

Clear Channel Outdoor Holdings, Inc.
Form DEF 14A
April 26, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

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Clear Channel Outdoor Holdings, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(3) Filing Party:

(4) Date Filed:

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CLEAR CHANNEL OUTDOOR HOLDINGS, INC.

200 East Basse Road

San Antonio, Texas 78209

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 25, 2010

As a stockholder of Clear Channel Outdoor Holdings, Inc. (Clear Channel Outdoor or the Company), you are hereby given notice of and invited to attend, in person or by proxy, the Annual Meeting of Stockholders of Clear Channel Outdoor to be held at the corporate offices of Clear Channel Outdoor, located at 200 East Basse Road, San Antonio, Texas 78209, on May 25, 2010, at 9:00 a.m. local time, for the following purposes:

1. to elect Blair E. Hendrix, Daniel G. Jones and Scott R. Wells to serve as directors for a three year term;
2. to ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of Clear Channel Outdoor for the year ending December 31, 2010; and
3. to transact any other business which may properly come before the meeting or any adjournment thereof.

Only stockholders of record at the close of business on April 1, 2010 are entitled to notice of and to vote at the meeting.

Two cut-out admission tickets are included on the back cover of this document and are required for admission to the meeting. Please contact Clear Channel Outdoor's Secretary at Clear Channel Outdoor's corporate headquarters if you need additional tickets. If you plan to attend the annual meeting, please note that space limitations make it necessary to limit attendance to stockholders and one guest. Admission to the annual meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m. Each stockholder may be asked to present valid picture identification, such as a driver's license or passport. Stockholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras (including cellular telephones with photographic capabilities), recording devices and other electronic devices will not be permitted at the annual meeting. The annual meeting will begin promptly at 9:00 a.m. local time.

Your attention is directed to the accompanying proxy statement. In addition, although mere attendance at the meeting will not revoke your proxy, if you attend the meeting you may revoke your proxy and vote in person. To assure that your shares are represented at the meeting, please complete, date, sign and mail the enclosed proxy card in the return envelope provided for that purpose.

By Order of the Board of Directors
Robert H. Walls, Jr.
Executive Vice President, General Counsel and Secretary

San Antonio, Texas

April 26, 2010

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 25, 2010**

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The Proxy Statement and Annual Report are available at

<http://bnymellon.mobular.net/bnymellon/cco>

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2010 ANNUAL MEETING OF STOCKHOLDERS

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PROXY STATEMENT

This proxy statement contains information related to the annual meeting of stockholders of Clear Channel Outdoor Holdings, Inc. (referred to herein as Clear Channel Outdoor, Company, we, our or us) to be held on Tuesday, May 25, 2010, beginning at 9:00 a.m. local time, at the corporate offices of Clear Channel Outdoor Holdings, Inc., located at 200 East Basse Road, San Antonio, Texas 78209, and at any postponements or adjournments thereof. This proxy statement is first being mailed to stockholders on or about May 3, 2010.

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Q: Why am I receiving these materials?

A: Clear Channel Outdoor's Board of Directors (the Board) is providing these proxy materials to you in connection with Clear Channel Outdoor's annual meeting of stockholders (the annual meeting), which will take place on May 25, 2010. The Board is soliciting proxies to be used at the annual meeting. You are also invited to attend the annual meeting and are requested to vote on the proposals described in this proxy statement.

Q: What information is contained in these materials?

A: The information included in this proxy statement relates to the proposals to be voted on at the annual meeting, the voting process, the compensation of our directors and our most highly paid executive officers, and certain other required information. Following this proxy statement are excerpts from Clear Channel Outdoor's 2009 Annual Report on Form 10-K including Consolidated Financial Statements, Notes to the Consolidated Financial Statements, and Management's Discussion and Analysis. A proxy card and a return envelope are also enclosed.

Q: What proposals will be voted on at the annual meeting?

A: There are two proposals scheduled to be voted on at the annual meeting: the election of three directors to serve for the coming year and the ratification of Ernst & Young LLP as Clear Channel Outdoor's independent registered accounting firm for the year ending December 31, 2010.

Q: Which of my shares may I vote?

A: All shares of Class A common stock owned by you as of the close of business on April 1, 2010 (the Record Date) may be voted by you. These shares include shares that are: (1) held directly in your name as the stockholder of record, and (2) held for you as the beneficial owner through a stockbroker, bank or other nominee. Each share of Class A common stock is entitled to one vote at the annual meeting and each share of Class B common stock is entitled to twenty votes at the annual meeting. As of April 1, 2010, there were 40,840,896 shares of Class A common stock outstanding and 315,000,000 shares of Class B common stock outstanding. All shares of our Class B common stock are held by Clear Channel Holdings, Inc., a wholly owned indirect subsidiary of CC Media Holdings, Inc. (CC Media or CCMH).

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

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A: Most stockholders of Clear Channel Outdoor hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

STOCKHOLDERS OF RECORD: If your shares are registered directly in your name with Clear Channel Outdoor's transfer agent, BNY Mellon Investor Services LLC (Mellon), you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you by Mellon on behalf of Clear Channel Outdoor. As the stockholder of record, you have the right to grant your voting proxy directly to Clear Channel Outdoor or to vote in person at the annual meeting. Clear Channel Outdoor has enclosed a proxy card for you to use.

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BENEFICIAL OWNER: If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by your broker or nominee who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker on how to vote and are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote these shares in person at the annual meeting, unless you obtain and present at the meeting a signed proxy from the record holder giving you the right to vote the shares. Your broker or nominee has enclosed a voting instruction card for you to use in directing the broker or nominee regarding how to vote your shares.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: Under New York Stock Exchange (NYSE) rules, brokers will have discretion to vote the shares of customers who fail to provide voting instructions on routine matters, but brokers may not vote such shares on non-routine matters without voting instructions. When a broker is not permitted to vote the shares of a customer who does not provide voting instructions, it is called a broker non-vote. The election of directors is a non-routine matter. Your broker will send you directions on how you can instruct your broker to vote.

Q: How can I vote my shares in person at the annual meeting?

A: Shares held directly in your name as the stockholder of record may be voted by you in person at the annual meeting. If you choose to do so, please bring the enclosed proxy card and proof of identification. Even if you plan to attend the annual meeting, Clear Channel Outdoor recommends that you also submit your proxy as described below so that your vote will be counted if you later decide not to attend the annual meeting. You may request that your previously submitted proxy card not be used if you desire to vote in person when you attend the annual meeting. Shares held in street name may be voted in person by you at the annual meeting only if you obtain and present at the meeting a signed proxy from the record holder giving you the right to vote the shares. **Your vote is important. Accordingly, you are urged to sign and return the accompanying proxy card whether or not you plan to attend the annual meeting.**

If you plan to attend the annual meeting, please note that space limitations make it necessary to limit attendance to stockholders and one guest. Admission to the annual meeting will be on a first-come, first-served basis. Registration and seating will begin at 8:30 a.m. local time. Each stockholder may be asked to present valid picture identification, such as a driver's license or passport. Stockholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras (including cellular telephones with photographic capabilities), recording devices and other electronic devices will not be permitted at the annual meeting.

Q: How can I vote my shares without attending the annual meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, when you return your proxy card or voting instructions accompanying this proxy statement, properly signed, the shares represented will be voted in accordance with your directions. You can specify your choices by marking the appropriate boxes on the enclosed proxy card.

Q: May I change my vote?

A: If you are a stockholder of record, you may change your vote or revoke your proxy at any time before your shares are voted at the annual meeting by sending the Secretary of Clear Channel Outdoor a proxy card dated later than your last submitted proxy card, notifying the Secretary of Clear Channel Outdoor in writing, or voting at the annual meeting. If your shares are held beneficially in street name you should follow the instructions provided by your broker or other nominee to change your vote.

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Q: What if I return my proxy card without specifying my voting choices?

A: If your proxy card is signed and returned without specifying choices, the shares will be voted as recommended by the Board.

Q: What does it mean if I receive more than one proxy or voting instruction card?

A: It means your shares are registered differently or are in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

Q: What constitutes a quorum?

A: The holders of a majority of the total voting power of Clear Channel Outdoor's Class A and Class B common stock entitled to vote and represented in person or by proxy will constitute a quorum at the annual meeting. Votes withheld, abstentions and broker non-votes are counted as present for purposes of establishing a quorum.

Q: What are Clear Channel Outdoor's voting recommendations?

A: The Board recommends that you vote your shares FOR each of the nominees to the Board and FOR the ratification of Ernst & Young LLP as Clear Channel Outdoor's independent registered accounting firm for the year ending December 31, 2010.

Q: Where can I find the voting results of the annual meeting?

A: Clear Channel Outdoor will announce preliminary voting results at the annual meeting and publish final results in Clear Channel Outdoor's current report on Form 8-K within four business days after the date of the annual meeting, which we anticipate will be filed with the Securities and Exchange Commission (the SEC) by May 31, 2010.

THE BOARD OF DIRECTORS

The Board is responsible for the management and direction of Clear Channel Outdoor and for establishing broad corporate policies. However, in accordance with corporate legal principles, it is not involved in day-to-day operating details. Members of the Board are kept informed of Clear Channel Outdoor's business through discussions with the Chief Executive Officer, Chief Financial Officer, and other executive officers, by reviewing analyses and reports sent to them, and by participating in Board and committee meetings.

COMPOSITION OF THE BOARD OF DIRECTORS

Our directors are divided into three classes serving staggered three-year terms. At each annual meeting of our stockholders, directors will be elected to succeed the class of directors whose terms have expired. For so long as CC Media is the indirect owner of such number of shares representing more than 50% of the total voting power of our common stock, it will have the ability to direct the election of all the members of our Board, the composition of our Board committees (the Board Committees and each a Board Committee) and the size of the Board.

Because more than fifty percent (50%) of the voting power of Clear Channel Outdoor is controlled by CC Media, Clear Channel Outdoor has elected to be treated as a controlled company under the Corporate Governance Standards of the Listing Company Rules of the New York Stock Exchange (the Corporate Governance Listing Standards). Accordingly, Clear Channel Outdoor is exempt from the provisions of the Corporate Governance Listing Standards requiring: (i) that the majority of our Board consists of independent directors, (ii) that we have a Nominating and Governance Committee, that the Nominating and Governance Committee be composed entirely of independent directors with a written charter addressing the Nominating and Governance Committee's purpose and responsibilities, and that we conduct an annual performance evaluation of

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the Nominating and Governance Committee, and (iii) that we have a Compensation Committee composed entirely of independent directors with a written charter addressing the Compensation Committee's purpose and responsibilities and that we conduct an annual performance evaluation of the Compensation Committee. However, notwithstanding this exemption, as described more fully below, we have a Compensation Committee composed entirely of independent directors with a written charter addressing the Compensation Committee's purpose and responsibilities.

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BOARD MEETINGS

The Board held 17 meetings during 2009. For the 2009 fiscal year, each Board member attended at least 75% of the aggregate of the total number of meetings of the Board (held during the period for which such person served) and the total number of meetings of all Board Committees on which such person served (during the period for which such person served).

In April 2009, Clear Channel Outdoor formed a Special Committee to review and approve, as appropriate, certain proposed transactions between Clear Channel Outdoor and Clear Channel Communications, Inc. The Special Committee, comprised of James M. Raines, Marsha M. Shields and Dale W. Tremblay, all of whom are independent under the listing standards of the NYSE as well as the Company's independence standards, met 16 times during 2009.

STOCKHOLDER MEETING ATTENDANCE

Clear Channel Outdoor encourages, but does not require, directors to attend the annual meetings of stockholders. Mark P. Mays, Randall T. Mays, James M. Raines, Marsha M. Shields and Dale W. Tremblay attended the annual meeting of stockholders in 2009.

INDEPENDENCE OF DIRECTORS

The Board has adopted a set of Governance Guidelines (the Governance Guidelines), addressing, among other things, standards for evaluating the independence of Clear Channel Outdoor's directors. The full text of the Governance Guidelines can be found on the investor relations section of Clear Channel Outdoor's website at www.clearchanneloutdoor.com.

The Board has adopted the following standards for determining the independence of its members:

1. A director must not be, or have been within the last three years, an employee of Clear Channel Outdoor. In addition, a director's immediate family member (immediate family member is defined to include a person's spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law and anyone (other than domestic employees) who shares such person's home) must not be, or have been within the last three years, an executive officer of Clear Channel Outdoor.
2. A director or immediate family member must not have received, during any twelve month period within the last three years, more than \$120,000 per year in direct compensation from Clear Channel Outdoor, other than as director or committee fees and pension or other forms of deferred compensation for prior service (and no such compensation may be contingent in any way on continued service).
3. A director must not be a current partner of a firm that is Clear Channel Outdoor's internal or external auditor or a current employee of such a firm. In addition, a director must not have an immediate family member who is (a) a current partner of such a firm, or (b) a current employee of such a firm and personally works on Clear Channel Outdoor's audit. Finally, a director or immediate family member must not have been, within the last three years, a partner or employee of such a firm and personally worked on Clear Channel Outdoor's audit within that time.
4. A director or an immediate family member must not be, or have been within the last three years, employed as an executive officer of another company where any of Clear Channel Outdoor's present executive officers at the same time serve or served on that company's compensation committee.
5. A director must not be a current employee, and no director's immediate family member may be a current executive officer, of any company that has made payments to, or received payments from, Clear Channel Outdoor (together with its consolidated subsidiaries) for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

6. A director must not own, together with ownership interests of his or her family, ten percent (10%) or more of any company that has made payments to, or received payments from, Clear Channel Outdoor (together with its consolidated subsidiaries) for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

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7. A director or immediate family member must not be or have been during the last three years, a director, trustee or officer of a charitable organization (or hold a similar position), to which Clear Channel Outdoor (together with its consolidated subsidiaries) makes contributions in an amount which, in any of the last three fiscal years, exceeds the greater of \$50,000, or 5% of such organization's consolidated gross revenues.
8. A director must be independent as that term is defined from time to time by the rules and regulations promulgated by the SEC, by the listing standards of the NYSE and, with respect to members of the Compensation Committee, by the applicable provisions of, and rules promulgated under, the Internal Revenue Code.

The above independence standards conform to, or are more exacting than, the director independence requirements of the NYSE. The above independence standards are set forth on Appendix A of the Governance Guidelines.

Our Board currently consists of nine directors, one of whom is our Chief Executive Officer. Pursuant to the Governance Guidelines, the Board undertook its annual review of director independence in September 2009. For a director to be independent, the Board must determine such director does not have any direct or indirect material relationship with Clear Channel Outdoor or any of its subsidiaries. As a result of this review, the Board affirmatively determined that James M. Raines, Marsha M. Shields and Dale W. Tremblay are independent under the listing standards of the NYSE, as well as Clear Channel Outdoor's independence standards set forth above. In addition, the Board has determined that every member of the Audit Committee and the Compensation Committee is independent.

James M. Raines' term as a director will end at the 2010 annual meeting and he will not stand for re-election. The Board has commenced a search for a candidate who qualifies as an independent director under NYSE rules and as an audit committee financial expert under SEC rules, but has not yet identified a replacement for Mr. Raines. If the Board is unable to secure a replacement for Mr. Raines upon the expiration of his term, then Clear Channel Outdoor's Audit Committee will only have two members and consequently will not be in compliance with Section 303A.07(a) of the NYSE's Listed Company Manual, which requires that a listed company have at least three members on its audit committee, all of whom are independent. The Board currently intends to identify and appoint a replacement director at or shortly after the annual meeting.

The rules of the NYSE require that non-management directors of a listed company meet periodically in executive sessions. In addition, the rules of the NYSE require listed companies to schedule an executive session including only independent directors at least once a year. Clear Channel Outdoor's non-management directors have met separately in executive sessions without management present. Clear Channel Outdoor's independent directors met alone following each regular meeting of the Board in 2009.

The Board has created the office of Presiding Director to serve as the lead non-management director of the Board. The Board has established that the office of the Presiding Director shall at all times be held by an independent director, as that term is defined from time to time by the listing standards of the NYSE and as determined by the Board in accordance with the Board's Governance Guidelines. The Presiding Director has the power and authority to do the following:

to preside at all meetings of non-management directors when they meet in executive session without management participation;

to set agendas, priorities and procedures for meetings of non-management directors meeting in executive session without management participation;

to generally assist the Chairman of the Board;

to add agenda items to the established agenda for meetings of the Board;

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to request access to Clear Channel Outdoor’s management, employees and its independent advisers for purposes of discharging his or her duties and responsibilities as a director; and

to retain independent outside financial, legal or other advisors at any time, at the expense of Clear Channel Outdoor, on behalf of any committee or subcommittee of the Board.

The independent directors each take turns serving as the Presiding Director on a rotating basis, each such rotation to take place effective the first day of each calendar quarter. Currently, Dale W. Tremblay is serving as the Presiding Director.

COMMITTEES OF THE BOARD

The Board has two standing committees: the Compensation Committee and the Audit Committee. Each committee has a written charter which guides its operations. The written charters are all available on Clear Channel Outdoor’s website at www.clearchanneloutdoor.com.

BOARD COMMITTEE MEMBERSHIP

Name	Compensation		Audit Committee
	Committee		
James M. Raines	X		X*
Marsha M. Shields			X
Dale W. Tremblay	X*		X

X = Committee member; * = Chairperson

The Compensation Committee

The Compensation Committee administers Clear Channel Outdoor’s incentive-compensation plans and equity-based plans, determines compensation arrangements for all executive officers, other than our Chief Executive Officer and Chief Financial Officer, and makes recommendations to the Board concerning compensation for directors of Clear Channel Outdoor and its subsidiaries. The Compensation Discussion and Analysis section of this document provides additional details regarding the basis on which the Compensation Committee determines executive compensation. The Compensation Committee met four times during 2009. All members of the Compensation Committee are independent as defined by the listing standards of the NYSE and Clear Channel Outdoor’s independence standards.

The Compensation Committee has the ability, under its charter, to select and retain, at the expense of the Clear Channel Outdoor, independent legal and financial counsel and other consultants necessary to assist the Compensation Committee as the Compensation Committee may deem appropriate, in its sole discretion. The Compensation Committee also has the authority to select and retain any compensation consultant to be used to survey the compensation practices in Clear Channel Outdoor’s industry and to provide advice so that Clear Channel Outdoor can maintain its competitive ability to recruit and retain highly qualified personnel. The Compensation Committee has the sole authority to approve related fees and retention terms for any of its counsel and consultants.

The Compensation Committee’s primary responsibilities, which are discussed in detail within its charter, include the following:

assist the Board in ensuring that a proper system of long-term and short-term compensation is in place to provide performance-oriented incentives to management, and that compensation plans are appropriate and competitive and properly reflect the objectives and performance of management and Clear Channel Outdoor;

review and approve corporate goals and objectives relevant to the compensation of Clear Channel Outdoor’s Chief Operating Officer, evaluate the Chief Operating Officer’s performance in light of those goals and objectives, and either as a committee or together with

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the other independent directors (as directed by the Board), determine and approve the Chief Operating Officer's compensation level based on this evaluation;

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make recommendations to the Board with respect to non-CEO compensation, incentive-compensation plans and equity-based plans;

prepare an annual report on executive compensation for inclusion in Clear Channel Outdoor's annual report or proxy statement; and

perform the other functions set forth in the charter and as the Board may from time to time assign to the Compensation Committee.

The compensation of our Chief Executive Officer and Chief Financial Officer is set by the Compensation Committee of CC Media. See the Compensation Discussion and Analysis Chief Executive Officer and Chief Financial Officer Compensation section of this proxy statement. The Compensation Committee has the authority to delegate its responsibilities to subcommittees of the Compensation Committee if the Compensation Committee determines such delegation would be in the best interest of Clear Channel Outdoor. The full text of the Compensation Committee's charter can be found on our website at www.clearchanneloutdoor.com.

The Audit Committee

The Audit Committee is responsible for reviewing Clear Channel Outdoor's accounting practices and audit procedures. See the Audit Committee Report later in this document, which details the duties and performance of the Audit Committee. James M. Raines has been designated by our Board as the Audit Committee financial expert (as defined in the applicable regulations of the SEC). James M. Raines' term as a director will end at the 2010 annual meeting and he will not stand for re-election. The Board has commenced a search for a candidate who qualifies as an independent director under NYSE rules and as an audit committee financial expert under SEC rules, but has not yet identified a replacement for Mr. Raines. If the Board is unable to secure a replacement for Mr. Raines upon the expiration of his term, then Clear Channel Outdoor's Audit Committee will only have two members and consequently will not be in compliance with Section 303A.07(a) of the NYSE's Listed Company Manual, which requires that a listed company have at least three members on its audit committee, all of whom are independent. The Board currently intends to identify and appoint a replacement director at or shortly after the annual meeting.

