the three months endedMarch 31, 2017 to satisfy the employees' tax withholding obligation in connection with the vesting and release of restricted shares, which are repurchased by us based on their fair market value on the date the relevant transaction occurs.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

None.

## ITEM 6. EXHIBITS

| Exhibit Number | Description |
| --- | --- |
| 10.1* | Binding Option and Letter of Intent, dated February 9, 2017, between iHeartMedia, Inc. and Clear Channel Outdoor Holdings, Inc. |
| 31.1* | Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101* | Interactive Data Files. |

* Filed herewith.
** Furnished herewith.

**Signatures**

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

CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

May 4, 2017

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

EXHIBIT 10.1 - BINDING OPTION AND LETTER OF INTENT, DATED FEBRUARY 9, 2017, BETWEEN IHEARTMEDIA, INC. AND CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

February 9, 2017

David Sailer, Chief Financial Officer - Americas
Clear Channel Outdoor Holdings, Inc.
200 East Basse Road, Suite 100
San Antonio, TX 78209

**RE: Binding Option and Letter of Intent**

Dear Mr. Sailer,

This Binding Option and Letter of Intent (the "Letter of Intent") sets forth certain agreements between iHeartMedia, Inc., a Delaware corporation ("IHM"), and Clear Channel Outdoor Holdings, Inc. a Delaware corporation ("CCOH"), on behalf of themselves and their respective subsidiaries, related to a potential cash dividend proposed to be declared and paid by CCOH in the amount of $282.5 million (the "Dividend").

The parties are entering into this Letter of Intent to provide for a binding option for CCOH to purchase the registered trademarks and domain names owned by IHM and its subsidiaries (including iHM Identity, Inc., a Texas corporation (" IHM Identity")) that incorporate one or more of the words "Clear" and/or "Channel," and any translations or derivations of any of the foregoing, including without limitation those incorporating the terms "Clara" and "CC," together with any goodwill associated therewith, including those set forth on Exhibit A attached hereto (the "CCOH IP" and such purchase, the "CCOH IP Sale").

Subject to the terms and conditions set forth herein, IHM hereby grants to CCOH (or a subsidiary thereof designated by CCOH) a binding option (the "Option"), exercisable in CCOH's sole and absolute discretion at any time between (a) the date of the first anniversary of the payment of the Dividend (the "Option Period Start Date") and (b) the later of (i) the date of the second anniversary of the payment of the Dividend (the "Second Anniversary Date") and (ii) if CCOH has notified IHM in writing of its election to select an Independent Appraiser (as defined below) on or prior to the Second Anniversary Date, the date that is 90 days following the date that the Purchase Price (as defined below) is determined by the Independent Appraiser (the later of (i) and (ii), the "Expiration Date"), to purchase the CCOH IP from IHM and its applicable subsidiaries.

In consideration for the purchase of the CCOH IP and exercise of the Option, CCOH shall pay to IHM (or its applicable subsidiary) a purchase price (the "Purchase Price") equal to the fair market value of the CCOH IP, as determined by an independent appraisal or investment banking firm or consultant mutually agreed and selected by IHM and CCOH (an "Independent Appraiser"). At any time prior to the Second Anniversary Date, CCOH may give notice to IHM that it intends to select an Independent Appraiser, and the parties shall reasonably cooperate and act in good faith to jointly select such Independent Appraiser within no more than 10 days following such notice. CCOH may exercise the Option at any time from the Option Period Start Date until the Expiration Date; provided that if such exercise occurs more than 90 days following determination of the Purchase Price by such Independent Appraiser, exercise of the Option will require a new determination of the Purchase Price by an Independent Appraiser, selected by the parties in accordance with this paragraph. The fees and expenses of any Independent Appraiser shall be shared equally by each of CCOH and IHM.

The closing of the CCOH IP Sale and all other related transactions (the "Closing") shall take place no later than 45 days following exercise of the Option by CCOH. At the Closing, the following events shall take place: (i) IHM shall, and shall cause each of its applicable subsidiaries to, execute and deliver any documents that are reasonably necessary to carry out the purchase by CCOH of the CCOH IP, and to transfer and assign to CCOH or its designated subsidiaries, all of their right, title and interest in, to and under the CCOH IP, which documents will contain customary representations and warranties, including with respect to title to the CCOH IP; and (ii) CCOH shall pay the Purchase Price to IHM (or its applicable subsidiary). Following the Closing, IHM shall, and shall cause each of its applicable subsidiaries to, cooperate with CCOH to effect the transfer and assignment to CCOH (or any subsidiary of CCOH) of any CCOH IP.

Notwithstanding any of the foregoing, the parties agree that CCOH shall be responsible for and shall cause Outdoor Management Services, Inc., a Nevada corporation ("OMS") to pay the royalty fee due to IHM Identity in respect of the year ended December 31, 2017, pursuant to Section 3 of the Amended and Restated License Agreement, dated November 10, 2005 and amended as of January 1, 2011, by and between IHM Identity and OMS.

From the date of this Letter of Intent until the Closing, IHM shall (and shall cause its subsidiaries to) use commercially reasonable efforts to (i) preserve in all respects the CCOH IP, (ii) comply in all material respects with all laws applicable to the CCOH IP, (iii) promptly pay and fully satisfy all filing fees and any other obligations relating to or as are necessary to preserve the CCOH IP in the ordinary and usual course, (iv) not take, or fail to take, any action which could reasonably be expected to result in a failure to consummate the CCOH IP Sale, (v) not incur, create, assume or permit the incurrence, creation or assumption of any lien with respect to the CCOH IP, and (vi) not dispose of any of the CCOH IP, or waive, release, grant, license, permit to lapse, abandon, fail to assert or transfer any right, title or interest in or to any CCOH IP.

IHM and CCOH each, on their own behalf and each respectively on behalf of their subsidiaries (other than, in the case of IHM, CCOH and any of CCOH's subsidiaries), hereby represent and warrant that (a) such party has the requisite corporate power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Letter of Intent and to consummate the CCOH IP Sale and all other transactions contemplated hereby; (b) this Letter of Intent has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof; and (c) such party's execution and delivery of, and performance under, this Letter of Intent (including the exercise of the Option and the Closing), do not and will not (i) contravene its or any of its subsidiaries' organizational documents, any court decree or order binding on or affecting it or any of its subsidiaries, or any law or regulation binding on or affecting such party or any of its subsidiaries, (ii) result in or require the creation or imposition of any lien on any of the CCOH IP or (iii) conflict with or result in a default under any contract, agreement, or instrument binding on or affecting such party or any of its subsidiaries or the CCOH IP.

No provisions of this Letter of Intent shall be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party against whom such waiver, amendment, supplement or modification is sought to be enforced. The parties hereby agree that approval by a vote of a majority of the members of the board of directors of CCOH who have been determined to be "independent directors" under applicable stock exchange listing and corporate governance rules will be (a) sufficient and required for the making of any decision or taking of any action by CCOH hereunder, including to exercise the Option, enforce rights or require performance hereunder; and (b) required prior to CCOH agreeing to amend, supplement or modify, or waive any provision under, this Letter of Intent.

This Letter of Intent shall be interpreted in accordance with the laws of the State of Delaware, regardless of any conflicts of laws provisions thereof or under the laws of any other jurisdiction which would require the application of the laws of another jurisdiction. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Letter of Intent, the party or parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) in respect of its or their rights under this Letter of Intent, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss arising as a result thereof and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties.

This Letter of Intent may be executed in one or more counterparts (including by facsimile or electronic transmission in .pdf, .tiff or any similar format), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party. This Letter of Intent shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns; provided that no party may assign its respective rights or delegate its respective obligations under this Letter of Intent without the express prior written consent of the other party, except that each party may assign its rights and delegate its obligations under this Letter of Intent to any of its subsidiaries (provided that no such assignment or delegation shall release such party from any liability or obligation under this Letter of Intent). If any provision of this Letter of Intent is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the parties.

[*Remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, the parties have caused this Binding Option and Letter of Intent to be executed on the date first written above by their respective duly authorized officers.

**IHEARTMEDIA, INC.,**
**a Delaware corporation**
By: /s/ Juliana F. Hill
Name: Juliana F. Hill
Title: SVP - Liquidity and Asset Management

Agreed and acknowledged:

**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.,**

**a Delaware corporation**
By: /s/ David Sailer
Name: David Sailer
Title: CFO - Americas

[*Signature Page - Binding Option and Letter of Intent*]

**EXHIBIT A**

**CCOH IP**

## Trademarks

| Mark Name | Country | Current Owner | Status | Application Date | Application Number | Registration Date | Registration Number |
|---|---|---|---|---|---|---|---|
| C & Design | Australia | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | 991556 |
| C & DESIGN | Bermuda | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/18/2007 | Not Available | 10/18/2014 | 47372 |
| C & DESIGN | Brazil | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/05/2002 | 824474449 | 03/11/2008 | 824474449 |
| C & DESIGN | Canada | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/28/2002 | 1135728 | 12/01/2010 | 783818 |
| C & DESIGN | Community Trademark | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/14/2005 | 004388377 | 04/30/2015 | 004388377 |
| C & DESIGN | Hong Kong | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/13/2008 | 301071008 | 09/11/2008 | 301071008 |
| C & DESIGN | India | CLEAR CHANNEL IDENTITY, L.P. | Registered | 01/14/2008 | 1641373 | 12/23/2011 | 1641373 |
| C & DESIGN | International | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | 991556 |
| C & DESIGN | Japan | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | 991556 |
| C & DESIGN | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/17/2002 | 543417 | 05/29/2002 | 749474 |
| C & DESIGN | New Zealand | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/11/2002 | 666201 | 07/07/2003 | 666201 |
| C & DESIGN | Norway | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | 991556 |
| C & DESIGN | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/03/2002 | 148661 | 07/08/2012 | 29788 |
| C & DESIGN | Russian Federation | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | 991556 |
| C & DESIGN | Singapore | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | T0901756C |
| C & DESIGN | South Africa | CLEAR CHANNEL INDEPENDENT (PROPRIETARY) LIMITED | Registered | 05/21/2002 | 2002/07017 | 05/21/2002 | 2002/07017 |
| C & DESIGN | Switzerland | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | 991556 |
| C & DESIGN | Thailand | CLEAR CHANNEL IDENTITY, INC. | Registered | 07/05/2013 | 899720 | 07/05/2013 | Bor66382 |