The Audit Committee met eight times during 2009. All members of the Audit Committee are independent as defined by the listing standards of the NYSE and Clear Channel Outdoor's independence standards and satisfy the other requirements for audit committee membership of the NYSE and the SEC. The Audit Committee operates under a written charter adopted by our Board which reflects standards set forth in SEC regulations and NYSE rules. The Audit Committee's purpose is to assist the Board in its oversight of the quality and integrity of the accounting, auditing and financial reporting practices of Clear Channel Outdoor. The Audit Committee's primary responsibilities, which are discussed in detail within its charter, include the following, subject to the consent of our corporate parent:

be responsible for the appointment, compensation, retention and oversight of the work of the independent auditors and any other registered public accounting firm engaged for the purpose of preparing an audit report or to perform other audit, review or attest services, and all fees and other terms of their engagement;

review and discuss reports regarding the independent registered public accounting firm's independence;

review with the independent registered public accounting firm the annual audit scope and plan;

review with management, the director of internal audit and the independent registered public accounting firm the budget and staffing of the internal audit department;

review and discuss with management and the independent registered public accounting firm the annual and quarterly financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations prior to the filing of the Form 10-K and a Form 10-Q;

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review with the independent registered public accounting firm the critical accounting policies and practices used;

review with management, the independent registered public accounting firm and the director of internal audit Clear Channel Outdoor's internal accounting controls and any significant findings and recommendations;

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discuss guidelines and policies with respect to risk assessment and risk management;

oversee Clear Channel Outdoor's related party transactions policy; and

review with management and the chief legal officer the status of legal and regulatory matters that may have a material impact on Clear Channel Outdoor's financial statements and compliance policies.

The composition and responsibilities of the Audit Committee and the attributes of its members, as reflected in the charter, are intended to be in accordance with applicable requirements for corporate audit committees. The charter is reviewed, and amended if necessary, on an annual basis. The full text of the Audit Committee's charter can be found on our website at www.clearchanneloutdoor.com.

DIRECTOR NOMINATING PROCEDURES

The Board oversees the identification and consideration of candidates for membership on the Board, and each member of the Board participates in this process. It is the view of the Board that this function has been performed effectively by the Board, and that it is appropriate for Clear Channel Outdoor not to have a separate nominating committee or charter for this purpose.

The Board is responsible for developing and reviewing background information for candidates for the Board, including those recommended by stockholders. Our directors play a critical role in guiding Clear Channel Outdoor's strategic direction and overseeing the management of Clear Channel Outdoor. Clear Channel Outdoor does not have a formal policy with regard to the consideration of diversity in identifying director nominees, but the Board strives to nominate directors with a variety of complementary skills so that, as a group, the Board will possess the appropriate talent, skills, and expertise to oversee Clear Channel Outdoor's business. Director candidates should have experience in positions with a high degree of responsibility, be leaders in the organizations with which they are affiliated and have the time, energy, interest and willingness to serve as a member of the Board. The Board evaluates each individual in the context of the Board as a whole, with the objective of recommending a group that can best perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment using its diversity of experience. The Board evaluates each incumbent director to determine whether he or she should be nominated to stand for re-election, based on the types of criteria outlined above as well as the director's contributions to the Board during their current term. Recent developments in corporate governance and financial reporting have resulted in an increased demand for such highly qualified and productive public company directors.

The Board evaluates director candidates suggested by stockholders in the same manner as other candidates. Any stockholder wishing to propose a nominee should submit a recommendation in writing to the Presiding Director of Clear Channel Outdoor at least 90 days in advance of the annual meeting, indicating the nominee's qualifications and other relevant biographical information and providing confirmation of the nominee's consent to serve as a director. Stockholders should direct such proposals to: Board of Directors - Presiding Director, Clear Channel Outdoor Holdings, Inc., 200 East Basse Road, San Antonio, Texas 78209.

BOARD LEADERSHIP STRUCTURE

Mark P. Mays serves as both the principal executive officer and chairman of the Board. The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board as the Board believes it is in the best interests of Clear Channel Outdoor to make that determination based on the position and direction of Clear Channel Outdoor and the membership of the Board.

Our risk management system strives to (i) timely identify the material risks that Clear Channel Outdoor faces, (ii) communicate necessary information with respect to material risks to senior management and, as appropriate, to the Board or relevant Board committee, (iii) implement appropriate and responsive risk management strategies consistent with Clear Channel Outdoor's risk profile, and (iv) integrate risk management into Clear Channel Outdoor's decision-making.

The Board has designated the Audit Committee to oversee risk management. The Audit Committee makes an annual report to the Board regarding briefings provided by management and advisors as well as the Audit Committee's own analysis and conclusions regarding the adequacy of Clear Channel Outdoor's risk management processes.

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Additionally, the Board encourages management to promote a corporate culture that incorporates risk management into Clear Channel Outdoor's corporate strategy and day-to-day operations. For example, management is working to centralize certain policies and procedures which will provide for greater control over and uniformity in its risk management.

STOCKHOLDER AND INTERESTED PARTY COMMUNICATION WITH THE BOARD

Stockholders and other interested parties may contact an individual director, the Presiding Director, the Board as a group, or a specified Board committee or group, including the non-management directors as a group, by sending regular mail to the following address:

Board of Directors
Clear Channel Outdoor Holdings, Inc.
200 East Basse Road
San Antonio, Texas 78209

PROPOSAL 1: ELECTION OF DIRECTORS

The Board intends to nominate, at the annual meeting of stockholders, the three persons listed as nominees below. Each of the directors elected at the annual meeting will serve a three year term or until his successor shall have been elected and qualified, subject to earlier resignation and removal. The directors are to be elected by a plurality of the votes cast at the annual meeting. Accordingly, votes withheld, broker non-votes and abstentions will have no effect on the election of directors. Unless authority to vote for directors is withheld in the proxy, the persons named therein intend to vote FOR the election of the three nominees listed. Each of the nominees listed below is currently a director and is standing for re-election. Each nominee has agreed to be named in this proxy statement and to serve as director if elected. Should any nominee become unavailable for election, discretionary authority is conferred on the proxies to vote for a substitute. Management has no reason to believe that any of the nominees will be unable or unwilling to serve if elected.

James M. Raines' term as a director will end at the 2010 annual meeting and he will not stand for re-election. The Board has not yet identified a replacement for Mr. Raines and is not making a nomination for a fourth director at this time, which will result in a vacancy on the Board once his term expires. The Board intends to fill the resulting vacancy as soon as it identifies an appropriate candidate who qualifies as an independent director under NYSE rules and as an audit committee financial expert under SEC rules. If the Board is unable to secure a replacement for Mr. Raines upon the expiration of his term, then Clear Channel Outdoor's Audit Committee will only have two members and consequently will not be in compliance with Section 303A.07(a) of the NYSE's Listed Company Manual, which requires that a listed company have at least three members on its audit committee, all of whom are independent. The Board currently intends to identify and appoint a replacement director at or shortly after the annual meeting.

NOMINEES FOR DIRECTOR FOR TERMS EXPIRING 2013

The nominees for director are Blair E. Hendrix, Daniel G. Jones and Scott R. Wells.

Blair E. Hendrix, age 45, is a Managing Director of Bain Capital and one of the leaders of the firm's operationally focused Portfolio Group. Mr. Hendrix joined Bain Capital in 2000. Prior to joining Bain Capital, Mr. Hendrix was Executive Vice President and Chief Operating Officer of DigiTrace Care Services, Inc. (now SleepMed), a national healthcare services company he co-founded. Earlier in his career, Mr. Hendrix was employed by Corporate Decisions, Inc. (now Oliver Wyman), a management consulting firm. Mr. Hendrix also serves as a director of Keystone Automotive Operations, Inc. and has previously served as a director of Innophos Holdings, Inc. (IPHS) and SMT Corporation (SMTX). Mr. Hendrix received a B.A. from Brown University, awarded with honors. Mr. Hendrix has been a member of our Board since August 2008. Mr. Hendrix was selected to serve as a director because of his operational knowledge gained from his experience with Bain Capital and in management consulting.

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Daniel G. Jones, age 35, is a Principal at Thomas H. Lee Partners, L.P. (THL) and is part of the firm's Strategic Resource Group, which works in collaboration with senior management and THL investment professionals to drive value at portfolio companies. Prior to joining THL in 2007, Mr. Jones was a management consultant at the Monitor Group, a global strategic advisory firm, from 2004 to 2008. Before Monitor, Mr. Jones worked in a variety of corporate finance roles, lastly as Financial Project Manager and Deputy to the Chief Financial Officer at LAN Airlines, the leading Latin American passenger and cargo airline. Mr. Jones has been a member of our Board since August 2008. Mr. Jones was selected to serve as a director for his experience in acquisitions and financings gained through his work in private equity at THL and his experience in evaluating strategies, operations and risks gained through his work as a consultant.

Scott R. Wells, age 41, has served as an Executive Vice President at Bain Capital since 2007. Prior to joining Bain Capital, he held several executive roles at Dell, Inc. from 2004 to 2007, most recently as Vice President of Public Marketing and On-line in the Americas. Prior to joining Dell, Mr. Wells was a Partner at Bain & Company, where he focused primarily on technology and consumer-oriented companies. Mr. Wells has been a member of our Board since August 2008. Mr. Wells was selected to serve as a director for his experience in operations gained through his work serving as a senior executive at Dell and through his work as a consultant and for his experience in acquisitions and financings gained through his work in private equity at Bain Capital.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE DIRECTOR NOMINEES NAMED ABOVE.

DIRECTORS WHOSE TERMS WILL EXPIRE IN 2011

Randall T. Mays, age 44, served as our Chief Financial Officer from August 2005 until January 1, 2010 and has been a member of our Board since April 1997. Mr. R. Mays has served as Chairman of the Board of Directors of Live Nation, Inc. since August 2005. Mr. R. Mays was also appointed Executive Vice President and Chief Financial Officer of Clear Channel Communications, Inc. in February 1997 and was appointed Secretary in April 2003. Mr. R. Mays relinquished his duties as Secretary in May 2006 and Chief Financial Officer in January 2010. He was appointed President of Clear Channel Communications, Inc. in February 2006 and relinquished his duties as President upon transitioning to the role of Vice Chairman in January 2010. Upon the closing of the Merger (as defined below), Mr. R. Mays became a director and the President and Chief Financial Officer of CC Media. Mr. R. Mays is the brother of Mark P. Mays, our Chief Executive Officer and one of our Board members. Mr. R. Mays was selected to serve as a director because of his operational knowledge of Clear Channel Outdoor as well as his experience in the industry.

Marsha M. Shields, age 55, has served as a director of Primera Insurance since March 1989. Since June 2002, Mrs. Shields has served as the President of the McCombs Foundation and as Dealer Principal for McCombs Automotive. She has served as Manager of McCombs Family Ltd. since January 2000. Mrs. Shields has been a member of our Board since November 2005. Mrs. Shields was selected to serve as a director for her operational knowledge gained from her experience at McCombs Automotive and her prior experience serving as a director.

DIRECTORS WHOSE TERMS WILL EXPIRE IN 2012

Margaret W. Covell, age 44 has served as a Managing Director at THL since 2006. Ms. Covell is a senior leader in THL's Strategic Resource Group, which works in collaboration with senior management and THL investment professionals to drive value at portfolio companies. Prior to joining THL, Ms. Covell was a Partner at the Monitor Group, a global strategic advisory firm, where she led the firm's Operations Strategy business unit. Ms. Covell has been a member of our Board since August 2008. Ms. Covell was selected to serve as a director based on her experience in evaluating strategies, operations and risks gained through her work in management consulting.

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Mark P. Mays, age 46, has served as our Chief Executive Officer since August 2005 and has been a member of our Board since April 1997. Mr. M. Mays has also served as Chief Executive Officer of Clear Channel Communications, Inc., our indirect parent company, since October 2004. Prior thereto, he served as President and Chief Operating Officer of Clear Channel Communications, Inc. from February 1997 to October 2004 and as President and Chief Executive Officer from October 2004 to February 2006 until he was reappointed as President in January 2010. On July 30, 2008, Clear Channel Communications, Inc. completed its merger (the Merger) with a subsidiary of CC Media. Upon the closing of the Merger, Mr. M. Mays became a director and the Chief Executive Officer of CC Media. Mr. M. Mays has served on the Board of Clear Channel Communications, Inc. since May 1998. Mr. M. Mays was selected to serve as a director because of his position as Chief Executive Officer of Clear Channel Outdoor as well as his experience in the industry.

Dale W. Tremblay, age 51, has served as President and Chief Executive Officer of C.H. Guenther & Son, Inc., a food marketing and manufacturing company, since July 2001. Prior to joining C.H. Guenther & Son, Inc., Mr. Tremblay was an officer at the Quaker Oats Company, where he was responsible for all Worldwide Foodservice Businesses. Mr. Tremblay has been a member of our Board since November 2005. He currently serves on the Advisory Board for the Michigan State University Financial Analysis Lab and on the Advisory Board of the Federal Reserve Bank of Dallas. Mr. Tremblay was selected to serve as a director based on his operational and managerial expertise gained from building and managing a large privately-held company.

CODE OF BUSINESS CONDUCT AND ETHICS

Clear Channel Outdoor adopted a Code of Business Conduct and Ethics applicable to all of its directors and employees, including its Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer (the Code), which is a code of ethics as defined by applicable rules of the SEC. The Code is publicly available on Clear Channel Outdoor's website at www.clearchanneloutdoor.com. If Clear Channel Outdoor makes any amendments to the Code other than technical, administrative, or other non-substantive amendments, or grants any waivers, including implicit waivers, from a provision of the Code that applies to Clear Channel Outdoor's Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer and relates to an element of the SEC's code of ethics definition, Clear Channel Outdoor will disclose the nature of the amendment or waiver, its effective date and to whom it applies on its website.

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The table below sets forth information concerning the beneficial ownership of Clear Channel Outdoor common stock as of April 1, 2010, for each director currently serving on the Board and each of the nominees for director; each of the named executive officers not listed as a director, the directors and executive officers as a group and each person known to Clear Channel Outdoor to own beneficially more than 5% of Clear Channel Outdoor common stock outstanding. At the close of business on April 1, 2010, there were 40,840,896 shares of Clear Channel Outdoor Class A common stock outstanding and 315,000,000 shares of Clear Channel Outdoor Class B common stock outstanding. Except as otherwise noted, each stockholder has sole voting and investment power with respect to the shares beneficially owned.

Name	Amount and Nature of Beneficial Ownership	Percent of Class A Common Stock	Percent of Class B Common Stock
Margaret W. Covell			
Blair E. Hendrix			
Daniel G. Jones			
Mark P. Mays	41,667(a)	*	
Randall T. Mays	166,667(b)	*	
James M. Raines	17,387(c)	*	
Marsha M. Shields	20,687(d)	*	
Dale W. Tremblay	20,687(e)	*	
Scott R. Wells			
Jonathan D. Bevan	101,738(f)	*	
Ronald H. Cooper	150,000	*	
Paul J. Meyer	341,758(g)	*	
Franklin G. Sisson, Jr.	261,894(h)	*	
Clear Channel Holdings, Inc	315,000,000	(i)	100.0%(i)
Manson Capital Management LLC (j)	5,072,946	12.4%	
Pamet Capital Management, LLC (k)	3,317,090	8.1%	
Frank Russell Company. (l)	3,121,497	7.6%	
GAMCO Investors, Inc. (m)	2,657,200	6.5%	
All Directors and Executive Officers as a Group (17 persons)	1,136,484(n)	2.7%	

* Percentage of shares beneficially owned by such person does not exceed one percent of the class so owned.

(a) Includes 25,000 shares subject to options held by Mr. M. Mays.

(b) Includes 150,000 shares subject to options held by Mr. R. Mays.

(c) Includes (i) 813 shares subject to trading restrictions that Mr. Raines former wife has the economic benefits of pursuant to the terms of a domestic relations order, but which Mr. Raines presently possesses the voting and dispositive power over and (ii) 14,437 shares subject to options held by Mr. Raines, of which 4,406 are held for the economic benefit of Mr. Raines former wife pursuant to the terms of a domestic relations order, but which Mr. Raines presently possesses the dispositive power over.

(d) Includes 14,437 shares subject to options held by Mrs. Shields.

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- (e) Includes 14,437 shares subject to options held by Mr. Tremblay.
- (f) Includes 82,280 shares subject to options held by Mr. Bevan.
- (g) Includes 301,758 shares subject to options held by Mr. Meyer.
- (h) Includes 247,795 shares subject to options held by Mr. Sisson.

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- (i) CC Media does not own any of our Class A common stock. The 315.0 million shares owned by CC Media, through its wholly owned subsidiary, Clear Channel Holdings, Inc., represent 100% of the shares of our Class B common stock. Shares of Class B common stock are convertible on a one for one basis into shares of Class A common stock and entitle the holder to twenty votes per share upon all matters on which stockholders are entitled to vote.

- (j) Information with respect to the amount of beneficial ownership is as reported on Form 4 filed on February 12, 2010. Information with respect to the nature of beneficial ownership is as reported on Schedule 13G/A filed on January 19, 2010. The shares of Class A common stock reported herein are directly owned by Mason Capital L.P., a Delaware limited partnership (Mason Capital LP), Mason Capital Master Fund, L.P., a Cayman Islands exempted limited partnership (Mason Capital Master Fund), and certain other funds and accounts (the Managed Accounts). Mason Management is the investment manager of each of Mason Capital LP, Mason Capital Master Fund and the Managed Accounts, and Mason Management may be deemed to have beneficial ownership over the shares of Class A common stock by virtue of the authority granted to Mason Management by Mason Capital LP, Mason Capital Master Fund and the Managed Accounts to vote and dispose of such shares. Mr. Kenneth M. Garschina and Mr. Michael E. Martino are managing principals of Mason Management. Mason Management, Mr. Garschina and Mr. Martino disclaim beneficial ownership of the shares of Class A common stock reported herein pursuant to Rule 13d-4 of the Securities Exchange Act. The business address of the Managed Accounts is 110 East 59th Street, New York, New York 10022.

- (k) As reported on Schedule 13G/A filed February 12, 2010. David C. Abrams is the managing member of Abrams Capital Management, LLC (Abrams Capital) and Pamet Capital Management, LLC (Pamet LLC). Pamet LLC is the general partner of Pamet Capital Management, L.P. (Pamet LP). Pamet LP is the investment manager of Abrams Capital International, Ltd., Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P. and Whitecrest Partners, LP, and Abrams Capital is the investment manager of Riva Capital Partners, L.P. (collectively, with Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P. and Whitecrest Partners, LP, the Abrams Funds), which collectively own the 3,317,090 shares of Class A common stock reported herein. Each of Mr. Abrams, Pamet LLC, Pamet LP and the Abrams Funds expressly disclaims beneficial ownership of any securities owned beneficially or of record by any person or persons other than himself or itself for purposes of Section 13(d)(3) and Rule 13d-3 of the Securities Exchange Act and expressly disclaims beneficial ownership of any such securities except to the extent of his or its pecuniary interest therein. The business address of Pamet LP is c/o Abrams Capital, LLC, 222 Berkeley Street, Boston, Massachusetts 02116.

- (l) As reported on Schedule 13G filed on February 17, 2009. The business address of Frank Russell Company is 909 A Street, Tacoma, Washington 98402.

- (m) As reported on Schedule 13D/A filed on December 30, 2009. The shares of Class A common stock reported herein may be deemed to be beneficially owned by one or more of the following persons: GGCP, Inc. (GGCP), GAMCO Investors, Inc. (GBL), Gabelli Funds, LLC (Gabelli Funds), GAMCO Asset Management Inc. (GAMCO), Teton Advisors, Inc. (Teton Advisors), Gabelli Securities, Inc. (GSI), Gabelli & Company, Inc. (Gabelli & Company), MJG Associates, Inc. (MJG Associates), Gabelli Foundation, Inc. (Foundation), and Mario Gabelli. Mario Gabelli is deemed to have beneficial ownership of the securities owned beneficially by each of GAMCO, Gabelli Funds and GSI. GSI is deemed to have beneficial ownership of the securities owned beneficially by Gabelli & Company. GBL and GGCP are deemed to have beneficial ownership of the securities owned beneficially by each of the foregoing persons other than Mario Gabelli and the Foundation. The business address of GAMCO is One Corporate Center, Rye, New York 10580.