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|---|---|---|---|---|---|---|---|
| C & DESIGN | Turkey | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/29/2008 | 991556 | 09/29/2008 | 991556 |
| C & DESIGN | United States | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/22/2002 | 76/386,225 | 06/10/2003 | 2,723,643 |
| C & DESIGN (CLEAR CHANNEL INDEPENDENT) | South Africa | CLEAR CHANNEL IDENTITY, INC. | Registered | 05/21/2002 | 2002/07015 | 05/21/2002 | 2002/07015 |
| C & DESIGN (CLEAR CHANNEL INDEPENDENT) | South Africa | CLEAR CHANNEL IDENTITY, INC. | Registered | 05/21/2002 | 2002/07013 | 05/21/2002 | 2002/07013 |
| C & DESIGN (CLEAR CHANNEL INDEPENDENT) | South Africa | CLEAR CHANNEL IDENTITY, INC. | Registered | 05/21/2002 | 2002/07016 | 05/21/2002 | 2002/07016 |
| C & DESIGN (CLEAR CHANNEL INDEPENDENT) | South Africa | CLEAR CHANNEL IDENTITY, INC. | Registered | 05/21/2002 | 2002/07014 | 05/21/2012 | 2002/07014 |
| C & DESIGN (COLOR) | France | CLEAR CHANNEL FRANCE | Registered | 12/04/2001 | 013134999 | 05/10/2002 | 013134999 |
| C & DESIGN (SERIES) | Great Britain | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/06/2008 | 2481620 | 09/12/2008 | 2481620 |
| C CLEAR CHANNEL & DESIGN | Swaziland | CLEAR CHANNEL IDENTITY, INC. | Registered | 02/28/2013 | 63/2013 | 09/06/2004 | 295/2003 |
| CLEAR CHANNEL | Argentina | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 3223871 | 02/28/2013 | 2581624 |
| CLEAR CHANNEL | Australia | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |
| CLEAR CHANNEL | Australia | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/09/1998 | 772568 | 09/09/1998 | 772568 |
| CLEAR CHANNEL | Australia | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 900488 | 01/16/2002 | 900488 |
| CLEAR CHANNEL | Brazil | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 824271289 | 12/02/2008 | 824271289 |
| CLEAR CHANNEL | Canada | CLEAR CHANNEL IDENTITY, INC. | Registered | 08/20/1998 | 0888009 | 02/19/2003 | TMA575950 |
| CLEAR CHANNEL | Canada | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 1127836 | 07/09/2009 | 743181 |
| CLEAR CHANNEL | China P.R. | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |
| CLEAR CHANNEL | China P.R. | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/01/1998 | 9800099895 | 02/07/2000 | 1362333 |
| CLEAR CHANNEL | Community Trademark | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/15/2002 | 002534980 | 07/08/2004 | 002534980 |

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|---|---|---|---|---|---|---|---|
| CLEAR CHANNEL | Community Trademark | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/14/2005 | 004388336 | 04/30/2015 | 004388336 |
| CLEAR CHANNEL | Community Trademark | CLEAR CHANNEL IDENTITY, L.P. | Registered | 08/20/1998 | 000911842 | 12/21/1999 | 000911842 |
| CLEAR CHANNEL | Czech Republic | CLEAR CHANNEL IDENTITY, INC. | Registered | 09/15/1998 | O-135964 | 04/19/2000 | 223871 |
| CLEAR CHANNEL | Estonia | CLEAR CHANNEL IDENTITY, INC. | Registered | 08/19/1998 | 9801968 | 06/22/2000 | 31353 |
| CLEAR CHANNEL | Great Britain | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/06/2008 | 2481618 | 09/12/2008 | 2481618 |
| CLEAR CHANNEL | Hong Kong | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/13/2008 | 301071026 | 09/11/2008 | 301071026 |
| CLEAR CHANNEL | Hong Kong | CLEAR CHANNEL IDENTITY, INC. | Registered | 08/25/1998 | 98/11244 | 08/25/2015 | B06228/2000 |
| CLEAR CHANNEL | India | CLEAR CHANNEL IDENTITY, L.P. | Registered | 01/21/2008 | 1643787 | 01/21/2008 | 1643787 |
| CLEAR CHANNEL | India | CLEAR CHANNEL IDENTITY, L.P. | Registered | 08/20/1998 | 815525 | 08/20/1998 | 815525 |
| CLEAR CHANNEL | International | CLEAR CHANNEL IDENTITY, INC. | Registered | | Not Available | 04/01/2008 | 999753 |
| CLEAR CHANNEL | International | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |
| CLEAR CHANNEL | Japan | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |
| CLEAR CHANNEL | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/27/1998 | 352173 | 11/30/1998 | 595617 |
| CLEAR CHANNEL | Mozambique | CLEAR CHANNEL IDENTITY, INC. | Registered | 11/25/2002 | 06643/2002 | 11/25/2002 | 06643/2002 |
| CLEAR CHANNEL | New Zealand | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/11/2008 | 785678 | 06/11/2009 | 785678 |
| CLEAR CHANNEL | Norway | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |
| CLEAR CHANNEL | Norway | CLEAR CHANNEL IDENTITY, INC. | Registered | 08/20/1998 | 199807468 | 09/28/2000 | 204932 |
| CLEAR CHANNEL | Norway | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2012 | 200200236 | 12/05/2012 | 216829 |
| CLEAR CHANNEL | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 142583 | 12/12/2013 | 34066 |
| CLEAR CHANNEL | Russian Federation | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |
| CLEAR CHANNEL | Singapore | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | T0905324A |
| CLEAR CHANNEL | Switzerland | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |

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|---|---|---|---|---|---|---|---|
| CLEAR CHANNEL | Switzerland | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 00337/2002 | 08/30/2002 | 499175 |
| CLEAR CHANNEL | Taiwan | CLEAR CHANNEL IDENTITY, INC. | Registered | 08/28/1998 | 87042556 | 11/01/1999 | 116842 |
| CLEAR CHANNEL | Turkey | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/01/2008 | 999753 | 04/01/2008 | 999753 |
| CLEAR CHANNEL | United States | CLEAR CHANNEL IDENTITY, INC. | Registered | 07/16/2001 | 76/285,461 | 09/07/2004 | 2,882,210 |
| CLEAR CHANNEL | Zambia | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/06/2002 | 697/2002 | 12/06/2002 | 697/2002 |
| CLEAR CHANNEL & DESIGN | Argentina | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/28/2013 | 3223875 | 02/28/2013 | 2581620 |
| CLEAR CHANNEL & DESIGN | Australia | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 900487 | 01/16/2002 | 900487 |
| CLEAR CHANNEL & DESIGN | Bahamas | CLEAR CHANNEL IDENTITY, L.P. | Registered | 04/05/2007 | 30,454 | 11/11/2013 | 30454 |
| CLEAR CHANNEL & DESIGN | Bermuda | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/18/2007 | Not Available | 10/18/2014 | 47371 |
| CLEAR CHANNEL & DESIGN | Brazil | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 824271220 | 11/25/2008 | 824271220 |
| CLEAR CHANNEL & DESIGN | Canada | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 1127838 | 10/10/2008 | TMA725831 |
| CLEAR CHANNEL & DESIGN | China P.R. | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/07/2010 | 8470455 | 02/14/2013 | 8470455 |
| CLEAR CHANNEL & DESIGN | China P.R. | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/07/2010 | 8470452 | 12/14/2013 | 8470452 |
| CLEAR CHANNEL & DESIGN | China P.R. | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/07/2010 | 8470453 | 12/14/2013 | 8470453 |
| CLEAR CHANNEL & DESIGN | China P.R. | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/07/2010 | 8470454 | 04/07/2014 | 8470454 |
| CLEAR CHANNEL & DESIGN | Community Trademark | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/14/2005 | 004388351 | 04/30/2015 | 004388351 |
| CLEAR CHANNEL & DESIGN | Community Trademark | CLEAR CHANNEL IDENTITY, L.P. | Registered | 01/15/2002 | 002535250 | 07/22/2004 | 002535250 |
| CLEAR CHANNEL & DESIGN | Ghana | CLEAR CHANNEL IDENTITY, INC. | Registered | 11/21/2003 | 33868 | 11/21/2010 | 33868 |
| CLEAR CHANNEL & DESIGN | Kenya | CLEAR CHANNEL INDEPENDENT (PROPRIETARY) LIMITED | Registered | 11/11/2002 | SMA3032 | 11/11/2012 | SMA3032 |
| CLEAR CHANNEL & DESIGN | Latvia | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/03/2003 | M031658 | 08/20/2004 | M53715 |
| CLEAR CHANNEL & DESIGN | Malawi | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/04/2002 | 534/2002 | 12/04/2002 | 534/2002 |
| CLEAR CHANNEL & DESIGN | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 528009 | 11/15/2002 | 768550 |