- (n) Includes 863,590 shares subject to options held by such persons.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board has reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management. Based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Respectfully submitted,

THE COMPENSATION COMMITTEE

Dale W. Tremblay Chairman,

James M. Raines

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COMPENSATION DISCUSSION AND ANALYSIS

The following Compensation Discussion and Analysis contains statements regarding Clear Channel Outdoor and individual performance measures and other goals. These goals are disclosed in the limited context of Clear Channel Outdoor's executive compensation program and should not be understood to be statements of management's expectations or estimates of results or other guidance. Clear Channel Outdoor specifically cautions investors not to apply these statements to other contexts.

Overview and Objectives of our Compensation Program

Clear Channel Outdoor believes that compensation of its named executive officers should be directly and materially linked to operating performance. The fundamental objective of Clear Channel Outdoor's compensation program is to attract, retain, and motivate top quality executives through compensation and incentives which are competitive with the various labor markets and industries in which we compete for talent and which align the interests of Clear Channel Outdoor's named executive officers with the interests of Clear Channel Outdoor's stockholders.

Overall, Clear Channel Outdoor has designed its compensation program to:

Support its business strategy and business plan by clearly communicating what is expected of executives with respect to goals and results and by rewarding achievement;

Recruit, motivate, and retain executive talent; and

Create a strong performance alignment with stockholders.

Clear Channel Outdoor seeks to achieve these objectives through a variety of compensation elements:

Annual base salary;

An annual incentive bonus, the amount of which is dependent on the performance of Clear Channel Outdoor and, for one or more executives, individual performance during the prior fiscal year;

Long-term incentive compensation, delivered in the form of equity awards that are awarded based on competitive pay practices and other factors described below, and that are designed to align the executives' interests with those of stockholders by rewarding outstanding performance and providing long-term incentives; and

Other executive benefits and perquisites.

Chief Executive Officer and Chief Financial Officer Compensation

Our Chief Executive Officer, Mr. Mark Mays, simultaneously serves as the Chief Executive Officer of our indirect parent, CC Media Holdings, Inc., sometimes referred to herein as CCMH or CC Media. Our former Chief Financial Officer, Mr. Randall T. Mays, simultaneously served as Chief Financial Officer of CCMH. Mr. Thomas W. Casey became our Chief Financial Officer and the Chief Financial Officer of CCMH effective as of January 4, 2010. Accordingly, Mr. Casey was not a named executive officer in 2009.

Our Chief Executive Officer and Chief Financial Officer are compensated by CCMH, and we reimburse CCMH for personnel and personnel-related costs associated with their services pursuant to a Corporate Services Agreement between us and Clear Channel Management Services, L.P. See the Certain Relationships and Related Party Transactions CC Media Holdings, Inc. Corporate Services Agreement section of

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this proxy statement. The compensation for our Chief Executive Officer and Chief Financial Officer is set by the Compensation Committee of the Board of Directors of CCMH. Clear Channel Outdoor's Compensation Committee (for purposes of this Compensation Discussion and Analysis, the Committee) has no involvement in recommending or approving the compensation of our Chief Executive Officer and Chief Financial Officer.

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Pursuant to the Corporate Services Agreement referenced above, a portion of Messrs. Mark and Randall Mays' base salary and annual incentive bonus in 2009 was allocated to us, as reflected in the 2009 Summary Compensation Table set forth below. Additionally, upon termination or a change of control, a portion of certain payments that would be due to Messrs. Mark and Randall Mays would be allocated to us, as reflected in the 2009 Potential Payments upon Termination or Change of Control Table set forth below. These allocations were or would be made, as applicable, based on Clear Channel Outdoor's OIBDAN (as defined below) as a percentage of Clear Channel Communications Inc.'s OIBDAN. Accordingly, 41% of Messrs. Mark and Randall Mays' base salary and annual incentive bonus in 2009 were allocated to us. Clear Channel Outdoor and CCMH considered these allocations to be a reflection of the utilization of services provided.

All references in this Compensation Discussion and Analysis to compensation policies and practices for Clear Channel Outdoor's executive officers should be read to exclude the compensation policies and practices applicable to our Chief Executive Officer and Chief Financial Officer. Accordingly, references in this Compensation Discussion and Analysis to our named executive officers are intended to include, collectively, Ronald H. Cooper, the President and Chief Executive Officer of our Outdoor Americas division; Paul J. Meyer, the former President and Chief Executive Officer of our Outdoor Americas division (effective as of January 4, 2010, Mr. Meyer now serves as President and Chief Executive Officer of Clear Channel Digital, LLC, an indirect subsidiary of Clear Channel Outdoor); Jonathan D. Bevan, our Chief Operating Officer - International; and Franklin G. Sisson, Jr., our Executive Vice President - Sales and Marketing.

Compensation Practices

The Committee determines total compensation, as well as the individual components of such compensation, of Clear Channel Outdoor's named executive officers on an annual basis. All compensation decisions are made within the scope of any employment agreement.

In making decisions with respect to each element of executive compensation, the Committee considers total compensation that may be awarded to the executive, including salary, annual incentive bonus, and long-term incentive compensation. Multiple factors are considered in determining the amount of total compensation (the sum of base salary, annual incentive bonus, and long-term incentive compensation delivered through equity awards) to award the named executive officers. These factors may include, among others:

The terms of any employment agreement;

The recommendation of the Chief Executive Officer and the Chief Executive Officer-Americas (other than recommendations for themselves);

The value of equity awards granted in prior years;

Internal pay equity considerations; and

Broad trends in executive compensation generally.

The Committee's goal is to award compensation that is reasonable when all elements of potential compensation are considered.

Elements of Compensation

The Committee believes that a combination of various elements of compensation best serves the interests of Clear Channel Outdoor and its stockholders. Having a variety of compensation elements enables Clear Channel Outdoor to meet the requirements of the highly competitive environment in which Clear Channel Outdoor operates while ensuring that its named executive officers are compensated in a way that advances the interests of all stockholders. Under this approach, executive compensation generally involves a significant portion of pay that is at risk, namely, the annual incentive bonus. The annual incentive bonus is based entirely on Clear Channel Outdoor's financial performance, individual performance, or a combination of both. Equity awards constitute a significant portion of long-term remuneration that is tied directly to stock price appreciation that benefits all of Clear Channel Outdoor's stockholders.

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Clear Channel Outdoor's practices with respect to each of the elements of executive compensation are set forth below, followed by a discussion of the specific factors considered in determining the amounts for each of the key elements.

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Base Salary

Purpose. The objective of base salary is to compensate an executive for job responsibilities, value to Clear Channel Outdoor, and individual performance with respect to market competitiveness.

Administration. Base salaries for the named executive officers are reviewed on an annual basis and at the time of promotion or other change in responsibilities. In general, any increases in salary are based on the subjective evaluation of such factors as the level of responsibility, individual performance, level of pay of the executive in question, and general competitive pay practices.

We have entered into employment agreements with Messrs. Meyer, Bevan and Cooper pursuant to which their initial base salaries were set. Accordingly, we are required to compensate Messrs. Meyer, Bevan and Cooper in accordance with their respective employment agreements. Clear Channel Outdoor believes that the employment agreements with Messrs. Meyer, Bevan and Cooper are in the best interests of Clear Channel Outdoor to assure continuity of management. Clear Channel Outdoor has not entered into employment agreements with any of the other named executive officers.

In reviewing base salaries, the Committee considers the importance of linking a significant proportion of the named executive officer's compensation to performance in the form of the annual incentive bonus, which is tied to our financial performance measures, individual performance, or a combination of both, as well as long-term incentive compensation.

Analysis. In setting compensation for 2009, the Committee was primarily concerned with the continued impact of global economic conditions and their effect on the businesses and markets of Clear Channel Outdoor. Consequently, the annual base salaries of the named executive officers remained unchanged from their 2008 annual base salaries, with the exception of Messrs. Mark P. Mays and Randall T. Mays, whose annual base salaries were decreased pursuant to amendments to their respective employment agreements.

Annual Incentive Bonus

Purpose. Clear Channel Outdoor's executive compensation program provides for an annual incentive bonus that is performance-linked. The objective of the annual incentive bonus is to compensate an executive based on the achievement of specific goals that are intended to correlate closely with long-term growth of stockholder value.

Administration. Each of our named executive officers, other than Messrs. Mark P. and Randall T. Mays, participates in the Clear Channel Outdoor 2006 Annual Incentive Plan (the "Annual Incentive Plan"). The Annual Incentive Plan is administered by the Committee and is intended to provide an incentive to the named executive officers and other selected key executives to contribute to the growth, profitability, and value of Clear Channel Outdoor and to retain such executives. Under the Annual Incentive Plan, participants are eligible for performance-based awards, which represent the conditional right to receive cash or other property based upon the achievement of pre-established performance goals within a specified performance period. Awards granted under the Annual Incentive Plan are intended to qualify for the performance-based compensation exception under Section 162(m) of the Internal Revenue Code.

Performance goals are set pursuant to an extensive annual operating plan developed by the Chief Executive Officer of Clear Channel Outdoor in consultation with Clear Channel Outdoor's Board, the Chief Financial Officer of Clear Channel Outdoor and other senior executive officers of Clear Channel Outdoor. The Chief Executive Officer of Clear Channel Outdoor makes recommendations as to the compensation levels and performance goals of the other named executive officers to the Committee for its review, consideration, and approval. The Committee has complete discretion to accept, reject, or modify the recommendations of the Chief Executive Officer.

The annual incentive bonus was paid in cash in 2009. The total annual incentive bonus is determined according to the level of achievement of the objective performance goals and any individual performance goals, as applicable. Below a minimum threshold level of performance, no award may be granted pursuant to the objective performance goal, and the Committee may, in its discretion, reduce the award pursuant to either objective or individual performance goals, as applicable.

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The annual incentive bonus process for each of the named executive officers involves three basic steps:

At the outset of the fiscal year:

Set performance goals for the year for Clear Channel Outdoor and each participant; and

Set target bonus for each participant, if applicable.

After the end of the fiscal year, measure actual performance (individual and company-wide) against the predetermined Clear Channel Outdoor goals and any individual performance goals to determine the bonus.

Analysis. For 2009, the performance-based goals applicable to the named executive officers are set forth below:

Paul J. Meyer

Mr. Meyer's 2009 performance-based goals consisted of (i) achieving EBITDA in the Outdoor Americas division of \$309.7 million, (ii) attaining budgeted expense targets and (iii) qualitatively evaluated initiatives deemed critical to Clear Channel Outdoor's short and long-term success.

EBITDA is defined as operating income before interest, taxes, depreciation, and amortization. Clear Channel Outdoor calculates EBITDA by adjusting net income of the applicable division to exclude the following: (i) interest expense, (ii) income tax (expense) benefit, (iii) depreciation expense, and (iv) amortization expense. This measure is an important indicator of Clear Channel Outdoor's operational strength and performance of its business because it provides a link between profitability and cash flows from operating activities.

Mr. Meyer's aggregate target bonus for 2009 was set at \$749,250, with each of the above components respectively weighted at (i) 75%, (ii) 10% and (iii) 15%. It was determined that Mr. Meyer earned a bonus award with respect to each of the elements described in (i)-(iii) above and Mr. Meyer was awarded \$123,216, \$75,000, and \$112,500, respectively, for such achievement.

Franklin G. Sisson, Jr.

Mr. Sisson's 2009 performance-based goals consisted of (i) achieving a combined EBITDA for the Outdoor Americas and International divisions of \$490.5 million; however, during the year Mr. Sisson's responsibilities shifted such that he was no longer responsible for the Outdoor International division, and accordingly his related bonus opportunity was revised to focus solely on achieving EBITDA of \$309.7 for the Outdoor Americas division, (ii) increasing revenue and (iii) implementing strategic initiatives aimed at client growth and development.

Mr. Sisson's aggregate target bonus for 2009 was set at \$418,000, with each of the above components respectively weighted at (i) 70%, (ii) 23.8% and (iii) 6.2%. It was determined that Mr. Sisson earned a bonus award with respect to each of the elements described in (i)-(iii) above and Mr. Sisson was awarded \$62,563, \$114,309, and \$11,691, respectively, for such achievement.

Jonathan D. Bevan

Mr. Bevan's 2009 performance-based goals consisted of (i) achieving EBITDA in the Outdoor International division of \$176.4 million (weighted at 90%) and (ii) achieving certain cost-savings initiatives, overseeing financial reporting and qualitatively evaluated initiatives deemed critical to Clear Channel's short and long-term success (weighted at 10%).

Mr. Bevan's aggregate target bonus for 2009 was set at \$473,036. It was determined that Mr. Bevan did not earn a bonus award with respect to achieving a targeted EBITDA, but did earn a bonus award of \$38,587 for achieving certain of the elements described in (ii) above.

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Ronald H. Cooper

Mr. Cooper's employment with Clear Channel Outdoor commenced on December 10, 2009, and as such, Mr. Cooper did not participate in Clear Channel Outdoor's annual incentive bonus program in 2009.

Long-Term Incentive Compensation

Purpose. The long-term incentive compensation element provides an award that is performance-based. The objective of the program is to align compensation of the named executive officers over a multi-year period directly with the interests of stockholders of Clear Channel Outdoor by motivating and rewarding creation and preservation of long-term stockholder value. In general, the level of long-term incentive compensation is determined based on an evaluation of competitive factors in conjunction with total compensation provided to the named executive officers and the overall goals of the compensation program described above. Long-term incentive compensation may be paid in cash, stock options, and restricted stock.

Clear Channel Outdoor's 2005 Stock Incentive Plan (the "Stock Incentive Plan") is moderately broad-based, with 532 employees at all levels holding outstanding stock incentive awards as of April 1, 2010. Equity ownership for all executive officers and the broad-based employee population is important for purposes of incentive, retention, and alignment with stockholders.

In prior years, including 2009, the Committee has granted the named executive officers long-term incentive compensation in the form of stock options and restricted stock awards. These two vehicles reward stockholder value creation in slightly different ways. Stock options (which have an exercise price equal to our common stock price at the date of grant) reward executives only if such stock price increases over the stock options' exercise price. However, with respect to restricted stock awards, the named executive officers generally receive compensation immediately upon vesting of such awards whether such common stock price has or has not increased from the grant date of such awards. To help ensure our named executive officers are focused on creating stockholder value through appreciation of Clear Channel Outdoor's common stock price, the named executive officers' long-term incentive compensation was paid solely in the form of stock options in 2009.

Stock Options. The long-term incentive compensation element calls for stock options to be granted with respect to shares of Class A common stock with exercise prices of not less than fair market value of Clear Channel Outdoor's common stock on the date of grant and to vest in 25% increments annually beginning on the first anniversary of the grant date, with a 10-year term. All vesting is contingent on continued employment, with rare exceptions made by the Committee. Clear Channel Outdoor defines fair market value as the closing price on the date of grant. All decisions to award the named executive officers stock options are in the sole discretion of the Committee.

Analysis

In 2009, Messrs. Meyer, Sisson, Bevan and Cooper received stock options for 174,896, 99,941, 61,921 and 300,000 shares of common stock, respectively, under the Stock Incentive Plan. Mr. Cooper also received 150,000 restricted stock units pursuant to his employment agreement.

The amount of stock option awards to Messrs. Meyer, Sisson and Bevan was primarily based upon (a) general performance, (b) internal pay equity relative to other key employees of Clear Channel Outdoor and (c) the value of equity awards granted in prior years. The amount of stock option awards to Mr. Cooper was based upon the negotiation of Mr. Cooper's employment agreement.

As described above, the Committee considered internal pay equity when determining the amount of stock options to grant to Messrs. Meyer, Sisson, Bevan and Cooper. However, the Committee did so broadly and does not have a specific policy, or seek to follow established guidelines or formulas, to maintain a particular ratio of long-term incentive compensation among the named executive officers or other executives of Clear Channel Outdoor.

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Equity Award Grant Timing Practices

Regular Annual Equity Award Grant Dates. The grant date for regular annual stock options and other equity awards, as applicable, for employees, including the named executive officers, is typically in February and for non-employee directors is typically in April.

Employee New Hires/Promotions Grant Dates. Grants of stock options and other equity awards, as applicable, to newly-hired or newly-promoted employees are made at the regularly scheduled meeting of the Board of Directors following his or her hire or promotion.

Initial Equity Award Grant Dates for Newly-Elected Non-Employee Directors. Grants of stock options and other equity awards, as applicable, to newly-elected non-employee directors are generally made at the regularly scheduled meeting of the Board of Directors following their election. If a non-employee director is appointed between regularly scheduled Board meetings, then grants of stock options and other equity awards, as applicable, are made at the first meeting in attendance after such appointment, and the first meeting after election thereafter.

Timing of Equity Awards. Clear Channel Outdoor does not have a formal policy on timing equity awards in connection with the release of material non-public information to affect the value of compensation. In the event that material non-public information becomes known to the Committee prior to granting equity awards, the Committee will take the existence of such information under advisement and make an assessment in its business judgment whether to delay the grant of the equity award in order to avoid any potential impropriety.

Executive Benefits and Perquisites

Clear Channel Outdoor provides the following personal benefits to one or more of the named executive officers: (a) reimbursement for claims and administrative expenses under the Clear Channel Outdoor Medical Executive Reimbursement Plan, (b) certain pension benefits, (c) personal club membership, (d) company matching 401(k) contributions, (e) relocation allowance, and (f) car allowance.

Clear Channel Outdoor has a Medical Executive Reimbursement Plan (MERP) in place for Mr. Paul Meyer that reimburses Mr. Meyer for out-of-pocket medical, dental, and vision expenses that are not paid by the health plan that is available to all full-time employees. After claims are paid through the general health plan, co-payments, coinsurance, and ineligible expenses are reimbursed to Mr. Meyer through the MERP. In 2009, we paid \$21,536 in claims and administrative expenses. Clear Channel Outdoor seeks to provide competitive benefits to promote the health and well-being of Mr. Meyer, which the Committee believes is in the long-term interests of stockholders.

Mr. Bevan participates in the Clear Channel UK Defined Benefit Pension Scheme, which is a pension plan that we sponsor for certain employees in the United Kingdom. The pension scheme provides pension income at retirement based on service and salary at retirement. Participation is elective, and participants are required to contribute to the pension scheme if they participate. The pension scheme is closed to new entrants, but approximately one-quarter of UK employees participate in the pension scheme. See the discussion of the pension scheme with respect to Mr. Bevan under the heading "Clear Channel UK Defined Benefit Pension Scheme" set forth below in this proxy statement.

Clear Channel Outdoor has agreed to reimburse Mr. Cooper for all reasonable expenses in connection with his commute from Denver, Colorado to Phoenix, Arizona and certain housing expenses until no later than August 2012.

The Committee believes that the above benefits provide a more tangible incentive than an equivalent amount of cash compensation. In determining the named executive officers' total compensation, the Committee reviews these benefits and perquisites. However, as these benefits and perquisites represent a relatively insignificant portion of the named executive officers' total compensation, they do not materially influence the Committee's decision in setting such officers' total compensation. For further discussion of these benefits and perquisites, please refer to the 2009 Summary Compensation Table set forth below in this proxy statement.

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Change-in-Control and Severance Arrangements

Pursuant to Messrs. Meyer's, Bevan's and Cooper's employment agreements, they are entitled to certain severance payments upon their termination with Clear Channel Outdoor. Additionally, under the terms of the Stock Incentive Plan, and related forms of stock option agreement and restricted stock award agreement, the named executive officers are entitled to certain other benefits upon their termination and a change in control of Clear Channel Outdoor. For further discussion of these severance payments and benefits, see the heading "Potential Post-Employment Payment" set forth below in this proxy statement.

The Committee does not view the potential benefits conferred upon a change in control of Clear Channel Outdoor as additional elements of compensation due to the fact that a change in control may never occur. The Committee believes that these arrangements allow the named executive officers to focus their attention and energy on Clear Channel Outdoor's business without any distractions regarding the effects of a change in control, and assists us in maximizing stockholder value by allowing the named executive officers to participate in an objective review of any proposed transaction and whether such transaction is in the best interest of the stockholders.

Roles and Responsibilities

Role of the Committee. The Committee is primarily responsible for conducting reviews of Clear Channel Outdoor's executive compensation policies and strategies and overseeing and evaluating Clear Channel Outdoor's overall compensation structure and programs. Direct responsibilities include, but are not limited to:

Evaluating and approving goals and objectives relevant to the compensation of the named executive officers, and evaluating the performance of the executives in light of those goals and objectives;

Determining and approving the compensation level of the named executive officers;

Evaluating and approving all grants of equity-based compensation to the named executive officers;

Recommending to the Board of Directors compensation policies for outside directors; and

Reviewing performance-based and equity-based incentive plans for the named executive officers and reviewing other benefit programs presented to the Committee by the Chief Executive Officer and the Chief Executive Officer-Americas.