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| CLEAR CHANNEL & DESIGN | Mozambique | CLEAR CHANNEL IDENTITY, INC. | Registered | 11/25/2002 | 06644/2002 | 11/25/2002 | 06644/2002 |
| CLEAR CHANNEL & DESIGN | Norway | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 200200236 | 05/12/2002 | 216830 |
| CLEAR CHANNEL & DESIGN | O.A.P.I | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/24/2003 | 49154 | 12/24/2013 | 49154 |
| CLEAR CHANNEL & DESIGN | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 142590 | 07/23/2002 | 29929 |
| CLEAR CHANNEL & DESIGN | Russian Federation | CLEAR CHANNEL BALTICS AND RASJA | Registered | 06/13/2002 | 2002711722 | 06/13/2012 | 250932 |
| CLEAR CHANNEL & DESIGN | Russian Federation | CLEAR CHANNEL BALTICS AND RASJA | Registered | 06/13/2002 | 2002711723 | 06/13/2012 | 250933 |
| CLEAR CHANNEL & DESIGN | Switzerland | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 00338/2002 | 08/30/2002 | 499218 |
| CLEAR CHANNEL & DESIGN | Turkey | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/28/2001 | 2001/27613 | 12/28/2001 | 2001/27613 |
| CLEAR CHANNEL & DESIGN | United States | CLEAR CHANNEL IDENTITY, INC. | Registered | 07/16/2001 | 76/285,469 | 09/14/2004 | 2,884,665 |
| CLEAR CHANNEL & DESIGN | Zambia | CLEAR CHANNEL IDENTITY, L.P. | Registered | 12/06/2002 | 698/2002 | 12/06/2002 | 698/2002 |
| CLEAR CHANNEL & DESIGN (Series Logo) | New Zealand | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/05/2002 | 669773 | 10/06/2003 | 669773 |
| CLEAR CHANNEL & DEVICE | Zimbabwe | INTER AFRICA ADVERTISING ZIMBABWE (Pvt.) LIMITED | Registered | 01/01/2003 | 10/2003 | 01/01/2003 | 10/2003 |
| CLEAR CHANNEL (Chinese Characters) | China P.R. | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/21/1999 | 9900007354 | 05/28/2000 | 1403657 |
| CLEAR CHANNEL (Chinese Characters) | Hong Kong | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/27/1999 | 99/988 | 01/18/2001 | 200100825 |
| CLEAR CHANNEL (Chinese Characters) | Taiwan | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/20/1999 | 88002361 | 01/16/2000 | 124785 |
| CLEAR CHANNEL ADSHEL | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/03/2002 | 148665 | 11/28/2012 | 31264 |
| CLEAR CHANNEL AIRPORTS | Canada | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/28/2002 | 1135729 | 11/09/2004 | TMA625066 |
| CLEAR CHANNEL AIRPORTS | France | CLEAR CHANNEL IDENTITY, L.P. | Registered | 01/18/2002 | 023142391 | 01/18/2002 | 023142391 |
| CLEAR CHANNEL AIRPORTS | United States | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/11/2002 | 76/380,663 | 01/14/2003 | 2,674,768 |
| CLEAR CHANNEL ATTITUDE | France | CLEAR CHANNEL IDENTITY, L.P. | Registered | 03/29/2004 | 043282644 | 03/29/2014 | 043282644 |

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|---|---|---|---|---|---|---|---|
| CLEAR CHANNEL CONNECT | Benelux | HILLENAAR OUTDOOR ADVERTISING BV | Registered | 04/03/2014 | 1287233 | 08/28/2014 | 0959148 |
| CLEAR CHANNEL CONNECT | Great Britain | CLEAR CHANNEL UK LIMITED | Registered | 11/23/2006 | 2439329 | 08/03/2007 | 2439329 |
| CLEAR CHANNEL CONNECT | Ireland | CLEAR CHANNEL IDENTITY, L.P. | Registered | 05/21/2007 | 2007/01223 | 05/21/2007 | 237217 |
| CLEAR CHANNEL CREATE | Community Trademark | iHM Identity, Inc. | Registered | 09/15/2015 | 014563886 | 01/26/2016 | 014563886 |
| CLEAR CHANNEL CREATE | Singapore | iHM Identity, Inc. | Filed | 03/16/2016 | 40201604738Y | | |
| CLEAR CHANNEL EMOTION | France | CLEAR CHANNEL FRANCE | Registered | 09/08/2009 | D093674797 | 02/12/2010 | 093674797 |
| CLEAR CHANNEL INDEPENDENT & DESIGN | Botswana | CLEAR CHANNEL IDENTITY, INC. | Registered | 06/21/2002 | 2002/00314 | 06/21/2012 | 2002/00314 |
| CLEAR CHANNEL INDEPENDENT & DESIGN | Lesotho | CLEAR CHANNEL IDENTITY, INC. | Registered | 07/05/2002 | LS/M/2002/00209 | 07/05/2012 | LS/M/2002/00209 |
| CLEAR CHANNEL INDEPENDENT & DESIGN | Mauritius | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/17/2002 | 1191/12/2002 | 12/17/2012 | 278/2005 |
| CLEAR CHANNEL INDEPENDENT & DESIGN | Namibia | CLEAR CHANNEL IDENTITY, INC. | Registered | 06/14/2002 | 2002/0715 | 06/14/2002 | 2002/0715 |
| CLEAR CHANNEL INDEPENDENT & DESIGN | Nigeria | CORPCOM AIRPORT ADVERTISING (NIGERIA) LIMITED | Filed | 06/14/2002 | TP65197 | | |
| CLEAR CHANNEL INDEPENDENT & DESIGN | Uganda | CLEAR CHANNEL IDENTITY, INC. | Registered | 05/05/2003 | 25673 | 05/05/2004 | 35062 |
| CLEAR CHANNEL INTERSPACE AIRPORTS | Louisiana | IN-TER-SPACE SERVICES, INC. | Registered | | Not Available | 07/14/2008 | NA |
| CLEAR CHANNEL INTERSPACE AIRPORTS | Nebraska | IN-TER-SPACE SERVICES, INC. | Registered | | Not Available | 10/14/2008 | 10116170 |
| CLEAR CHANNEL INTERSPACE AIRPORTS | Wisconsin | IN-TER-SPACE SERVICES, INC. | Registered | | Not Available | 06/11/2008 | 5802227 |
| CLEAR CHANNEL MALLS | Canada | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/28/2002 | 1135730 | 11/10/2004 | TMA625287 |
| CLEAR CHANNEL MALLS | United States | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/11/2002 | 76/380,575 | 01/21/2003 | 2,677,525 |