Role of Executive Officers. Mr. M. Mays and Mr. Meyer were involved in recommending the form and amount of executive compensation for 2009. For 2010, Mr. M. Mays, Mr. Cooper (with respect to the Outdoor Americas division) and Mr. William Eccleshare, President and Chief Executive Officer of the Outdoor International division (with respect to the Outdoor International division) are each involved in recommending the form and amount of executive compensation. They will jointly provide reviews and recommendations for the Committee's consideration, and manage Clear Channel Outdoor's executive compensation programs, policies, and governance. Their direct, joint responsibilities include, but are not limited to:

Providing an ongoing review of the effectiveness of the compensation programs, including competitiveness and alignment with Clear Channel Outdoor's objectives;

Recommending changes and new programs, if necessary, to ensure achievement of all program objectives; and

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Recommending pay levels, payout, and awards for the named executive officers (other than recommendations for themselves). The Committee has the responsibility for administering performance awards under the Annual Incentive Plan in accordance with Section 162(m) of the Internal Revenue Code. These duties included, among other things, setting the performance period, setting the performance goals, and certifying the achievement of the predetermined performance goals by each named executive officer.

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Tax and Accounting Treatment

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code places a limit of \$1,000,000 on the amount of compensation Clear Channel Outdoor may deduct for federal income tax purposes in any one year with respect to certain senior executives of Clear Channel Outdoor, which we referred to herein as the Covered Employees. However, performance-based compensation that meets certain requirements is excluded from this \$1,000,000 limitation.

In reviewing the effectiveness of the executive compensation program, the Committee considers the anticipated tax treatment to Clear Channel Outdoor and to the Covered Employees of various payments and benefits. However, the deductibility of certain compensation payments depends upon the timing of a Covered Employee's vesting or exercise of previously granted equity awards, as well as interpretations and changes in the tax laws and other factors beyond the control of the Committee. For these and other reasons, including to maintain flexibility in compensating the named executive officers in a manner designed to promote varying corporate goals, the Committee will not necessarily, or in all circumstances, limit executive compensation to that which is deductible under Section 162(m) of the Internal Revenue Code and has not adopted a policy requiring all compensation to be deductible.

The Committee will consider various alternatives to preserving the deductibility of compensation payments and benefits to the extent reasonably practicable and to the extent consistent with its other compensation objectives. To this end, the Committee annually establishes performance criteria in an effort to ensure deductibility of annual incentive bonuses under the Annual Incentive Plan. Base salary does not qualify as performance-based compensation under Section 162(m) of the Internal Revenue Code.

Accounting for Stock-Based Compensation

Clear Channel Outdoor accounts for stock-based payments, including awards under the Stock Incentive Plan, in accordance with the requirements of ASC 718-10.

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The Summary Compensation table shows certain compensation information for the years ended December 31, 2009, 2008 and 2007 for the Principal Executive Officer, Principal Financial Officer and each of the three next most highly compensated executive officers for services rendered in all capacities (hereinafter referred to as the named executive officers).

2009 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (a) (\$)	Option Awards (a) (\$)	Non Equity Incentive Plan Compensation(b) (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Mark P. Mays Chief Executive Officer (PEO)*	2009	218,496(d)	97,035(d)						315,531
	2008	366,950(d)	1,845,000(d)						2,211,950
	2007	313,250(d)	2,318,750(d)	483,843	553,500				3,669,343
Randall T. Mays President and Chief Financial Officer (PFO)**	2009	217,813(e)	97,035(e)						314,848
	2008	358,750(e)	1,845,000(e)						2,203,750
	2007	306,250(e)	2,318,750(e)	483,843	553,500				3,662,343
Ronald H. Cooper President and CEO Americas (f)	2009	20,865		1,354,500	1,551,000				2,926,365
Franklin G. Sisson, Jr. Executive Vice President Sales and Marketing	2009	380,000			301,742	188,563		6,125(g)	876,430
	2008	374,583			576,200	150,000		5,750(g)	1,106,533
	2007	353,538		338,693	387,450	157,320		5,625(g)	1,242,626
Jonathan D. Bevan Chief Operating Officer International (h)	2009	337,093			186,952	38,587	220,551(c)	94,645(i)	877,828
	2008	377,217			390,731		(c)	111,028(i)	878,976
	2007	390,353		256,422	293,355	536,605	91,032(c)	104,564(i)	1,672,331
Paul J. Meyer President and CEO Americas (f)	2009	675,000	1,000,000(l)		843,771(k)	310,716		34,861(j)	2,864,348
	2008	672,115			1,073,224	175,000		20,545(j)	1,940,884
	2007	647,115		1,161,200		1,484,766		18,470(j)	3,311,551

* PEO refers to principal executive officer.

** PFO refers to principal financial officer.

(a) Amounts reflect the fair value of restricted stock awards and stock options granted during the three years ended December 31, 2009, 2008 and 2007. See Note J - Shareholders' Equity on page A-80 of Appendix A for a discussion of the assumptions made in calculating the grant date fair value of share based compensation.

(b) Amounts reflect cash payouts for the respective fiscal year under the Clear Channel Outdoor 2006 Annual Incentive Plan pursuant to certain pre-established performance goals. Only Messrs. Meyer and Sisson participate in the Clear Channel Outdoor 2006 Annual Incentive Plan. For further discussion of the 2009 pre-established performance goals, see the Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus section of this proxy statement set forth above.

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- (c) Amounts reflect the increase in Mr. Bevan's actuarial present value of accumulated pension benefits during 2009 and 2007 under the UK Clear Channel Retirement Benefit Scheme. Mr. Bevan's actuarial present value of accumulated pension benefit decreased \$81,392 under the UK Clear Channel Retirement Benefit Scheme during 2008. The Clear Channel Communications, Inc. Nonqualified Deferred compensation Plan does not provide for above-market or preferential earnings.
- (d) Mr. M. Mays' salary earned during each of the years ended December 31, 2009, 2008 and 2007 was \$532,917, \$895,000 and \$895,000 of which, \$218,496, \$366,950 and \$313,250, respectively, was reimbursed by Clear Channel Outdoor to CCMH and its predecessor Clear Channel Communications, Inc., as applicable, pursuant to a Corporate Services Agreement between Clear Channel Outdoor and Clear Channel Management Services, L.P. (the "Corporate Services Agreement"). Mr. M. Mays' bonus earned during the years ended December 31, 2009, 2008 and 2007 was \$236,670, \$4,500,000 and \$6,625,000 of which \$97,035, \$1,845,000 and \$2,318,750, respectively, was reimbursed by Clear Channel Outdoor to CCMH and its predecessor Clear Channel Communications, Inc., as applicable, pursuant to the Corporate Services Agreement. See the "Compensation Discussion and Analysis - Chief Executive Officer and Chief Financial Officer Compensation" section of this proxy statement set forth above for further discussion of the methodology used to allocate a portion of Mr. M. Mays' 2009 base salary and bonus to Clear Channel Outdoor.

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- (e) Mr. R. Mays' salary earned during the year ended December 31, 2009, 2008 and 2007 was \$531,250, \$875,000 and \$875,000 of which, \$217,813, \$358,750 and \$306,250, respectively, was reimbursed by Clear Channel Outdoor to CC Media and its predecessor Clear Channel Communications, Inc., as applicable, pursuant to the Corporate Services Agreement. Mr. R. Mays' bonus earned during the years ended December 31, 2009, 2008 and 2007 was \$236,670, \$4,500,000 and \$6,625,000, of which \$97,035, \$1,845,000 and \$2,318,750, respectively, was reimbursed by Clear Channel Outdoor to CC Media and its predecessor Clear Channel Communications, Inc., as applicable, pursuant to the Corporate Services Agreement. See the Compensation Discussion and Analysis Chief Executive Officer and Chief Financial Officer Compensation section of this proxy statement set forth above for further discussion of the methodology used to allocate a portion of Mr. R. Mays' 2009 base salary and bonus to Clear Channel Outdoor.
- (f) Mr. Meyer relinquished his duties as President and Chief Executive Officer, Outdoor Americas to Mr. Cooper in December 2009.
- (g) Amounts represent company-matching contributions to the 401(k) Plan.
- (h) Mr. Bevan is a citizen of the United Kingdom. The compensation amounts reported in this table have been converted from British pounds to U.S. dollars using the average exchange rates of £1 = \$1.5648, £1 = \$1.8525 and £1 = \$2.0018 for the years ended December 31, 2009, 2008 and 2007, respectively.
- (i) Amounts represent contracted payment of \$26,797, \$31,435 and \$32,529 for car allowance for the years ended December 31, 2009, 2008 and 2007, respectively, and \$67,848, \$79,593 and \$72,035 in payments to the UK Clear Channel Retirement Benefit Scheme for the years ended December 31, 2009, 2008 and 2007, respectively.
- (j) Amount reflects \$6,125, \$5,750 and \$5,625 in company matching contributions to an employer-sponsored 401(k) plan paid during the years ended December 31, 2009, 2008 and 2007, respectively; \$7,200, \$7,200 and \$6,950 in personal club memberships paid during the years ended December 31, 2009, 2008 and 2007, respectively; and \$21,536, \$21,536 and \$5,895 in claims and administrative expenses associated with a Medical Executive Reimbursement Plan paid during the years ended December 31, 2009, 2008 and 2007, respectively.
- (k) Amount includes \$315,752 related to stock option modification. In December 2009, Mr. Meyer entered into a new employment agreement with Clear Channel Outdoor. Pursuant to the terms of the agreement, the expiration date of Mr. Meyer's 365,000 options dated November 11, 2005 at the price of \$18 per share were extended through November 10, 2014.
- (l) Amount reflects \$1,000,000 bonus payment made by Clear Channel Outdoor pursuant to the terms of the employment agreement entered into between Mr. Paul J. Meyer and Clear Channel Communications, Inc. in December 2009. Effective as of December 10, 2009, Clear Channel Outdoor entered into an employment agreement with Ronald H. Cooper pursuant to which Mr. Cooper serves as President and Chief Executive Officer of our Outdoor Americas division. The agreement sets Mr. Cooper's initial base salary at \$775,000, subject to annual raises in accordance with company policies. Mr. Cooper is also eligible to receive a performance bonus based on a target bonus plan of no less than \$1,000,000, and which is no less favorable versus the bonus plan of any similarly situated executive domestic employee of Clear Channel Outdoor and its domestic affiliates. Pursuant to the employment agreement, Mr. Cooper was granted 150,000 restricted shares of Clear Channel Outdoor's Class A common stock and he is eligible to receive incentive stock options and non-qualified stock options to purchase up to 500,000 shares of Clear Channel Outdoor's Class A common stock. Mr. Cooper was also granted options to purchase 165,000 shares of common stock of CC Media Holdings. Mr. Cooper is also entitled to certain other employee benefits. The employment agreement has no specified term, but Mr. Cooper can generally terminate his employment upon ninety days written notice. Mr. Cooper's employment agreement also contains a non-compete provision and non-solicitation provision, each with an eighteen-month term, and a confidentiality provision with a perpetual term.

On August 5, 2005, Clear Channel Outdoor entered into an employment agreement with Paul J. Meyer. The initial term of the agreement ended on the third anniversary of the date of the agreement; however the term automatically extends one day at a time beginning on the second anniversary of the date of the agreement, unless either party gives the other one year's prior written notice of termination. The agreement set Mr. Meyer's initial base salary of \$600,000 for the first year of the agreement; \$625,000 for the second year of the agreement; and \$650,000 for

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the third year of the agreement, subject to additional annual raises in accordance with company policies. In fiscal year 2009, Mr. Meyer was employed under this agreement at an annual base salary of \$675,000. Mr. Meyer is also eligible to receive a performance bonus as decided at the sole discretion of the Committee and is entitled to certain other employee benefits. Mr. Meyer's employment agreement also contains a non-compete provision and non-solicitation provision, each with a one-year term, and a confidentiality provision with a perpetual term.

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In December 2009, Mr. Meyer entered into a new employment agreement with Clear Channel Outdoor. Under the agreement, Mr. Meyer memorialized his intent to retire from his positions as President and Chief Executive Officer of our Outdoor Americas division effective as of December 31, 2009. Pursuant to the new employment agreement, Mr. Meyer remained compensated at his 2009 annual base salary of \$675,000 through December 31, 2009 and, in connection with his retirement from Clear Channel Outdoor, received bonus payments totaling \$1,500,000 (\$1,000,000 of which was paid on January 10, 2010 and \$500,000 of which is to be paid on January 20, 2011). Additionally, the expiration date of Mr. Meyer's 365,000 options dated November 11, 2005 at the price of \$18 per share were extended through November 10, 2014.

On October 30, 2009, Clear Channel Outdoor Ltd., a subsidiary of Clear Channel Outdoor, entered into a new employment agreement with Jonathan D. Bevan. The agreement has no specified term, but can generally be terminated by Clear Channel Outdoor Ltd. without cause upon 12 months prior written notice or by Mr. Bevan without cause upon six months prior written notice. The agreement sets Mr. Bevan's initial base salary at £240,000, subject to additional annual raises at the sole discretion of Clear Channel Outdoor Ltd. Mr. Bevan also receives a car allowance, is eligible to receive a performance bonus as decided at the sole discretion of the Chief Executive Officer of Clear Channel Outdoor Ltd., and is entitled to certain other employee benefits. Mr. Bevan's employment agreement also contains a non-compete provision and non-solicitation provision, each with a nine-month term, and a confidentiality provision with a perpetual term.

Grants of Plan-Based Awards

The following table sets forth certain information concerning plan-based awards granted to the named executive officers during the year ended December 31, 2009.

GRANTS OF PLAN-BASED AWARDS DURING 2009

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Awards			All Other Option Awards; Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/sh)	Grant Date Fair Value of Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)			
Mark P. Mays							
Randall T. Mays							
Ronald H. Cooper (a)							
Stock Option Award	12/10/09				300,000	9.03	1,551,000
Restricted Option Award	12/10/09				150,000	0.00	1,354,500
Paul J. Meyer (b)							
Stock Option Award	2/6/09				174,896	5.28	528,046
Annual Incentive Bonus	2/6/09		749,250	459,625			
Franklin G. Sisson, Jr. (c)							
Stock Option Award	2/6/09				99,941	5.28	301,742
Annual Incentive Bonus	2/6/09		418,000	462,000			
Jonathan D. Bevan (d)							
Stock Option Award	2/6/09				61,921	5.28	186,952
Annual Incentive Bonus	2/6/09		473,036	424,800			

(a) Pursuant to the terms of his employment agreement effective December 10, 2009, Mr. Cooper was granted incentive stock options to purchase (i) 300,000 shares of Clear Channel Outdoor's Class A common stock, which vest in 25% increments annually beginning on the first anniversary of the grant date, and (ii) 150,000 restricted shares of Clear Channel Outdoor's common stock, which vest in 25% increments annually beginning on the first anniversary of the grant date. Each grant was made pursuant to the Clear Channel Stock Incentive Plan.

(b) On February 6, 2009, Mr. Meyer was granted stock options for 174,896 shares of Clear Channel Outdoor's Class A common stock under the Clear Channel Outdoor 2005 Stock Incentive Plan, which vest in 25% increments annually beginning on the first anniversary of the

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grant date. On February 6, 2009, Mr. Meyer was granted a cash incentive award based on the achievement of a targeted EBITDA in the Outdoor Americas division and for achieving certain other quantitative and qualitative goals. For further discussion of his 2009 cash incentive award, see Elements of Compensation Annual Incentive Bonus.

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- (c) On February 6, 2009, Mr. Sisson was granted stock options for 99,941 shares of Clear Channel Outdoor's Class A common stock under the Clear Channel Outdoor 2005 Stock Incentive Plan, which vest in 25% increments annually beginning on the first anniversary of the grant date. On February 6, 2009, Mr. Sisson was granted a cash incentive award based on the achievement of a targeted EBITDA in the Outdoor Americas division and for achieving certain other quantitative and qualitative goals. For further discussion of his 2009 cash incentive award, see Elements of Compensation Annual Incentive Bonus.
- (d) On February 6, 2009, Mr. Bevan was granted stock options for 61,921 shares of Clear Channel Outdoor's Class A common stock under the Clear Channel Outdoor 2005 Stock Incentive Plan, which vest in 25% increments annually beginning on the first anniversary of the grant date. On February 6, 2009, Mr. Bevan was granted a cash incentive award based on the achievement of a targeted EBITDA in the Outdoor International division and for achieving certain other quantitative and qualitative goals. For further discussion of his 2009 cash incentive award, see Elements of Compensation Annual Incentive Bonus.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth certain information concerning outstanding equity awards at fiscal year end of the named executive officers for the year ended December 31, 2009.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2009

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
Mark P. Mays	25,000(b)	100,000(a)	18.0000	11/11/15	8,334(d)	86,590
		25,000(c)	29.0300	5/23/17		
Randall T. Mays	100,000(e)		18.0000	11/11/15		
	50,000(e)		29.0300	5/23/17		
Ronald H. Cooper		300,000(f)	9.0300	12/10/19	150,000(g)	1,558,500
Franklin G. Sisson, Jr.	43,916(h)		29.6015	10/25/10		
	21,958(i)		26.3454	12/14/11		
	21,080(j)		20.8463	2/19/10		
		35,133(k)	17.8861	1/12/15		
	55,000(l)	55,000(m)	18.0000	11/11/12		
	17,500(b)	17,500(c)	29.0300	5/23/17		
20,276(n)	60,831(o)	20.6400	5/16/18	5,834(d)	60,615	
	99,941(p)	5.2800	2/6/19			
Jonathan D. Bevan	8,783(j)		20.8463	2/19/10	10,511(u)	109,209
	6,587(q)	6,588(r)	17.8861	1/12/12		
	3,125(s)	9,375(t)	19.8500	2/13/13		
	13,250(b)	13,250(c)	29.0300	5/23/17		
	13,750(n)	41,250(o)	20.6400	5/16/18		
	61,921(p)	5.2800	2/6/19			
Paul J. Meyer	35,133(j)		20.8463	2/19/10	20,000(d)	207,800
	185,500(l)	182,500(m)	18.0000	11/11/12		
	37,767(n)	113,302(o)	20.6400	5/16/18		
		174,896(p)	5.2800	2/6/19		

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- (a) Options will vest and become exercisable on November 11, 2010.
- (b) One half of the options became exercisable on May 23, 2008 and 2009.
- (c) One half of the options will vest and become exercisable on May 23, 2010 and 2011.
- (d) The restrictions lapse and shares become freely tradable with respect to one half of the restricted shares on May 23, 2010 and 2011.
- (e) In connection with the December 2009 amendments made to Mr. Randall T. Mays employment agreement and option agreements, options vested and became exercisable on December 22, 2009.
- (f) The restrictions lapse and shares become freely tradable with respect to twenty-five percent of the shares on December 10, 2010, 2011, 2012 and 2013.
- (g) Twenty-five percent of the options will vest and become exercisable on February 6, 2010, 2011, 2012 and 2013.
- (h) Options became exercisable on November 11, 2005.
- (i) Options became exercisable on December 14, 2006.
- (j) Twenty-five percent of the options became exercisable on February 19, 2006 and 2007 and the remaining fifty percent of the options became exercisable on February 19, 2008.
- (k) Options will vest and become exercisable on January 12, 2010.
- (l) One half of the options became exercisable on November 11, 2008 and 2009.
- (m) Options will vest and become exercisable on November 11, 2010.
- (n) Options became exercisable on May 16, 2009.
- (o) One third of the options will vest and become exercisable on May 16, 2010, 2011 and 2012.
- (p) Twenty-five percent of the options will vest and become exercisable on December 10, 2010, 2011, 2012 and 2013.

- (q) One half of the options became exercisable on January 12, 2008 and 2009.
- (r) Options will vest and become exercisable on January 12, 2010.
- (s) Options became exercisable on February 13, 2009.
- (t) One third of the options will vest and become exercisable on February 13, 2010 and remaining two thirds of the options will vest and become exercisable on February 13, 2011.
- (u) The restrictions lapse and shares become freely tradable with respect to 781 shares on February 13, 2010, 2,208 shares on May 23, 2010, 3,750 shares on November 11, 2010, 1,563 shares on February 13, 2011, and 2,209 shares on May 23, 2011.