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| CLEAR CHANNEL OUTDOOR | Canada | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 1127837 | 08/31/2005 | TMA647002 |
| CLEAR CHANNEL OUTDOOR | Chile | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 555645 | 01/16/2007 | 777495 |
| CLEAR CHANNEL OUTDOOR | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 148664 | 07/17/2002 | 29867 |
| CLEAR CHANNEL OUTDOOR | Turkey | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/28/2001 | 2001/27604 | 12/28/2001 | 2001/27604 |
| CLEAR CHANNEL OUTDOOR | United States | CLEAR CHANNEL IDENTITY, INC. | Registered | 07/16/2001 | 76/285,468 | 01/20/2004 | 2,807,051 |
| CLEAR CHANNEL OUTDOOR & DESIGN | Brazil | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 824271203 | 03/11/2008 | 824271203 |
| CLEAR CHANNEL OUTDOOR & DESIGN | Lithuania | CLEAR CHANNE LIETUVA | Registered | 12/02/2002 | 20022272 | 04/09/2004 | 47798 |
| CLEAR CHANNEL OUTDOOR & DESIGN | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 528013 | 07/30/2002 | 757042 |
| CLEAR CHANNEL OUTDOOR & DESIGN | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 01/16/2002 | 142580 | 07/17/2002 | 29860 |
| CLEAR CHANNEL OUTDOOR & DESIGN | United States | CLEAR CHANNEL IDENTITY, INC. | Registered | 07/16/2001 | 76/285,470 | 12/30/2003 | 2,799,665 |
| CLEAR CHANNEL PLAY | Singapore | iHM Identity, Inc. | Filed | 03/15/2016 | 40201604736V | | |
| CLEAR CHANNEL RUSSIA | Russian Federation | CLEAR CHANNEL IDENTITY, INC. | Registered | 08/29/2011 | 2011728106 | 08/29/2013 | 492024 |
| CLEAR CHANNEL RUSSIA & DESIGN | Russian Federation | CLEAR CHANNEL IDENTITY, INC. | Registered | 08/29/2011 | 2011728107 | 08/29/2013 | 492025 |
| CLEAR CHANNEL SMARTBIKE | Argentina | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/12/2008 | 2809476 | 09/12/2012 | 2525042 |
| CLEAR CHANNEL SMARTBIKE | Argentina | CLEAR CHANNEL IDENTITY, INC. | Registered | 03/12/2008 | 2809474 | 09/12/2012 | 2525041 |
| CLEAR CHANNEL SMARTBIKE | Brazil | CLEAR CHANNEL IDENTITY, INC. | Registered | 06/05/2008 | 900892250 | 10/02/2012 | 900892250 |
| CLEAR CHANNEL SMARTBIKE | Chile | CLEAR CHANNEL IDENTITY, INC. | Registered | 05/07/2008 | 818875 | 08/13/2009 | 857636 |
| CLEAR CHANNEL SMARTBIKE | Chile | CLEAR CHANNEL IDENTITY, INC. | Registered | 05/07/2008 | 818872 | 08/13/2009 | 857635 |
| CLEAR CHANNEL SMARTBIKE | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/24/2008 | 969786 | 10/29/2009 | 1128435 |