Option Exercises and Stock Vested

The following table sets forth certain information concerning option exercises by and stock vesting for the named executive officers during the year ended December 31, 2009.

OPTION EXERCISES AND STOCK VESTED DURING 2009

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (a) (\$)
Mark P. Mays			4,167	15,460
Randall T. Mays (b)			12,501	108,134
Ronald H. Cooper				
Franklin G. Sisson, Jr.			2,917	10,822
Jonathan D. Bevan			4,865	26,388
Paul J. Meyer			10,000	37,100

- (a) Represents the amount realized based on the closing market price of Clear Channel Outdoor's Class A common stock on the applicable vesting date.

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- (b) In connection with the December 2009 amendments made to Mr. Randall T. Mays employment agreement, his restricted stock awards vested on December 22, 2009.

Pension Benefits

The following table sets forth certain information concerning pension benefits for the named executive officers at December 31, 2009.

2009 PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit (\$ (a))	Payments During Last Fiscal Year (\$)
Mark P. Mays				
Randall T. Mays				
Ronald H. Cooper				
Franklin G. Sisson, Jr.				
Jonathan D. Bevan (b)	Clear Channel Retirement Benefit Scheme	6	504,804	
Paul J. Meyer				

- (a) Amount reflects the actuarial present value of the accumulated benefit at December 31, 2009 based upon the following material assumptions: discount rate of 5.80% per annum; expected return on invested assets of 7.30% per annum; salary increases of 3.20% per annum; inflation of 3.20% per annum; post retirement pension increases of 3.20% per annum and post retirement mortality PA92 (Year of Birth) with medium cohort projections.

- (b) Mr. Bevan is a citizen and resident of the United Kingdom. The present value of the accumulated benefit reported in this table for Mr. Bevan has been converted from British pounds to U.S. dollars using the exchange rate in effect at December 31, 2009 of £1 = \$1.62212.

Clear Channel Outdoor operates a pension plan (with defined benefit and defined contribution sections) for eligible employees based in the UK called the Clear Channel Retirement Benefit Scheme (the "Scheme"). As of December 31, 2009, there were approximately 150 current employees paying into the defined benefit section. In order to be eligible to participate in the defined benefit section, an employee must have joined Clear Channel Outdoor prior to March 1, 2002 and elected to participate prior to turning age 35. Mr. Bevan is the only named executive officer that is a participant of the Scheme and the Scheme is the only material defined benefit pension plan operated by Clear Channel Outdoor.

Mr. Bevan, age 38, joined the Scheme on December 1, 2003 and has accrued a total of 6 years and 1 month of pensionable service. As a member of the Scheme, Mr. Bevan contributes 8% of his Pensionable Salary per month. Pensionable Salary is defined as base salary as of January 1 of each year, and does not include any bonuses, commissions or car allowance. Pensionable salary is also subject to restrictions related to the earnings cap described below. Clear Channel Outdoor contributes 21.1% of Mr. Bevan's Pensionable Salary to the Scheme. As reported in the 2009 Summary Compensation Table, this amount equaled \$67,848 in 2009.

Under the Scheme Mr. Bevan's normal retirement age is 60 and provides a pension on retirement of 1/45 of Final Pensionable Salary for each year and complete month of pensionable service to Clear Channel Outdoor. Final Pensionable Salary is defined as (a) the highest average Pensionable Salary in any three consecutive years prior to normal retirement or date of leaving, or (b) Pensionable Salary as of January 1 immediately before the normal retirement date or the date of leaving if higher. However, as Mr. Bevan's Pensionable Salary exceeds the current notional earnings cap of £123,600 per annum, his benefits under the Scheme would be restricted. Assuming he remained in service until age 60, the maximum pension would be based on two-thirds of his Final Pensionable Salary subject to restrictions related to the earnings cap.

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Under the Scheme, Mr. Bevan could elect early retirement at any age after 55 (or earlier if in ill health), subject to Clear Channel Outdoor's consent. In this case, Mr. Bevan would receive a pension on retirement of 1/45th of his Final Pensionable Salary, less an early retirement reduction factor of 3% per annum simple for each year (and pro-rata for each month) for each of the first 5 years that his retirement date precedes his normal retirement date, and by 6% per annum simple (and pro-rata for each month) thereafter. The actual level of pension would then be subject to a maximum of the amount calculated as actual service divided by potential service multiplied by two-thirds of the notional earnings cap.

If Mr. Bevan's pensionable service is terminated prior to being eligible for early retirement, then the following options would be available:

To leave his accrued benefits within the Scheme until normal retirement date. His pension would increase broadly in line with increases in the UK Retail Prices Index (to a maximum of 5% per annum) during the period of deferment.

To leave his accrued benefits within the Scheme, and then to apply for early retirement once he has reached aged 55 or earlier if in ill-health. The Scheme trustees' consent would be required, and his pension would be subject to an actuarial reduction for early payment. The reduction factor would be calculated by the actuary at the time of request and may be subject to further restriction by the Scheme's rules.

To transfer the value of his accrued benefits to an alternative pension arrangement.

Where any pension is put into payment (from normal or early retirement) then the following would generally apply:

Mr. Bevan would be given the option of exchanging part of his annual pension for a one-off tax free cash sum. The amount available will depend on the circumstances at the time.

If Mr. Bevan predeceased any spouse, then a spouse's pension of two-thirds of his own pension (ignoring any amount exchanged for a lump sum) would continue for the remainder of her lifetime.

Any pension in payment would normally attract increases broadly in line with increases in the UK Retail Prices Index subject to a minimum of 3% and a maximum of 5% per annum.

Nonqualified Deferred Compensation Plans

The named executive officers were eligible to participate in the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan in 2009. Under this plan, the named executive officers were able to make an annual election to defer up to 50% of their annual salary and up to 80% of their bonus before taxes. Matching credits on amounts deferred could have been made in Clear Channel Communications, Inc.'s sole discretion. Participants in the plan allocated their deferrals and any matching credits among different investment options, the performance of which was used to determine the amounts to be paid to participants under the plan.

The following table reflects nonqualified deferred compensation paid to the named executive officers under the Clear Channel Communications, Inc. Nonqualified Deferred Compensation Plan.

2009 NONQUALIFIED DEFERRED COMPENSATION TABLE

Name	Executive contributions in last FY	Registrant contributions in	Aggregate earnings in	Aggregate withdrawals /	Aggregate Balance at last FYE
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	(\$)	last FY (\$)	last FY (\$)	distributions (\$)	(\$)
Mark P. Mays					
Randall T. Mays					
Ronald H. Cooper					
Franklin G. Sisson, Jr.					
Jonathan D. Bevan					
Paul J. Meyer	43,750		3,222		46,972

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The following table sets forth certain information concerning director compensation granted to the named directors for the year ended December 31, 2009.

2009 DIRECTOR COMPENSATION

Name	Fees Earned or			Total (\$)
	Paid in Cash (\$)	Stock Awards (\$)	Option Awards (a) (\$)	
Margaret W. Covell (b)				
Blair E. Hendrix (b)				
Daniel G. Jones (b)				
Mark P. Mays (c)				
Randall T. Mays (c)				
James M. Raines	186,000		22,644	208,644
Marsha M. Shields	152,000		22,644	174,644
Dale W. Tremblay	161,000		22,644	183,644
Scott R. Wells (b)				

(a) Amounts reflect fair value of stock options granted during the year ended December 31, 2009. See Note J Shareholders' Equity in Appendix A page A-80 of this document for the complete disclosure of the assumptions made in the valuation of our option awards. No restricted stock awards were granted to the non-employee directors in 2009. Ms. Covell, Mr. Hendrix, Mr. Jones, Mr. M. Mays, Mr. R. Mays and Mr. Wells received no stock options during the year ended December 31, 2009.

(b) Ms. Covell and Messrs. Hendrix, Jones, and Wells are each an employee of Thomas H. Lee Partners, L.P. or Bain Capital Partners, LLC (collectively, the Sponsors), and are not compensated for their service on the Board. As discussed above, Clear Channel Outdoor's indirect parent, CCMH, is owned by a group of private equity funds sponsored by the Sponsors.

(c) Messrs. M. Mays and R. Mays do not receive any additional compensation for their service on the Board. Information regarding compensation allocated to Messrs. M. Mays and R. Mays for their service as executive officers of Clear Channel Outdoor is presented above in the 2009 Summary Compensation Table.

The Board's compensation structure is comprised of the following components (which amounts were paid to each of Mr. Raines, Ms. Shields and Mr. Tremblay): (i) an annual cash retainer of \$25,000, (ii) an additional \$1,500 for each Board meeting attended and (iii) an additional \$1,000 for each committee meeting attended. Additionally, the 2009 Board fees include the following payments to Directors serving on the Board's Special Committee (Mr. Raines, Ms. Shields and Mr. Tremblay), which service commenced in April 2009: (i) a one-time payment of \$25,000, (ii) a \$10,000 monthly retainer to all Special Committee members other than the chairperson of the Special Committee (Ms. Shields and Mr. Tremblay) and (iii) a \$12,500 monthly retainer to the chairperson of the Special Committee (Mr. Raines). We pay the chairperson of the Audit Committee and the chairperson of the Compensation Committee an additional annual cash retainer of \$10,000 and \$5,000, respectively. We may also grant stock options or other stock-based awards to Mr. Raines, Ms. Shields and Mr. Tremblay, and they may elect to receive their fees in the form of shares of our common stock. Mr. Raines, Ms. Shields and Mr. Tremblay did not make this election in 2009.

In 2009, Mr. Raines, Ms. Shields and Mr. Tremblay were each granted 7,500 stock options. Stock awards and option awards granted in 2007 and option awards granted in 2008 and 2009 vest in four equal installments annually.

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Potential Post-Employment Payments

Ronald H. Cooper

Under the terms of his employment agreement with Clear Channel Outdoor, if Mr. Cooper is terminated without Cause or if Mr. Cooper terminates his employment for Good Cause, Mr. Cooper is eligible to receive a lump sum payment equal to one and one-half times the sum of (i) Mr. Cooper's annual rate of base salary on such date and (ii) his target bonus for such calendar year.

Under the employment agreement, Cause includes, subject to certain exceptions, (i) willful misappropriation of or material misrepresentation regarding property of Clear Channel Outdoor that causes material and demonstrable injury to Clear Channel Outdoor, whether monetary or otherwise, but not including customary and de minimis use of Clear Channel Outdoor property for personal purposes, as determined in discretion of Clear Channel Outdoor; (ii) willful and unreasonable refusal to follow lawful directives of the CEO; (iii) felony conviction, plea of nolo contendere for a felony, or other criminal conduct that has or would result in material and demonstrable injury, whether monetary or otherwise, to Clear Channel Outdoor's reputation, including conviction of fraud, theft, embezzlement, or a crime involving moral turpitude; (iv) material breach of the employment agreement; or (v) significant violation of Clear Channel Outdoor's written employment and management policies that causes material and demonstrable injury, whether monetary or otherwise, to Clear Channel Outdoor, including without limitation, violation of sexual or other harassment policies.

The term Good Cause includes, subject to certain exceptions, (i) Clear Channel Outdoor's failure to comply with a material term of the employment agreement after written notice by Mr. Cooper specifying the alleged failure; and Clear Channel Outdoor's failure to cure within thirty (30) days after such notice; or (ii) a substantial and unusual increase in responsibilities and authority without an offer of additional reasonable compensation as determined by Clear Channel Outdoor in light of compensation for similarly situated employees; or (iii) a substantial and unusual reduction in responsibilities or authority.

Under the terms of Clear Channel Outdoor's 2005 Stock Incentive Plan and related forms of stock option agreement and restricted stock award agreement, (a) upon (i) Mr. Cooper's termination due to death, or (ii) a Change in Control, any outstanding, unvested equity awards granted to Mr. Cooper under the 2005 Stock Incentive Plan immediately vest, and (b) upon Mr. Cooper's termination due to a Disability, any outstanding, unvested equity awards granted to Mr. Cooper under the 2005 Stock Incentive Plan continue to vest, in general, in accordance with the respective award's vesting schedule. In Mr. Cooper's case, Disability means a physical or mental infirmity that impairs his ability to perform substantially his duties for a period of one hundred eighty (180) consecutive days.

Paul J. Meyer

In December 2009, Mr. Meyer entered into a new employment agreement with Clear Channel Outdoor. Under the terms of the agreement, Mr. Meyer memorialized his intent to retire from his positions as President and Chief Executive Officer of our Outdoor Americas division effective as of December 31, 2009. Pursuant to the new employment agreement, Mr. Meyer remained compensated at his 2009 annual base salary of \$675,000 through December 31, 2009 and, in connection with his retirement from Clear Channel Outdoor, received bonus payments totaling \$1,500,000 (\$1,000,000 of which was paid on January 10, 2010 and \$500,000 of which is to be paid on January 20, 2011). Additionally, the expiration date of Mr. Meyer's 365,000 options dated November 11, 2005 at the price of \$18 per share were extended through November 10, 2014.

Under the terms of the Clear Channel Outdoor's 2005 Stock Incentive Plan and related forms of stock option agreement and restricted stock award agreement, (a) upon (i) Mr. Meyer's termination due to death, or (ii) a Change in Control, any outstanding, unvested equity awards granted to Mr. Meyer under the 2005 Stock Incentive Plan immediately vest, and (b) upon Mr. Meyer's termination due to a Disability, any outstanding, unvested equity awards granted to Mr. Meyer under the 2005 Stock Incentive Plan continue to vest, in general, in accordance with the respective award's vesting schedule. In Mr. Meyer's case, Disability means a physical or mental infirmity that impairs his ability to perform substantially his duties for a period of one hundred eighty (180) consecutive days.

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Jonathan D. Bevan

Under the terms of the Clear Channel Outdoor's 2005 Stock Incentive Plan and related forms of stock option agreement and restricted stock award agreement, (a) upon (i) Mr. Bevan's termination due to death, or (ii) a Change in Control, any outstanding, unvested equity awards granted to Mr. Bevan under the 2005 Stock Incentive Plan immediately vest, and (b) upon Mr. Bevan's termination due to a Disability, any outstanding, unvested equity awards granted to Mr. Bevan under the 2005 Stock Incentive Plan continue to vest, in general, in accordance with the respective award's vesting schedule. In Mr. Bevan's case, Disability means a physical or mental infirmity that impairs his ability to perform substantially his duties for a period of one hundred eighty (180) consecutive days.

Franklin G. Sisson, Jr.

Under the terms of the Clear Channel Outdoor's 2005 Stock Incentive Plan and related forms of stock option agreement and restricted stock award agreement, (a) upon (i) Mr. Sisson's termination due to death, or (ii) a Change in Control, any outstanding, unvested equity awards granted to Mr. Sisson under the 2005 Stock Incentive Plan immediately vest, and (b) upon Mr. Sisson's termination due to a Disability, any outstanding, unvested equity awards granted to Mr. Sisson under the 2005 Stock Incentive Plan continue to vest, in general, in accordance with the respective award's vesting schedule. In Mr. Sisson's case, Disability means a physical or mental infirmity that impairs his ability to perform substantially his duties for a period of one hundred eighty (180) consecutive days.

Mark P. Mays

Under the terms of the Clear Channel Outdoor's 2005 Stock Incentive Plan and related forms of stock option agreement and restricted stock award agreement, (a) upon (i) Mr. Mays' termination due to death, or (ii) a Change in Control, any outstanding, unvested equity awards granted to Mr. Mays under the 2005 Stock Incentive Plan immediately vest, and (b) upon Mr. Mays' termination due to a Disability, any outstanding, unvested equity awards granted to Mr. Mays under the 2005 Stock Incentive Plan continue to vest, in general, in accordance with the respective award's vesting schedule. In Mr. Mays' case, Disability means a physical or mental infirmity that impairs his ability to perform substantially his duties for a period of one hundred eighty (180) consecutive days.

Furthermore, pursuant to an agreement entered into by CC Media, Clear Channel Capital IV, LLC, Clear Channel Capital V, L.P. and Mr. Mark P. Mays, in the event that Mr. Mark P. Mays' employment is terminated without Cause or by him for Good Reason, Mr. Mark P. Mays is entitled to require CC Media to purchase all or a portion of the restricted stock granted to him in connection with the closing of the Merger at a price equal to \$36.00 per share.

Pursuant to the Corporate Services Agreement, a percentage of potential payments owed by CC Media to Mr. Mark P. Mays and Mr. Randall T. Mays upon their termination or a change in control of Clear Channel Outdoor, other than payments regarding the vesting of equity awards, would be reimbursable by Clear Channel Outdoor. This allocation is based on Clear Channel Outdoor's OIBDAN as a percentage of Clear Channel Communication, Inc.'s OIBDAN. Accordingly, for 2009, 41% of any payments to Mr. Mark P. Mays or Mr. Randall T. Mays upon termination or change in control, other than payments regarding the vesting of equity awards, would have been allocated to Clear Channel Outdoor. For a further discussion of the Corporate Services Agreement, please refer to Corporate Services Agreement.

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The table below quantifies the potential payments to the named executive officers upon (a) termination of their employment, and (b) a change of control of Clear Channel Outdoor.

2009 POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL (a)

Name	Benefit	Termination with Cause	Termination without Cause	Termination due to Disability	Termination due to Death	Retirement	Change in Control of Company
Mark P. Mays (b)	Cash payment		6,765,000(c)				
	Value of Benefits (e)		12,514				
	Vesting of equity awards			86,590(d)	86,590(f)		86,590(f)
	Repurchase of Restricted stock		8,200,007	8,200,007	8,200,007		
	Other		5,692,525(j)				
	TOTAL		20,670,046	8,286,597	8,286,597		86,590
Randall T. Mays (b)	Cash payment		1,469,165				
	Value of Benefits (e)		17,865				
	Vesting of equity awards						
	TOTAL		1,487,030				
Ronald H. Cooper	Cash payment		1,162,500(g)				
	Value of Benefits						
	Vesting of equity awards			1,966,500(d)	1,966,500(f)		1,966,500(f)
	TOTAL		1,162,500	1,966,500	1,966,500		1,966,500
Franklin G. Sisson, Jr.	Cash payment						
	Value of Benefits						
	Vesting of equity awards			571,314(d)	571,314(f)		571,314(f)
	TOTAL			571,314	571,314		571,314
Jonathan D. Bevan	Cash payment						
	Value of Benefits						
	Vesting of equity awards			425,625(d)	425,625(f)		425,625(f)
	TOTAL			425,625	425,625		425,625
Paul J. Meyer	Cash payment					1,500,000(h)	
	Value of Benefits						

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Vesting of equity awards	1,101,519(d)	1,101,519(f)	1,101,519(i)	1,101,519(f)
Other				
TOTAL	1,101,519	1,101,519	2,601,519	1,101,519

- (a) Amounts reflected in the table were calculated assuming a December 31, 2009 termination date, which was the last business day of the 2009 fiscal year. Each named executive officer is entitled to receive amounts earned during the term of his employment regardless of the manner in which he is terminated, including termination for Cause. These amounts include base salary, unused vacation pay and other benefits entitled to under applicable employee benefit plans, and are not reflected in the above table. The table reflects only the additional compensation and benefits (collectively, Additional Compensation) the named executive officers are estimated to receive upon termination or a change in control of Clear Channel Outdoor. The actual amounts to be paid to a named executive officer can only be determined at the time of his actual termination.
- (b) Amounts reflected in the table represent Clear Channel Outdoor's portion of post-employment payments. Pursuant to the Corporate Services Agreement, a percentage of payments made to Mr. Mark P. Mays and Mr. Randall T. Mays upon termination or a change in control, other than Vesting of Equity Awards payments, would be reimbursable by Clear Channel Outdoor. For 2009, this allocation is based on Clear Channel Outdoor's 2008 OIBDAN as a percentage of Clear Channel Communication, Inc.'s 2008 OIBDAN. Accordingly, 41% of any payments to Mr. Mark P. Mays or Mr. Randall T. Mays upon termination or change in control in 2009, other than Vesting of Equity Awards payments, would have been allocated to Clear Channel Outdoor. For a further discussion of the Corporate Services Agreement, please refer to Corporate Services Agreement .
- (c) Represents three times the sum of the annual base salary for the year ended December 31, 2009 and the annual incentive bonus for the year ended December 31, 2008 for Mr. Mark P. Mays.

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- (d) Amount reflects the value of unvested equity awards held by the respective named executive officer on December 31, 2009 that would generally continue to vest upon Disability in accordance with their original vesting schedule. This value is based upon the closing sale price of Clear Channel Outdoor's Class A common stock on December 31, 2009 of \$10.39, but it excludes stock options where the exercise price exceeds the closing sale price of our Class A common stock on December 31, 2009.
- (e) The values associated with the continued provision of health benefits are based on the total 2010 premiums for medical and life insurance multiplied the number of years the executive is entitled to those benefits pursuant to his employment agreement.
- (f) Amount reflects the value of unvested equity awards held by the respective named executive officer on December 31, 2009 that would be subject to accelerated vesting. This value is based upon the closing sale price of Clear Channel Outdoor's Class A common stock on December 31, 2008 of \$10.39, but it excludes stock options where the exercise price exceeds the closing sale price of our Class A common stock on December 31, 2009.
- (g) Represents one and a half times the annual base salary for the year ended December 31, 2009 for Mr. Cooper. The bonus portion of Mr. Cooper's cash severance cannot be estimated as his annual incentive bonus is determined and awarded based upon his performance at the end of the year.
- (h) Represents Mr. Meyer's bonus payment due under his amended employment agreement entered into on December 7, 2009.
- (i) Amount reflects the value of unvested equity awards held by Mr. Meyer on December 31, 2009 that would generally continue to vest upon Retirement in accordance with their original vesting schedule. This value is based upon the closing sale price of Clear Channel Outdoor's Class A common stock on December 31, 2009 of \$10.39, but it excludes stock options where the exercise price exceeds the closing sale price of our Class A common stock on December 31, 2009.
- (j) Represents the excise tax gross up payment due to Mr. Mark P. Mays under the terms of his employment agreement related to the Merger. If Mr. Mark P. Mays were terminated by the Company without Cause on December 31, 2009, portions of the benefits he would receive in connection with the termination along with benefits he received at the time of the Merger may constitute excess parachute payments under Section 280G.

RELATIONSHIP OF COMPENSATION POLICIES AND PROGRAMS TO RISK MANAGEMENT

In consultation with the Compensation Committee, management conducted an assessment of whether the Company's compensation policies and practices encourage excessive or inappropriate risk taking by our employees, including employees other than our named executive officers. This assessment included discussions with members of the corporate Human Resources, Legal, Finance, Internal Audit departments, as well as personnel in the business units, and a review of corporate and operational compensation arrangements. The assessment analyzed the risk characteristics of our business and the design and structure of our incentive plans and policies. Although a significant portion of our executive compensation program is performance-based, the Compensation Committee has focused on aligning the Company's compensation policies with the long-term interests of the Company and avoiding rewards or incentive structures that could create unnecessary risks to the Company.

Management reported its findings to the Compensation Committee, which agreed with management's assessment that our plans and policies do not encourage excessive or inappropriate risk taking and determined such policies or practices are not reasonably likely to have a material adverse effect on the Company.

SECTION 16(A) BENEFICIAL OWNERSHIP

REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires Clear Channel Outdoor's directors, executive officers and beneficial owners of more than 10% of any class of equity securities of Clear Channel Outdoor to file reports of ownership and changes in ownership with the SEC. Directors, executive officers and greater than 10% stockholders are required to furnish Clear Channel Outdoor with copies of all Section 16(a)

forms they file.

Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons that no such forms were required to be filed by those persons, Clear Channel Outdoor believes that all such Section 16(a) filing requirements were satisfied during fiscal year 2009.

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COMPENSATION COMMITTEE INTERLOCKS

AND INSIDER PARTICIPATION

None of our executive officers serve as a member of the compensation committee or as a member of the board of directors of any other company of which any member of our Compensation Committee or Board of Directors is an executive officer.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

CC Media Holdings, Inc.

We are an indirect subsidiary of CC Media. CC Media, through its wholly owned subsidiary, Clear Channel Holdings, Inc., owns all of our outstanding shares of Class B common stock, representing approximately 89% of the outstanding shares of our common stock and approximately 99% of the total voting power of our common stock. Each share of our Class B common stock is convertible while owned by Clear Channel Holdings, Inc. or any of its affiliates (excluding us and our subsidiaries) at the option of the holder thereof into one share of Class A common stock. The agreements between us and CC Media do not prohibit it from selling, spinning off, splitting off or otherwise disposing of any shares of our common stock.

Each of Mark P. Mays, Randall T. Mays and Blair Hendrix, three of our current directors, is a director of CC Media. Mark. P. Mays and Randall T. Mays also serve as executive officers of CC Media.

We have entered into a number of agreements with certain subsidiaries of CC Media setting forth various matters governing our relationship with CC Media and Clear Channel Communications, Inc., referred to in this section as Clear Channel Communications. These agreements provide for, among other things, the allocation of employee benefit, tax and other liabilities and obligations attributable to our operations.

Set forth below are descriptions of certain agreements, relationships and transactions we have with Clear Channel Communications.

Master Agreement

We have entered into a master agreement (the Master Agreement) with Clear Channel Communications. Among other things, the Master Agreement sets forth agreements governing our relationship with Clear Channel Communications.

Auditors and Audits: Annual Financial Statements and Accounting. We have agreed that, for so long as Clear Channel Communications is required to consolidate our results of operations and financial position or account for its investment in our company under the equity method of accounting, we will maintain a fiscal year end and accounting periods the same as Clear Channel Communications, conform our financial presentation with that of Clear Channel Communications and we will not change our independent auditors without Clear Channel Communications prior written consent (which will not be unreasonably withheld), and we will use commercially reasonable efforts to enable our independent auditors to complete their audit of our financial statements in a timely manner so as to permit timely filing of Clear Channel Communications financial statements. We have also agreed to provide to Clear Channel Communications all information required for Clear Channel Communications to meet its schedule for the filing and distribution of its financial statements and to make available to Clear Channel Communications and its independent auditors all documents necessary for the annual audit of our company as well as access to the responsible personnel so that Clear Channel Communications and its independent auditors may conduct their audits relating to our financial statements. We provide Clear Channel Communications with financial reports, financial statements, budgets, projections, press releases and other financial data and information with respect to our business, properties and financial positions. We have also agreed to adhere to certain specified disclosure controls and procedures and Clear Channel Communications accounting policies and to notify and consult with Clear Channel Communications regarding any changes to our accounting principles and estimates used in the preparation of our financial statements, and any deficiencies in, or violations of law in connection with, our internal control over financial reporting and certain fraudulent conduct and other violations of law.

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Exchange of Other Information. The Master Agreement also provides for other arrangements with respect to the mutual sharing of information between Clear Channel Communications and us in order to comply with reporting, filing, audit or tax requirements, for use in judicial proceedings, and in order to comply with our respective obligations after the separation. We have also agreed to provide mutual access to historical records relating to the other s businesses that may be in our possession.

Indemnification. We have agreed to indemnify, hold harmless and defend Clear Channel Communications, each of its affiliates (excluding us and our subsidiaries) and each of their respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

the failure by us or any of our affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities or contractual obligations associated with our businesses, whether arising before or after the separation;

the operations, liabilities and contractual obligations of our business;

any guarantee, indemnification obligation, surety bond or other credit support arrangement by Clear Channel Communications or any of its affiliates for our benefit;

any breach by us or any of our affiliates of the Master Agreement or our other agreements with Clear Channel Communications or our amended and restated certificate of incorporation or bylaws; and

any untrue statement of, or omission to state, a material fact in Clear Channel Communications public filings to the extent the statement or omission was as a result of information that we furnished to Clear Channel Communications or that Clear Channel Communications incorporated by reference from our public filings, if the statement or omission was made or occurred after November 10, 2005.

Clear Channel Communications has agreed to indemnify, hold harmless and defend us, each of our subsidiaries and each of our and our subsidiaries respective directors, officers and employees, on an after-tax basis, from and against all liabilities relating to, arising out of or resulting from:

the failure of Clear Channel Communications or any of its affiliates or any other person or entity to pay, perform or otherwise promptly discharge any liabilities of Clear Channel Communications or its affiliates, other than liabilities associated with our businesses;

the liabilities of Clear Channel Communications and its affiliates businesses, other than liabilities associated with our businesses;

any breach by Clear Channel Communications or any of its affiliates of the Master Agreement or its other agreements with us; and

any untrue statement of, or omission to state, a material fact in our public filings to the extent the statement or omission was as a result of information that Clear Channel Communications furnished to us or that we incorporated by reference from Clear Channel Communications public filings, if the statement or omission was made or occurred after November 10, 2005.

The Master Agreement also specifies procedures with respect to claims subject to indemnification and related matters and provides for contribution in the event that indemnification is not available to an indemnified party.

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Dispute Resolution Procedures. We have agreed with Clear Channel Communications that neither party will commence any court action to resolve any dispute or claim arising out of or relating to the Master Agreement, subject to certain exceptions. Instead, any dispute that is not resolved in the normal course of business will be submitted to senior executives of each business entity involved in the dispute for resolution. If the dispute is not resolved by negotiation within 45 days after submission to the executives, either party may submit the dispute to mediation. If the dispute is not resolved by mediation within 30 days after the selection of a mediator, either party may submit the dispute to binding arbitration before a panel of three arbitrators. The arbitrators will determine the dispute in accordance with Texas law. Most of the other agreements between Clear Channel Communications and us have similar dispute resolution provisions.

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Other Provisions. The Master Agreement also contains covenants between Clear Channel Communications and us with respect to other matters, including the following:

our agreement (subject to certain limited exceptions) not to repurchase shares of our outstanding Class A common stock or any other securities convertible into or exercisable for our Class A common stock, without first obtaining the prior written consent or affirmative vote of Clear Channel Communications, for so long as Clear Channel Communications owns more than 50% of the total voting power of our common stock;

confidentiality of our and Clear Channel Communications information;

our right to continue coverage under Clear Channel Communications insurance policies for so long as Clear Channel Communications owns more than 50% of our outstanding common stock;

restrictions on our ability to take any action or enter into any agreement that would cause Clear Channel Communications to violate any law, organizational document, agreement or judgment;

restrictions on our ability to take any action that limits Clear Channel Communications ability to freely sell, transfer, pledge or otherwise dispose of our stock;

our obligation to comply with Clear Channel Communications policies applicable to its subsidiaries for so long as Clear Channel Communications owns more than 50% of the total voting power of our outstanding common stock, except (i) to the extent such policies conflict with our amended and restated certificate of incorporation or bylaws or any of the agreements between Clear Channel Communications and us, or (ii) as otherwise agreed with Clear Channel Communications or superseded by any policies adopted by our Board; and

restrictions on our ability to enter into any agreement that binds or purports to bind Clear Channel Communications.

Approval Rights of Clear Channel Communications on Certain of our Activities. Until the first date on which Clear Channel Communications owns less than 50% of the total voting power of our common stock, the prior affirmative vote or written consent of Clear Channel Communications is required for the following actions (subject in each case to certain agreed exceptions):

a merger involving us or any of our subsidiaries (other than mergers involving our subsidiaries or to effect acquisitions permitted under our amended and restated certificate of incorporation);

acquisitions by us or our subsidiaries of the stock or assets of another business for a price (including assumed debt) in excess of \$5 million;

dispositions by us or our subsidiaries of assets in a single transaction or a series of related transactions for a price (including assumed debt) in excess of \$5 million;

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incurrence or guarantee of debt by us or our subsidiaries in excess of \$400 million outstanding at any one time or that could reasonably be expected to result in a negative change in any of our credit ratings, excluding our debt with Clear Channel Communications, intercompany debt (within our company and its subsidiaries), and debt determined to constitute operating leverage by a nationally recognized statistical rating organization;

issuance by us or our subsidiaries of capital stock or other securities convertible into capital stock;

entry into any agreement restricting our ability or the ability of any of our subsidiaries to pay dividends, borrow money, repay indebtedness, make loans or transfer assets, in any such case to our company or Clear Channel Communications;

dissolution, liquidation or winding up of our company or any of our subsidiaries;

adoption of a rights agreement; and

alteration, amendment, termination or repeal of, or adoption of any provision inconsistent with, the provisions of our amended and restated certificate of incorporation or our bylaws relating to our authorized capital stock, the rights granted to the holders of the Class B common stock, amendments to our bylaws, stockholder action by written consent, stockholder proposals and meetings, limitation of liability of and indemnification of our officers and directors, the size or classes of our Board, corporate opportunities and conflicts of interest between our company and Clear Channel Communications, and Section 203 of the Delaware General Corporation Law.

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Corporate Services Agreement

We have entered into a corporate services agreement (the "Corporate Services Agreement" with Clear Channel Communications to provide us certain administrative and support services and other assistance. Pursuant to the Corporate Services Agreement, so long as Clear Channel Communications continues to own greater than 50% of the total voting power of our common stock then Clear Channel Communications will provide us with such services and other assistance which we must accept. These include, among other things, the following:

treasury, payroll and other financial related services;

executive officer services;

human resources and employee benefits;

legal and related services;

information systems, network and related services;

investment services;

corporate services; and

procurement and sourcing support.

The charges for the corporate services generally are intended to allow Clear Channel Communications to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses, generally without profit. The allocation of cost is based on various measures depending on the service provided, which measures include relative revenue, employee headcount or number of users of a service.

Under the Corporate Services Agreement, we and Clear Channel Communications each have the right to purchase goods or services, use intellectual property licensed from third parties and realize other benefits and rights under the other party's agreements with third-party vendors to the extent allowed by such vendor agreements. The agreement also provides for the lease or sublease of certain facilities used in the operation of our respective businesses and for access to each other's computing and telecommunications systems to the extent necessary to perform or receive the corporate services.

The Corporate Services Agreement provides that Clear Channel Communications will make available to us, and we will be obligated to utilize, certain executive officers of Clear Channel Communications, including the chief executive officer of Clear Channel Communications, currently Mark P. Mays, to serve as our Chief Executive Officer, the chief financial officer of Clear Channel Communications, currently Thomas W. Casey, to serve as our Chief Financial Officer, and the chief accounting officer of Clear Channel Communications, currently Scott Hamilton, to serve as our Chief Accounting Officer. The Corporate Services Agreement may be terminated by mutual agreement or, after the date Clear Channel Communications owns shares of our common stock representing less than 50% of the total voting power of our common stock, upon six months written notice by us to Clear Channel Communications. Clear Channel Communications charges an allocable portion of the compensation and benefits costs of such persons based on a ratio of our financial performance to the financial performance of Clear Channel Communications. The compensation and benefits costs allocated to us include such executives' salary, bonus and other standard employee benefits, but exclude equity based compensation.

For the year ended December 31, 2009, charges for the corporate and executive services provided to us by Clear Channel Communications under the Corporate Services Agreement totaled \$28.5 million.

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Tax Matters Agreement

We and certain of our corporate subsidiaries continue to be included in the affiliated group of corporations that files a consolidated return for U.S. federal income tax purposes of which Clear Channel Communications is the common parent corporation, and in certain cases, we or one or more of our subsidiaries may be included in a combined, consolidated or unitary group with Clear Channel Communications or one or more of its subsidiaries for certain state and local income tax purposes. We and Clear Channel Communications have entered into a tax matters agreement (the Tax Matters Agreement) to allocate the responsibility of Clear Channel Communications and its subsidiaries, on the one hand, and we and our subsidiaries, on the other, for the payment of taxes resulting from filing tax returns on a combined, consolidated or unitary basis.

With respect to tax returns in which we or any of our subsidiaries are included in a combined, consolidated or unitary group with Clear Channel Communications or any of its subsidiaries for Federal, state or local tax purposes, we make payments to Clear Channel Communications pursuant to the Tax Matters Agreement equal to the amount of taxes that would be paid if we and each of our subsidiaries included in such group filed a separate tax return. We also reimburse Clear Channel Communications for the amount of any taxes paid by it on our behalf with respect to tax returns that include only us or any of our subsidiaries for Federal, state or local tax purposes, which tax returns are prepared and filed by Clear Channel Communications. With respect to certain tax items, such as foreign tax credits, alternative minimum tax credits, net operating losses and net capital losses, that are generated by us or our subsidiaries, but are used by Clear Channel Communications or its subsidiaries when a tax return is filed on a combined, consolidated or unitary basis for Federal, state or local tax purposes, we are reimbursed by Clear Channel Communications as such tax items are used.

Under the Tax Matters Agreement, Clear Channel Communications is appointed the sole and exclusive agent for us and our subsidiaries in any and all matters relating to Federal, state and local income taxes, and has sole and exclusive responsibility for the preparation and filing of all tax returns (or amended returns) related to such taxes and has the power, in its sole discretion, to contest or compromise any asserted tax adjustment or deficiency and to file, litigate or compromise any claim for refund on behalf of us or any of our subsidiaries with respect to such taxes. Additionally, Clear Channel Communications determines the amount of our liability to (or entitlement to payment from) Clear Channel Communications under the Tax Matters Agreement. This arrangement may result in conflicts of interest between Clear Channel Communications and us. For example, under the Tax Matters Agreement, Clear Channel Communications will be able to choose to contest, compromise or settle any adjustment or deficiency proposed by the relevant taxing authority in a manner that may be beneficial to Clear Channel Communications and detrimental to us.

For U.S. Federal income tax purposes, each member of an affiliated group of corporations that files a consolidated return is jointly and severally liable for the U.S. Federal income tax liability of the entire group. Similar principles may apply with respect to members of a group that file a tax return on a combined, consolidated or unitary group basis for state and local tax purposes. Accordingly, although the Tax Matters Agreement will allocate tax liabilities between Clear Channel Communications and us during the period in which we or any of our subsidiaries are included in the consolidated group of Clear Channel Communications or any of its subsidiaries, we and our subsidiaries included in such consolidated group could be liable for the tax liability of the entire consolidated group in the event any such tax liability is incurred and not discharged by Clear Channel Communications. The Tax Matters Agreement provides, however, that Clear Channel Communications will indemnify us and our subsidiaries to the extent that, as a result of us or any of our subsidiaries being a member of a consolidated group, we or our subsidiaries becomes liable for the tax liability of the entire consolidated group (other than the portion of such liability for which we and our subsidiaries are liable under the Tax Matters Agreement).

Under Section 482 of the Internal Revenue Code, the Internal Revenue Service has the authority in certain instances to redistribute, reapportion or reallocate gross income, deductions, credits or allowances between Clear Channel Communications and us. Other taxing authorities may have similar authority under comparable provisions of foreign, state and local law. The Tax Matters Agreement provides that we or Clear Channel Communications will indemnify the other to the extent that, as a result of the Internal Revenue Service exercising its authority (or any other taxing authority exercising a similar authority), the tax liability of one group is reduced while the tax liability of the other group is increased.

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If Clear Channel Communications spins off our Class B common stock to its stockholders in a distribution that is intended to be tax-free under Section 355 of the Code, we have agreed in the Tax Matters Agreement to indemnify Clear Channel Communications and its affiliates against any and all tax-related liabilities if such a spin-off fails to qualify as a tax-free distribution (including as a result of Section 355(e) of the Code) due to actions, events or transactions relating to our stock, assets or business, or a breach of the relevant representations or covenants made by us in the Tax Matters Agreement. If neither we nor Clear Channel Communications is responsible under the Tax Matters Agreement for any such spin-off not being tax-free under Section 355 of the Code, we and Clear Channel Communications have agreed that we will each be responsible for 50% of the tax related liabilities arising from the failure of such a spin-off to so qualify.

At December 31, 2009, the amount of receivable from Clear Channel Communications under the Tax Matters Agreement was \$64.4 million.

Employee Matters Agreement

We have entered into an employee matters agreement (the *Employee Matters Agreement*) with Clear Channel Communications covering certain compensation and employee benefit issues. In general, with certain exceptions, our employees participate in the Clear Channel Communications employee plans and arrangements along with the employees of other Clear Channel Communications subsidiaries. Our payroll is also administered by Clear Channel Communications.

We and Clear Channel Communications reserve the right to withdraw from or terminate our participation, as the case may be, in any of the Clear Channel Communications employee plans and arrangements at any time and for any reason, subject to at least 90 days' notice. Unless sooner terminated, it is likely that our participation in Clear Channel Communications employee plans and arrangements will end if and at such time as we are no longer a subsidiary of Clear Channel Communications, which, for this purpose, means Clear Channel Communications owns less than 80% of the total combined voting power of all classes of our capital stock entitled to vote. We will, however, continue to bear the cost of and retain responsibility for all employment-related liabilities and obligations associated with our employees (and their covered dependents and beneficiaries), regardless of when incurred.