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| CLEAR CHANNEL SMARTBIKE | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/24/2008 | 969785 | 10/29/2009 | 1128434 |
| CLEAR CHANNEL SMARTBIKE | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/24/2008 | 969781 | 10/29/2009 | 1128433 |
| CLEAR CHANNEL SMARTBIKE | Mexico | CLEAR CHANNEL IDENTITY, INC. | Registered | 10/24/2008 | 969788 | 10/29/2009 | 1128436 |
| CLEAR CHANNEL SMARTBIKE | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 06/23/2008 | 358008-2008 | 04/13/2010 | 00163842 |
| CLEAR CHANNEL SMARTBIKE | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 06/23/2008 | 358006 | 04/13/2010 | 00061674 |
| CLEAR CHANNEL SMARTBIKE | Peru | CLEAR CHANNEL IDENTITY, INC. | Registered | 06/23/2008 | 358007 | 04/13/2010 | 00163841 |
| CLEAR CHANNEL SPECTACOLOR | United States | iHM Identity, Inc. | Registered | 08/26/2005 | 78/701,289 | 08/15/2006 | 3,129,523 |
| CLEAR CHANNEL STAGE EXPERIENCE & DESIGN | Great Britain | CLEAR CHANNEL IDENTITY, L.P. | Registered | 05/14/2005 | 2391947 | 05/14/2015 | 2391947 |
| CLEAR CHANNEL VISUEL & DESIGN | Mauritius | CLEAR CHANNEL IDENTITY, INC. | Registered | 12/17/2002 | 1190/12/2002 | 12/17/2002 | 279/2005 |
| CLEARCHANNEL INDEPENDENT | South Africa | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/11/2002 | 2002/04918 | 03/01/2011 | 2002/04918 |
| CLEARCHANNEL INDEPENDENT | South Africa | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/11/2002 | 2002/04914 | 10/14/2010 | 2002/04914 |
| CLEARCHANNEL INDEPENDENT | South Africa | CLEAR CHANNEL IDENTITY, INC. | Registered | 04/11/2002 | 2002/04917 | 10/14/2010 | 2002/04917 |
| CLEARCHANNEL INDEPENDENT | South Africa | CLEAR CHANNEL INDEPENDENT (PROPRIETARY) LIMITED | Registered | 04/11/2002 | 2002/04915 | 10/14/2010 | 2002/04915 |
| CLEARCHANNEL INDEPENDENT | South Africa | CLEAR CHANNEL INDEPENDENT (PROPRIETARY) LIMITED | Registered | 04/11/2002 | 2002/04916 | 10/14/2010 | 2002/04916 |
| CLEARVISION | Canada | CLEAR CHANNEL OUTDOOR, INC. | Registered | 10/01/2012 | 1,596,443 | 09/15/2015 | 914,084 |
| CLEARVISION | Community Trademark | CLEAR CHANNEL OUTDOOR, INC. | Registered | 10/02/2012 | 011234135 | 02/13/2013 | 011234135 |
| CLEARVISION | United States | CLEAR CHANNEL OUTDOOR, INC. | Registered | 05/03/2012 | 85/615,311 | 09/18/2012 | 4,210,205 |

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| CLEARVISION DIGITAL NETWORKS | United States | CLEAR CHANNEL OUTDOOR, INC. | Registered | 02/16/2012 | 85/545,140 | 10/09/2012 | 4,221,413 |
| NEWSSTAND MEDIA CLEAR CHANNEL | Brazil | CLEAR CHANNEL INTERNATIONAL LIMITED | Registered | 12/15/2004 | 827.004.869 | 10/30/2007 | 827.004.869 |
| NEWSSTAND MEDIA CLEAR CHANNEL | Brazil | CLEAR CHANNEL INTERNATIONAL LIMITED | Registered | 12/15/2004 | 827.004.877 | 10/30/2007 | 827.004.877 |
| NEWSSTAND MEDIA CLEAR CHANNEL | Brazil | CLEAR CHANNEL INTERNATIONAL LIMITED | Registered | 12/15/2004 | 827.004.885 | 10/30/2007 | 827.004.885 |
| LA OPCION ES CLARA | Mexico | CLEAR CHANNEL OUTDOOR, INC. | Registered | 04/17/2002 | 543419 | 11/27/2002 | 770701 |
| LE CHOICE C'EST CLEAR | Canada | CLEAR CHANNEL OUTDOOR, INC. | Registered | 03/28/2002 | 1135732 | 04/01/2004 | TMA606874 |

## Domain Names

| Domain Name |
|---|
| ccaadportal.com |
| ccablackbox.com |
| ccadportal.com |
| ccaomni.com |
| ccaproducts.com |
| ccaproducts.net |
| ccf1.fr |
| cch.lv |
| cc-int.net |
| cci-play.com |
| ccnfc.co.uk |
| ccnfc.com |
| ccnfc.nl |
| ccodigital.com |
| ccooh.com |
| ccoutdoor.com |
| ccplay.es |
| ccx.es |
| clearchannel.asia |
| clearchannel.at |
| clearchannel.be |
| clearchannel.biz |
| clearchannel.ca |
| clearchannel.ch |
| clearchannel.co.jp |
| clearchannel.co.kr |
| clearchannel.co.nz |
| clearchannel.co.uk |
| clear-channel.co.uk |
| clearchannel.co.za |
| clearchannel.com.au |

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| clearchannel.com.cn |
| clearchannel.com.es |
| clearchannel.com.hk |
| clearchannel.com.pl |
| clearchannel.com.sg |
| clearchannel.com.tr |
| clearchannel.com.tw |
| clearchannel.cz |
| clearchannel.dk |
| clearchannel.ee |
| clearchannel.es |
| clearchannel.eu |
| clear-channel.eu |
| clearchannel.fi |
| clearchannel.fr |
| clearchannel.hk |
| clearchannel.hu |
| clearchannel.ie |
| clearchannel.io |
| clearchannel.it |
| clearchannel.jp |
| clearchannel.kr |
| clearchannel.lt |
| clearchannel.lv |
| clearchannel.nl |
| clearchannel.pl |
| clearchannel.ru |
| clearchannel.se |
| clearchannel.tw |
| clearchannel.no |
| clearchanneladshel.com |
| clearchanneladshelmalls.com |
| clearchannelairport.fi |
| clearchannelairports.com |
| clearchannelairports.eu |
| clearchannelbalticsandrussia.com |
| clearchannelbalticsrussia.com |
| clearchannelbillboard.co.uk |
| clearchannelbillboard.com |
| clearchannelbillboards.co.uk |
| clearchannelbillboards.com |
| clearchannelchoice.co.uk |
| clearchannelconventionmedia.com |
| clearchanneldirect.co.uk |
| clearchanneldubai.com |
| clearchanneleurope.com |
| clearchannelhillenaar.nl |
| clearchannelicons.biz |
| clearchannelicons.com |
| clearchannelicons.net |
| clearchannelicons.org |
| clearchannelimaging.com |
| clearchannelindia.com |
| clearchannelinternational.biz |

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| clear-channel-international.biz |
| clearchannelinternational.co.uk |
| clear-channel-international.co.uk |
| clearchannelinternational.com |
| clear-channel-international.com |
| clearchannelinternational.info |
| clear-channel-international.info |
| clearchannelinternational.net |
| clear-channel-international.net |
| clearchannelinternational.org |
| clear-channel-international.org |
| clearchannelinternational.org.uk |
| clear-channel-international.org.uk |
| clearchannelinternational.us |
| clear-channel-international.us |
| clearchannelinterspace.com |
| clearchannelinterspaceairports.com |
| clearchannelitaly.com |
| clearchanneljolly.com |
| clearchannelmalls.com |
| clearchannel-malls.com |
| clearchannelmedia.com.au |
| clearchannelmedia.it |
| clearchannelmedia.kr |
| clearchannelmedia.ru |
| clearchannelnederland.nl |
| clearchanneloutdoor.biz |
| clearchanneloutdoor.ca |
| clearchanneloutdoor.co.uk |
| clearchanneloutdoor.com |
| clearchannel-outdoor.com |
| clearchanneloutdoor.eu |
| clearchanneloutdoor.info |
| clearchanneloutdoor.ro |
| clearchanneloutdoor.se |
| clearchanneloutdoor.us |
| clearchanneloutdooradvertising.com |
| clearchanneloutdoordigital.com |
| clearchannelplay.ch |
| clearchannelplay.co.uk |
| clearchannelplay.com |
| clearchannelplay.com.sg |
| clearchannelplay.es |
| clearchannelplay.fr |
| clearchannelplay.no |
| clearchannelplay.se |
| clearchannelposters.com |
| clearchannelsg.com |
| clearchannelsmartbike.com |
| clearchannel-spain.com |
| clearchannelspectacolor.com |
| clearchannelspectaculars.com |
| clearchanneltaxi.com |
| clearchanneltaximedia.com |

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| clearchanneltransit.com |
| clearchanneluk.com |
| clearmedia.cn |
| clear-media.cn |
| clearmedia.com.cn |
| clear-media.com.cn |
| clear-media.net |
| clear-media.net.cn |
| clearvisiondigitalnetworks.com |
| clearvisiondigitalnetworks.net |
| hillenaarclearchannel.nl |

All other trademarks, domain names, and registrations thereof owned by IHM or its subsidiaries that contain the terms “Clear” and/or “Channel,” or any translations or derivations of any of the foregoing, including without limitation those incorporating the terms “Clara” and “CC” and specifically including:

- All trademark rights in and to, and domain names containing, “Clear Channel Outdoor” and translations or derivations thereof throughout the world, including without limitation Norway, Switzerland, China, and Singapore.

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

I, Robert W. Pittman, certify that:

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: May 4, 2017

/s/ ROBERT W. PITTMAN
Robert W. Pittman
Chief Executive Officer

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

I, Richard J. Bressler, certify that:

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: May 4, 2017

/s/ RICHARD J. BRESSLER
Richard J. Bressler
Chief Financial Officer

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

This certification is provided pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q") of Clear Channel Outdoor Holdings, Inc. (the "Company"). The undersigned hereby certifies that to his knowledge, the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 4, 2017

By: /s/ ROBERT W. PITTMAN
Name: Robert W. Pittman
Title: Chief Executive Officer

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

This certification is provided pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and accompanies the Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”) of Clear Channel Outdoor Holdings, Inc. (the “Company”). The undersigned hereby certifies that to his knowledge, the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 4, 2017

By: /s/ RICHARD J. BRESSLER
Name: Richard J. Bressler
Title: Chief Financial Officer