Trademarks

We have entered into a trademark license agreement (the *Trademark License Agreement*) with a subsidiary of Clear Channel Communications that entitles us to use (i) on a nonexclusive basis, the *Clear Channel* trademark and the Clear Channel Communications outdoor trademark logo with respect to day-to-day operations of our business, and (ii) certain other Clear Channel Communications marks in connection with our business. Our use of the marks is subject to Clear Channel Communications' approval. Clear Channel Communications may terminate our use of the marks in certain circumstances, including (i) a breach by us of a term or condition of our various agreements with Clear Channel Communications and (ii) at any time after Clear Channel Communications ceases to own at least 50% of the total voting power of our common stock. In 2009, Clear Channel Communications did not charge us a royalty fee for our use of the trademarks and other marks. We also do not currently anticipate that we will be charged a royalty fee under the Trademark License Agreement in 2010.

Products and Services Provided between Clear Channel Communications and Us

We and Clear Channel Communications engage in transactions in the ordinary course of our respective businesses. These transactions include our providing billboard and other advertising space to Clear Channel Communications at rates we believe would be charged to a third party in an arm's length transaction.

Our branch managers have historically followed a corporate policy allowing Clear Channel Communications to use, without charge, domestic displays that they or their staff believe would otherwise be unsold. Our sales personnel receive partial revenue credit for that usage for compensation purposes. This partial revenue credit is not included in our reported revenues. Clear Channel Communications bears the cost of producing the advertising and we bear the costs of installing and removing this advertising. In 2009, we estimated that these discounted revenues would have been less than 1% of our domestic revenues.

Table of Contents*Intercompany Note and Other Indebtedness*

On August 2, 2005, we distributed a note (the CCU Intercompany Note) in the original principal amount of \$2.5 billion to Clear Channel Communications as a dividend. The CCU Intercompany Note was scheduled to mature on August 2, 2010, could be prepaid in whole at any time, or in part from time to time. The CCU Intercompany Note accrued interest at a variable per annum rate equal to the weighted average cost of debt for Clear Channel Communications, calculated on a monthly basis. The CCU Intercompany Note was mandatorily payable upon a change of control and, subject to certain exceptions, all proceeds from debt or equity raised by us was required to be used to prepay such note. In December 2009, we made voluntary payments on the CCU Intercompany Note in the amount of the total outstanding balance and subsequently retired the debt with Clear Channel Communications as of December 31, 2009.

As part of the day-to-day cash management services provided by Clear Channel Communications, we maintain accounts that represent net amounts due to or from Clear Channel Communications, which are recorded as Due from/to Clear Channel Communications on the consolidated balance sheet. The amounts in such accounts are evidenced by the CCU Cash Management Note and the CCOH Cash Management Note. In connection with the issuance of the Series A Notes and Series B Notes, we and Clear Channel Communications modified the terms of the CCU and CCOH Cash Management Notes (recorded as Due from/to Clear Channel Communications account) to extend the maturity of each note to coincide with the maturity date of the Series A Notes and Series B Notes. In addition, the terms were modified to change the interest rate on each note to equal the interest rate on the Series A Notes and Series B Notes. While the face amount of each Cash Management Note is \$1.0 billion, the accounts represent the aggregate unpaid principal amount of all advances under the promissory note, which may from time to time exceed \$1.0 billion pursuant to the terms of the promissory note. The Cash Management Notes accrue interest and are generally payable on demand. Interest on the CCOH Cash Management Note accrues on the daily net negative cash position and interest on the CCU Cash Management Note accrues on the daily net positive cash position. The Cash Management Notes mature on December 15, 2017 and the interest rate on the Cash Management Notes is a fixed rate of interest equal to 9.25%. Included in the accounts are the net activities resulting from day-to-day cash management services provided by Clear Channel Communications. As a part of these services, we maintain collection bank accounts swept daily via our master account into accounts of Clear Channel Communications. In return, Clear Channel Communications funds our master account on days where disbursements exceed our collections. Our claim in relation to cash transferred from our master account is on an unsecured basis and is limited to the balance of the Due from Clear Channel Communications account. If Clear Channel Communications were to become insolvent, the Series A Notes and Series B Notes would not be accelerated, and we would be an unsecured creditor of Clear Channel Communications with respect to any amounts owed to us under the CCU Cash Management Note. At December 31, 2009, the asset recorded in Due from Clear Channel Communications on the consolidated balance sheet was \$123.3 million. At December 31, 2009, we had no borrowings under the CCOH Cash Management Note.

Policy on Review, Approval or Ratification of Transactions with Related Persons

Clear Channel Outdoor has adopted a written policy for approval of transactions between Clear Channel Outdoor and its directors, director nominees, executive officers, greater-than-5% beneficial owners and their respective immediate family members. However, the related person transactions described above in this document with respect to Clear Channel Communications were not approved under this policy because they occurred prior to the time the policy was adopted.

The policy provides that the Audit Committee reviews certain transactions subject to the policy and determines whether or not to approve those transactions. In doing so, the Audit Committee satisfies itself that it has been fully informed as to the material facts of the related person's relationship and interest and as to the material facts of the proposed transaction and determines whether the transaction is fair to Clear Channel Outdoor. In addition, if Clear Channel Outdoor's management, in consultation with Clear Channel Outdoor's Chief Executive Officer or President and Chief Financial Officer determines that it is not practicable to wait until the next Audit Committee meeting to approve or ratify a particular transaction, then the Board has delegated authority to the Chairman of the Audit Committee to approve or ratify such transactions. The Chairman of the Audit Committee shall report to the Audit Committee any transactions reviewed by him or her pursuant to this delegated authority at the next Audit Committee meeting.

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AUDIT COMMITTEE REPORT

The following Report of the Audit Committee concerns the Audit Committee's activities regarding oversight of Clear Channel Outdoor Holdings, Inc.'s financial reporting and auditing process and does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Clear Channel Outdoor specifically incorporates this Report by reference therein.

The Audit Committee is comprised solely of independent directors and it operates under a written charter adopted by the Board. The charter reflects standards set forth in SEC regulations and NYSE rules. The composition of the Audit Committee, the attributes of its members and the responsibilities of the Audit Committee, as reflected in its charter, are intended to be in accordance with applicable requirements for corporate audit committees. The Audit Committee reviews and assesses the adequacy of its charter on an annual basis. The full text of the Audit Committee's charter can be found on Clear Channel Outdoor's Internet website at www.clearchanneloutdoor.com.

As set forth in more detail in the charter, the Audit Committee's purpose is to assist the Board in its general oversight of Clear Channel Outdoor's financial reporting, internal control and audit functions. Management is responsible for the preparation, presentation and integrity of Clear Channel Outdoor's financial statements, accounting and financial reporting principles and internal controls and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. Ernst & Young LLP, Clear Channel Outdoor's independent auditing firm, is responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States, as well as expressing an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent auditor, nor can the Audit Committee certify that the independent auditor is independent under applicable rules. The Audit Committee serves a Board-level oversight role, in which it provides advice, counsel and direction to management and the auditors on the basis of the information it receives, discussions with management and the auditors and the experience of the Audit Committee's members in business, financial and accounting matters.

Among other matters, the Audit Committee monitors the activities and performance of Clear Channel Outdoor's internal and external auditors, including the audit scope, external audit fees, auditor independence matters and the extent to which the independent auditor may be retained to perform non-audit services. Subject to the consent of our corporate parent, the Audit Committee has ultimate authority and responsibility to select, evaluate and, when appropriate, replace Clear Channel Outdoor's independent auditor. The Audit Committee also reviews the results of the internal and external audit work with regard to the adequacy and appropriateness of Clear Channel Outdoor's financial, accounting and internal controls. Management and independent auditor presentations to and discussions with the Audit Committee also cover various topics and events that may have significant financial impact or are the subject of discussions between management and the independent auditor. In addition, the Audit Committee generally oversees Clear Channel Outdoor's internal compliance programs. The Audit Committee has engaged independent legal and financial advisors with whom it consults with from time to time in the performance of its duties.

The Audit Committee has implemented procedures to ensure that during the course of each fiscal year it devotes the attention that it deems necessary or appropriate to each of the matters assigned to it under the Audit Committee's charter. To carry out its responsibilities, the Audit Committee met nine times during the year ended December 31, 2009. The Audit Committee also met privately with the internal and external auditors as well as management immediately following four of these meetings.

During the course of 2009, management completed the documentation, testing and evaluation of Clear Channel Outdoor's internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. The Audit Committee was kept apprised of the progress of the evaluation and provided oversight and advice to management during the process. In connection with this oversight, the Audit Committee received periodic updates provided by management and Ernst & Young LLP at each regularly scheduled Audit Committee meeting. At the conclusion of the process, management provided the Audit Committee with a report on the effectiveness of Clear Channel Outdoor's internal control over financial reporting. The Audit Committee also reviewed the report of management contained in Clear Channel Outdoor's Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC, as well as Ernst & Young LLP's Report of Independent Registered Public Accounting Firm included in Clear Channel Outdoor's Annual Report on Form 10-K related to its audit of the consolidated financial statements and financial statement schedule and the effectiveness of internal control over financial reporting.

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In overseeing the preparation of Clear Channel Outdoor's financial statements, the Audit Committee met with both management and Clear Channel Outdoor's outside auditors and reviewed and discussed all financial statements prior to their issuance and discussed other significant accounting issues. Management advised the Audit Committee that all financial statements were prepared in accordance with generally accepted accounting principles. The Audit Committee's review included discussion with the outside auditors of matters required to be discussed pursuant to Statement on Auditing Standards No. 61, *Communications with Audit Committees*, as amended and as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

With respect to Clear Channel Outdoor's outside auditors, the Audit Committee, among other things, discussed with Ernst & Young LLP matters relating to its independence, including its letter and the written disclosures made to the Audit Committee as required by applicable requirements of the PCAOB regarding Ernst & Young LLP's communications with the Audit Committee concerning independence.

Finally, the Audit Committee continued to monitor the scope and adequacy of Clear Channel Outdoor's internal auditing program, including proposals for adequate staffing and to strengthen internal procedures and controls where appropriate.

On the basis of these reviews and discussions, the Audit Committee recommended to the Board that Clear Channel Outdoor's audited financial statements be included in Clear Channel Outdoor's Annual Report on Form 10-K for the year ended December 31, 2009, for filing with the Securities and Exchange Commission.

Respectfully submitted,

THE AUDIT COMMITTEE
James M. Raines Chairman,
Marsha M. Shields and Dale W. Tremblay

AUDITOR FEES

Ernst & Young LLP billed Clear Channel Outdoor the following fees for services provided during the years ended December 31, 2009 and 2008:

<i>(In thousands)</i>	Fees Paid During Year	
	Ended	
	2009	2008
Audit fees (a)	\$ 4,353	\$ 3,967
Audit-related fees (b)		33
Tax fees (c)	521	761
All other fees (d)	75	
Total fees for services	\$ 4,949	\$ 4,761

- (a) Audit fees are for professional services rendered for the audit of our annual financial statements and reviews of quarterly financial statements. This category also includes fees for statutory audits required domestically and internationally, comfort letters, consents, assistance with and review of documents filed with the SEC, attest services, work done by tax professionals in connection with the audit or quarterly reviews, and accounting consultations and research work necessary to comply with generally accepted auditing standards.

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- (b) Audit-related fees are for assurance and related services not reported under annual audit fees that reasonably relate to the performance of the audit or review of our financial statements, including due diligence related to mergers and acquisitions, internal control reviews and attest services not required by statute or regulations.

- (c) Tax fees are for professional services rendered for tax compliance, tax advice and tax planning, except those provided in connection with the audit or quarterly reviews. Of the \$521,000 tax fees for 2009, \$135,000 was related to tax compliance services. Of the \$761,000 tax fees for 2008, \$58,056 was related to tax compliance services.

- (d) All other fees are the fees for products and services other than those in the above three categories. This category includes permitted corporate finance services and certain advisory services.
Clear Channel Outdoor's Audit Committee has considered whether Ernst & Young LLP's provision of non-audit services to Clear Channel Outdoor is compatible with maintaining Ernst & Young LLP's independence.

The Audit Committee pre-approves all audit and permitted non-audit services (including the fees and terms thereof) to be performed for Clear Channel Outdoor by its independent auditor. The chairperson of the Audit Committee may represent the entire committee for the purposes of pre-approving permissible non-audit services, provided that the decision to pre-approve any service is disclosed to the Audit Committee no later than its next scheduled meeting.

Representatives of the firm of Ernst & Young LLP are expected to be present at the annual meeting of stockholders and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM

Subject to ratification by the stockholders, the Audit Committee has reappointed Ernst & Young LLP as the independent registered public accounting firm to audit the financial statements of Clear Channel Outdoor for the year ending December 31, 2010.

Representatives of the firm of Ernst & Young LLP are expected to be present at the annual meeting of stockholders and will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions. The Audit Committee may terminate the appointment of Ernst & Young LLP as the independent auditor without stockholder approval whenever the Audit Committee deems termination necessary or appropriate.

The affirmative vote of the holders of a majority of Clear Channel Outdoor's outstanding shares of common stock present or represented by proxy who are entitled to vote at the annual meeting is required to approve the proposal for the selection of the independent registered public accounting firm. Votes withheld and abstentions will have the same effect as votes against this matter. Unless indicated to the contrary, the enclosed proxy will be voted for the proposal.

STOCKHOLDER PROPOSALS FOR 2011 ANNUAL MEETING

Stockholders interested in submitting a proposal for inclusion in the proxy materials for the annual meeting of stockholders in 2011 may do so by following the procedures prescribed in SEC Rule 14a-8. To be eligible for inclusion, stockholder proposals must be received by the Secretary of Clear Channel Outdoor no later than December 27, 2010. Proposals should be sent to Secretary, Clear Channel Outdoor Holdings, Inc., 200 East Basse Road, San Antonio, Texas 78209.

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ADVANCE NOTICE PROCEDURES

Under our bylaws, any stockholder desiring to nominate a person for election to our Board or propose other business to be considered by the stockholders at an annual meeting must provide notice of such nomination or other business in writing to the secretary of Clear Channel Outdoor not earlier than the close of business on the 120th day, nor later than the close of business on the 90th day, prior to the first anniversary of the preceding year's annual meeting. These requirements are separate from and in addition to the SEC's requirements that a stockholder must meet in order to have a stockholder proposal included in Clear Channel Outdoor's proxy statement.

OTHER MATTERS

Neither Clear Channel Outdoor's management nor the Board knows of any other business to be brought before the annual meeting other than the matters described above. If any other matters properly come before the annual meeting, the proxies will be voted on such matters in accordance with the judgment of the persons named as proxies therein, or their substitutes, present and acting at the meeting.

GENERAL

The cost of soliciting proxies will be borne by Clear Channel Outdoor. Following the original mailing of the proxy soliciting material, regular employees of Clear Channel Outdoor may solicit proxies by mail, telephone, facsimile, e-mail and personal interview. Proxy cards and materials will also be distributed to beneficial owners of stock, through brokers, custodians, nominees and other like parties. Clear Channel Outdoor expects to reimburse such parties for their charges and expenses connected therewith.

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. Clear Channel Outdoor and some brokers household proxy materials, delivering a single proxy statement to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they or we will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, please notify your broker if your shares are held in a brokerage account or us if your shares are registered in your name. You can notify us by sending a written request to Clear Channel Outdoor Holdings, Inc., Stockholder Relations, 200 East Basse Road, San Antonio, Texas 78209 or by calling (210) 832-3700. Upon written or oral request, we will promptly deliver a separate copy of this proxy statement to a beneficial shareholder at a shared address to which a single copy of the proxy statement was delivered.

An electronic copy of Clear Channel Outdoor's Annual Report on Form 10-K filed with the SEC on March 16, 2010 is available free of charge at Clear Channel Outdoor's Internet website at www.clearchanneloutdoor.com. A paper copy of the Form 10-K is also available without charge to stockholders upon written request to Clear Channel Outdoor Holdings, Inc., 200 East Basse Road, San Antonio, Texas 78209.

This document is dated April 26, 2010 and is first being mailed to stockholders on or about May 3, 2010.

Robert H. Walls, Jr.
Executive Vice President, General Counsel and Secretary

Table of Contents**APPENDIX A****FINANCIAL STATEMENTS, FOOTNOTES AND OTHER DATA****STOCK PERFORMANCE GRAPH**

The following chart demonstrates a comparison of the cumulative total returns for the Company, Lamar Advertising Company, an outdoor advertising company and the S&P 500 Composite Index from November 11, 2005 through December 31, 2009.

Indexed Yearly Stock Price Close

(Price adjusted for Stock Splits and Dividends)

	11/11/05	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09
Clear Channel Outdoor	1,000	1,081	1,505	1,491	331	560
Lamar Advertising Company	1,000	1,019	1,444	1,117	292	723
S&P 500 Index	1,000	1,014	1,174	1,238	780	986

EXCERPTS FROM THE ANNUAL REPORT ON FORM 10-K**ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our Class A common stock trades on the New York Stock Exchange (NYSE) under the symbol CCO. There were 87 shareholders of record as of March 10, 2010. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies. The following table sets forth, for the calendar quarters indicated, the reported high and low sales price of our Class A common stock as reported on the NYSE:

	Common Stock Market Price			Common Stock Market Price	
	High	Low		High	Low
2008			2009		
First Quarter	\$ 27.82	\$ 18.36	First Quarter	\$ 7.74	\$ 2.14
Second Quarter	22.49	17.05	Second Quarter	7.04	3.29
Third Quarter	18.15	11.88	Third Quarter	7.68	3.84
Fourth Quarter	13.75	3.35	Fourth Quarter	11.29	6.51

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Table of Contents**Dividend Policy**

To date, we have never paid dividends on our Class A common stock and our ability to pay dividends on our common stock is subject to restrictions should we seek to do so in the future. We are a holding company with no independent operations and no significant assets other than the stock of our subsidiaries. We, therefore, are dependent on the receipt of dividends or other distributions from our subsidiaries to pay dividends. In addition, our senior notes contain restrictions on our ability to pay dividends. If we were to declare and pay cash dividends in the future, holders of Class A common stock and Class B common stock would share equally, on a per share basis, in any such cash dividend.

Equity Compensation Plans

The following table summarizes information as of December 31, 2009, relating to the Company's equity compensation plan pursuant to which grants of options, restricted stock or other rights to acquire shares may be granted from time to time.

Plan category	Number of securities to be issued upon exercise price of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	9,405,069	\$ 16.90	31,559,777
Equity compensation plans not approved by security holders		\$	
Total	9,405,069	\$ 16.90	31,559,777

(1) Represents the Clear Channel Outdoor Holdings, Inc. 2005 Stock Incentive Plan.

Sales of Unregistered Securities

We did not sell any equity securities during 2009 that were not registered under the Securities Act of 1933.

Purchases of Equity Securities by the Issuer and Affiliated Purchases.

During the three months ended December 31, 2009, we accepted shares in payment of income taxes due upon the vesting of restricted stock awards as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Programs
October 1 through October 31	196	\$ 7.84		\$
November 1 through November 30	9,131	\$ 7.93		\$
December 1 through December 31		\$		\$
Total	9,327	\$ 7.93		\$

ITEM 6. Selected Financial Data

We have prepared our consolidated and combined financial statements as if Clear Channel Outdoor Holdings, Inc. had been in existence as a separate company throughout all relevant periods. The historical financial and other data prior to the IPO, which occurred on November 11, 2005, have been prepared on a combined basis from Clear Channel Communications' consolidated financial statements using the historical results of operations and bases of the assets and liabilities of Clear Channel Communications' Americas outdoor and International outdoor advertising businesses and give effect to allocations of expenses from Clear Channel Communications. Our historical financial data prior to the

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IPO may not necessarily be indicative of our future performance nor will such data reflect what our financial position and results of operations would have been had we operated as an independent publicly traded company during the periods shown.

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The following tables set forth our summary historical consolidated financial and other data as of the dates and for the periods indicated. The summary historical financial data are derived from our audited consolidated financial statements. Historical results are not necessarily indicative of the results to be expected for future periods. Acquisitions and dispositions impact the comparability of the historical consolidated financial data reflected in this schedule of Selected Financial Data.

We adopted Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51*, codified in ASC 810-10-45 on January 1, 2009. Adoption of this standard requires retrospective application in the financial statements of earlier periods on January 1, 2009. In connection with our subsidiary's offering of \$500.0 million aggregate principal amount of Series A Senior Notes and \$2.0 billion aggregate principal amount of Series B Senior Notes, we filed a Form 8-K on December 11, 2009 to retrospectively recast the historical financial statements and certain disclosures included in our Annual Report on Form 10-K for the year ended December 31, 2008 for the adoption of ASC 810-10-45.

The summary historical consolidated financial and other data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and the related notes thereto appearing elsewhere in this Annual Report on Form 10-K. The statement of operations for the year ended December 31, 2008 is comprised of two periods: post-merger and pre-merger. We applied purchase accounting adjustments to the opening balance sheet on July 31, 2008 as the merger occurred at the close of business on July 30, 2008. The merger resulted in a new basis of accounting beginning on July 31, 2008. For additional discussion regarding the pre-merger and post-merger periods, please refer to the consolidated financial statements in Item 8 of this Annual Report on Form 10-K.

<i>(In thousands, except per share data)</i>	Year Ended December 31,				
	2009 Post-Merger	2008 Combined	2007 (1) Pre-Merger	2006 (2) Pre-Merger	2005 Pre-Merger
Results of Operations Data:					
Revenue	\$ 2,698,024	\$ 3,289,287	\$ 3,281,836	\$ 2,897,721	\$ 2,666,078
Operating expenses:					
Direct operating expenses	1,625,083	1,882,136	1,734,845	1,514,842	1,405,758
Selling, general and administrative expenses	484,404	606,370	537,994	486,994	478,343
Depreciation and amortization	439,647	472,350	399,483	407,730	400,639
Corporate expenses	65,247	71,045	66,080	65,542	61,096
Impairment charges (3)	890,737	3,217,649			
Other operating income (expense) net	(8,231)	15,848	11,824	22,846	3,488
Operating income (loss)	(815,325)	(2,944,415)	555,258	445,459	323,730
Interest expense net (including interest on debt with Clear Channel Communications)	154,195	161,650	157,881	162,583	198,354
Loss on marketable securities	11,315	59,842			
Equity in earnings (loss) of nonconsolidated affiliates	(31,442)	68,733	4,402	7,460	9,844
Other income (expense) net	(9,368)	25,479	10,113	331	(12,291)
Income (loss) before income taxes	(1,021,645)	(3,071,695)	411,892	290,667	122,929
Income tax (expense) benefit:					
Current	16,769	(27,126)	(111,726)	(82,553)	(51,173)
Deferred	132,341	247,445	(34,915)	(39,527)	5,689
Income tax (expense) benefit	149,110	220,319	(146,641)	(122,080)	(45,484)
Consolidated net income (loss)	(872,535)	(2,851,376)	265,251	168,587	77,445
Amount attributable to noncontrolling interest	(4,346)	(293)	19,261	15,515	15,872
Net income (loss) attributable to the Company	\$ (868,189)	\$ (2,851,083)	\$ 245,990	\$ 153,072	\$ 61,573

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	Year Ended December 31,				
	2009 Post-Merger	2008 Combined	2007 (1) Pre-Merger	2006 (2) Pre-Merger	2005 Pre-Merger
Net income (loss) per common share:					
Basic:					
Net income (loss) attributable to the Company	\$ (2.46)	\$ (8.03)	\$ 0.69	\$ 0.43	\$ 0.19
Weighted average common shares	355,377	355,233	354,838	352,155	319,890
Diluted:					
Net income (loss) attributable to the Company	\$ (2.46)	\$ (8.03)	\$ 0.69	\$ 0.43	\$ 0.19
Weighted average common shares	355,377	355,233	355,806	352,262	319,921

	As of December 31,				
	2009 Post-Merger	2008 Post-Merger	2007 (1) Pre-Merger	2006 (2) Pre-Merger	2005 Pre-Merger
<i>(In thousands)</i>					
Balance Sheet Data:					
Current assets	\$ 1,640,545	\$ 1,554,652	\$ 1,607,107	\$ 1,189,915	\$ 1,050,180
Property, plant and equipment net	2,440,638	2,586,720	2,244,108	2,191,839	2,153,428
Total assets	7,192,422	8,050,761	5,935,604	5,421,891	4,918,345
Current liabilities	771,093	791,865	921,292	841,509	793,812
Long-term debt, including current maturities	2,608,878	2,601,854	2,682,021	2,684,176	2,727,786
Shareholders equity	2,761,377	3,543,823	2,198,594	1,768,279	1,376,714

- (1) Effective January 1, 2007, the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, codified in ASC 740-10. In accordance with the provisions of ASC 740-10, the effects of adoption were accounted for as a cumulative-effect adjustment recorded to the balance of retained earnings on the date of adoption.
- (2) Effective January 1, 2006, the Company adopted FASB Statement No. 123(R), *Share-Based Payment*, codified in ASC 718-10. In accordance with the provisions of ASC 718-10, the Company elected to adopt the standard using the modified prospective method.
- (3) We recorded non-cash impairment charges of \$890.7 million in 2009 and \$3.2 billion in 2008 as a result of the global economic downturn which adversely affected advertising revenues across our businesses.

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ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

Management's discussion and analysis of our financial condition and results of operations is provided as a supplement to the audited annual financial statements and accompanying notes thereto to help provide an understanding of our financial condition, changes in our financial condition and results of our operations. The information included herein should be read in conjunction with the annual financial statements and its accompanying notes and is organized as follows:

Overview. This section provides a general description of our business, as well as other matters we believe are important in understanding our results of operations and financial condition and in anticipating future trends.

Results of Operations. This section provides an analysis of our results of operations for the years ended December 31, 2009, 2008 and 2007.

Our discussion is presented on both a consolidated and segment basis. Our reportable operating segments are Americas and International. Approximately 91% of our 2009 Americas revenue was derived from the United States, with the balance derived primarily from Canada and Latin America. Approximately 39% of our 2009 International revenue was derived from France and the United Kingdom.

We manage our segments primarily focusing on operating income. Corporate expenses, impairment charges, other operating income (expense) net, interest expense, equity in earnings (loss) of nonconsolidated affiliates, other income (expense) net and income taxes are managed on a total company basis and are, therefore, included only in our discussion of consolidated results.

Liquidity and Capital Resources. This section provides a discussion of our liquidity and capital resources as of December 31, 2009, as well as an analysis of our cash flows for the years ended December 31, 2009, 2008 and 2007. The discussion of our liquidity and capital resources includes summaries of (i) our primary sources of liquidity, (ii) our key debt covenants and (iii) our outstanding debt and commitments (both firm and contingent) that existed as of December 31, 2009.

Seasonality, Market Risk Management and Inflation. These sections discuss seasonality and how we manage exposure to potential losses arising from adverse changes in foreign currency exchange rates, interest rates and inflation.

Recent Accounting Pronouncements and Critical Accounting Estimates. These sections discuss accounting policies considered to be important to our financial condition and results of operations and which require significant judgment and estimates on the part of management in their application. In addition, all of our significant accounting policies, including our critical accounting policies, are summarized in Note A to our consolidated financial statements included elsewhere in this Annual Report.

OVERVIEW

Clear Channel Communications Merger

On July 30, 2008, Clear Channel Communications, our parent company, completed its merger with a subsidiary of CC Media Holdings, a company formed by a group of private equity funds sponsored by Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. (together, the Sponsors). Clear Channel Communications is now owned indirectly by CC Media Holdings. The merger was accounted for as a purchase business combination in conformity with Statement of Financial Accounting Standards No. 141, *Business Combinations*, and Emerging Issues Task Force Issue 88-16, *Basis in Leveraged Buyout Transactions*. ASC 805-50-S99-1 requires the application of push down accounting in situations where the ownership of an entity has changed. As a result, the post-merger financial statements reflect a new basis of accounting. A portion of the consideration paid has been allocated to the assets and liabilities acquired at their respective fair values at July 30, 2008. The remaining portion was recorded at the continuing shareholders basis, due to the fact that certain shares of Clear Channel Communications were exchanged for shares of CC Media Holdings Class A common stock. Excess consideration after this allocation was recorded as goodwill.

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During the first seven months of 2009, the Company decreased the initial fair value estimate of its permits, contracts, site leases and other assets and liabilities primarily in its Americas segment by \$100.7 million based on additional information received, which resulted in an increase to goodwill of \$55.8 million and a decrease to deferred taxes of \$44.9 million. During the third quarter of 2009, the Company adjusted deferred taxes by \$24.5 million to true-up its tax rates in certain jurisdictions that were estimated in the initial purchase price allocation. In addition, during the third quarter of 2009, we recorded a \$45.0 million increase to goodwill in our International outdoor segment related to the fair value of certain noncontrolling interests which existed at the merger date, with no related tax effect. This noncontrolling interest was recorded pursuant to ASC 480-10-S99 which determines the classification of redeemable noncontrolling interests. We subsequently determined that the increase in goodwill related to these noncontrolling interests should have been included in the impairment charges resulting from the interim goodwill impairment test. As a result, during the fourth quarter of 2009, we impaired this entire goodwill amount, which after consideration of foreign exchange movements, was \$41.4 million.

The purchase price allocation was complete as of July 30, 2009 in accordance with ASC 805-10-25, which requires that the allocation period not exceed one year from the date of acquisition.

Format of Presentation

Our consolidated statements of operations and statements of cash flows are presented for two periods: post-merger and pre-merger. The merger resulted in a new basis of accounting beginning on July 31, 2008 and the financial reporting periods are presented as follows:

The year ended December 31, 2009 and the period from July 31, 2008 through December 31, 2008 includes the post-merger period, reflecting the purchase accounting adjustments related to the merger that were pushed down to us.

The period from January 1, 2008 through July 30, 2008 and the year ended December 31, 2007 reflect the pre-merger period. The consolidated financial statements for all pre-merger periods were prepared using our historical basis of accounting. As a result of the merger and the associated purchase accounting, the consolidated financial statements of the post-merger periods are not comparable to periods preceding the merger.

The discussion in this MD&A is presented on a combined basis of the pre-merger and post-merger periods for 2008. The 2008 post-merger and pre-merger results are presented but are not discussed separately. We believe that the discussion on a combined basis is more meaningful as it allows the results of operations to be analyzed to comparable periods in 2009 and 2007.

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

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

There are several agreements which govern our relationship with Clear Channel Communications including the Master Agreement, Corporate Services Agreement, Employee Matters Agreement and Tax Matters Agreement. Clear Channel Communications has the right to terminate these agreements in various circumstances. As of the date of the filing of this Annual Report, no notice of termination of any of these agreements has been received from Clear Channel Communications. Our agreements with Clear Channel Communications continue under the same terms and conditions subsequent to Clear Channel Communications' merger.

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In conjunction with the merger, Clear Channel Communications' \$1.75 billion revolving credit facility, including the \$150.0 million sub-limit, was terminated. The facility was replaced with a \$2.0 billion revolving credit facility with a maturity in July 2014, which includes a \$150.0 million sub-limit that certain of our International subsidiaries may borrow against to the extent Clear Channel Communications has not already borrowed against this capacity and is in compliance with its covenants under the credit facility. The obligations of these International subsidiaries that are borrowers under the revolving credit facility are guaranteed by certain of our material wholly-owned subsidiaries, and secured by substantially all of the assets of such borrowers and guarantors, subject to permitted liens and other exceptions. As of December 31, 2009, the outstanding balance on the sub-limit was approximately \$150.0 million, of which \$30.0 million was drawn by us and the remaining amount drawn by Clear Channel Communications.

Impairment Charges

Impairments to Definite-lived Tangibles and Intangibles

We review our definite-lived tangibles and intangibles for impairment when events and circumstances indicate that amortizable long-lived assets might be impaired and the undiscounted cash flows estimated to be generated from those assets are less than the carrying amount of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

We use various assumptions in determining the current fair market value of these assets, including future expected cash flows, industry growth rates and discount rates. Impairment loss calculations require management to apply judgment in estimating future cash flows, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

During fourth quarter of 2009, we recorded impairments of \$28.8 million primarily related to contract intangible assets and street furniture tangible assets in our International segment based on the provisions of ASC 360-10. ASC 360-10 states that long-lived assets should be tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The decline in our contract intangible assets was primarily driven by a decline in cash flow projections from these contracts. The remaining balance of the contract intangible assets, for the contracts that were impaired, after impairment was \$4.4 million.

During the second quarter of 2009, we recorded a \$21.3 million impairment to taxi contract intangible assets in our Americas segment and a \$26.2 million impairment primarily related to street furniture tangible assets and contract intangible assets in our International segment under ASC 360-10. We determined fair values using a discounted cash flow model. The decline in fair value of the contracts was primarily driven by a decline in the revenue projections since the date of the merger. The decline in revenue related to taxi contracts and street furniture and billboard contracts was in the range of 10% to 15%. The balance of these taxi contracts and street furniture and billboard contracts after the impairment charges, for the contracts that were impaired, was \$3.3 million and \$16.0 million, respectively. We subsequently sold our taxi advertising business in the fourth quarter of 2009 and recorded a loss of \$20.9 million.

Interim Impairments to Billboard Permits

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

The United States and global economies have undergone a period of economic uncertainty, which caused, among other things, a general tightening in the credit markets, limited access to the credit markets, lower levels of liquidity and lower consumer and business spending. These disruptions in the credit and financial markets and the impact of adverse economic, financial and industry conditions on the demand for advertising negatively impacted the key assumptions in the discounted cash flow models that were used to value our billboard permits as of the merger date. Therefore, we performed an interim impairment test on our billboard permits as of December 31, 2008, which resulted in a non-cash impairment charge of \$722.6 million.

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Our cash flows during the first six months of 2009 were below those in the discounted cash flow model used to calculate the impairment at December 31, 2008. As a result, we performed an interim impairment test as of June 30, 2009 on our billboard permits resulting in a non-cash impairment charge of \$345.4 million.

Our impairment tests consisted of a comparison of the fair value of the billboard permits at the market level with their carrying amount. If the carrying amount of the billboard permit exceeded its fair value, an impairment loss was recognized equal to that excess. After an impairment loss is recognized, the adjusted carrying amount of the billboard permit is its new accounting basis. The fair value of the billboard permits was determined using the direct valuation method as prescribed in ASC 805-20-S99. Under the direct valuation method, the fair value of the billboard permits was calculated at the market level as prescribed by ASC 350-30-35. We engaged Mesirow Financial Consulting LLC (Mesirow Financial) to assist us in the development of the assumptions and our determination of the fair value of our billboard permits.

Our application of the direct valuation method attempts to isolate the income that is properly attributable to the permit alone (that is, apart from other tangible and identified intangible assets and goodwill). It is based upon modeling a hypothetical greenfield build up to a normalized enterprise that, by design, lacks inherent goodwill and whose only other assets have essentially been paid for (or added) as part of the build-up process. We forecasted revenue, expenses and cash flows over a ten-year period for each of our markets in our application of the direct valuation method. We also calculated a normalized residual year which represents the perpetual cash flows of each market. The residual year cash flow was capitalized to arrive at the terminal value of the permits in each market.

Under the direct valuation method, it is assumed that rather than acquiring indefinite-lived intangible assets as part of a going concern business, the buyer hypothetically develops indefinite-lived intangible assets and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flow model which results in value that is directly attributable to the indefinite-lived intangible assets.

Our key assumptions using the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average billboard permit within a market.

Management uses its internal forecasts to estimate industry normalized information as it believes these forecasts are similar to what a market participant would expect to generate. This is due to the pricing structure and demand for outdoor signage in a market being relatively constant regardless of the owner of the operation. Management also relied on its internal forecasts because there is nominal public data available for each of its markets.

The build-up period represents the time it takes for the hypothetical start-up operation to reach normalized operations in terms of achieving a mature market revenue share and profit margin. Management believes that a one-year build-up period is required for a start-up operation to erect the necessary structures and obtain advertisers in order to achieve mature market revenue share. It is estimated that a start-up operation would be able to obtain 10% of the potential revenues in the first year of operations and 100% in the second year. Management assumed industry revenue growth of negative 9% and negative 16% during the build-up period for the December 31, 2008 and June 30, 2009 interim impairment tests, respectively. However, the cost structure is expected to reach the normalized level over three years due to the time required to recognize the synergies and cost savings associated with the ownership of the permits within the market.

For the normalized operating margin in the third year, management assumed a hypothetical business would operate at the lower of the operating margin for the specific market or the industry average margin of 46% and 45% based on an analysis of comparable companies in the December 31, 2008 and June 30, 2009 impairment models, respectively. For the first and second year of operations, the operating margin was assumed to be 50% of the normalized operating margin for both the December 31, 2008 and June 30, 2009 impairment models. The first and second-year expenses include the non-recurring start-up costs necessary to build the operation (i.e., development of customers, workforce, etc.).

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In addition to cash flows during the projection period, a normalized residual cash flow was calculated based upon industry-average growth of 3% beyond the discrete build-up projection period in both the December 31, 2008 and June 30, 2009 impairment models. The residual cash flow was then capitalized to arrive at the terminal value.

The present value of the cash flows is calculated using an estimated required rate of return based upon industry-average market conditions. In determining the estimated required rate of return, management calculated a discount rate using both current and historical trends in the industry.

We calculated the discount rate as of the valuation date and also one-year, two-year, and three-year historical quarterly averages. The discount rate was calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages in an expected capital structure. The capital structure was estimated based on the quarterly average of data for publicly traded companies in the outdoor advertising industry.

The calculation of the discount rate required the rate of return on debt, which was based on a review of the credit ratings for comparable companies (i.e. market participants). We used the yield on a Standard & Poor's B⁻ rated corporate bond for the pre-tax rate of return on debt and tax-effected such yield based on applicable tax rates.

The rate of return on equity capital was estimated using a modified CAPM. Inputs to this model included the yield on long-term U.S. Treasury Bonds, forecast betas for comparable companies, calculation of a market risk premium based on research and empirical evidence and calculation of a size premium derived from historical differences in returns between small companies and large companies using data published by Ibbotson Associates.

Our concluded discount rate used in the discounted cash flow models to determine the fair value of the permits was 9.5% at December 31, 2008 and 10% at June 30, 2009. Applying the discount rate, the present value of cash flows during the discrete projection period and terminal value were added to estimate the fair value of the hypothetical start-up operation. The initial capital investment was subtracted to arrive at the value of the permits. The initial capital investment represents the expenditures required to erect the necessary advertising structures.

The discount rate used in the December 31, 2008 impairment model increased approximately 100 basis points over the discount rate used to value the permits in the preliminary purchase price allocation as of July 30, 2008. Industry revenue forecasts declined 10% through 2013 compared to the forecasts used in the preliminary purchase price allocation as of July 30, 2008. These market driven changes were primarily responsible for the decline in fair value of the billboard permits below their carrying value. As a result, we recognized a non-cash impairment charge, which totaled \$722.6 million. The fair value of our permits was \$1.5 billion at December 31, 2008.

The discount rate used in the June 30, 2009 impairment model increased approximately 50 basis points over the discount rate used to value the permits at December 31, 2008. Industry revenue forecasts declined 8% through 2013 compared to the forecasts used in the 2008 impairment test. These market driven changes were primarily responsible for the decline in fair value of the billboard permits below their carrying value. As a result, we recognized a non-cash impairment charge in all but five of our markets in the United States and Canada, which totaled \$345.4 million. The fair value of our permits was \$1.1 billion at June 30, 2009.

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The following table shows the increase to the billboard permit impairment that would have occurred using hypothetical percentage reductions in fair value, had the hypothetical reductions in fair value existed at the time of our impairment testing:

(In thousands)

Percent change in fair value	June 30, 2009 Change to impairment	December 31, 2008 Change to impairment
5%	\$ 55,776	\$ 80,798
10%	\$ 111,782	\$ 156,785
15%	\$ 167,852	\$ 232,820

Annual Impairment Test to Billboard Permits

We perform our annual impairment test on October 1 of each year. We engaged Mesirov Financial to assist us in the development of the assumptions and our determination of the fair value of our billboard permits. The aggregate fair value of our permits on October 1, 2009 increased approximately 8% from the fair value at June 30, 2009. The increase in fair value resulted primarily from an increase of \$57.7 million related to improved industry revenue forecasts. The discount rate was unchanged from the June 30, 2009 interim impairment analysis. We calculated the discount rate as of the valuation date and also one-year, two-year and three-year quarterly averages. The discount rate as of the valuation date was calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages in an expected capital structure. The capital structure was estimated based on the quarterly average of data for publicly traded companies in the outdoor advertising industry. The fair value of our permits at October 1, 2009 was approximately \$1.2 billion.

While we believe we have made reasonable estimates and utilized reasonable assumptions to calculate the fair value of our permits, it is possible a material change could occur. If our future actual results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations. The following table shows the decline in the fair value of our billboard permits that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

(In thousands)

Indefinite-lived intangible	Revenue growth rate	Profit margin	Discount rate
Billboard permits	\$ 405,900	\$ 102,500	\$ 428,100

Interim Impairments to Goodwill

We test goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired. The United States and global economies have undergone a period of economic uncertainty, which caused, among other things, a general tightening in the credit markets, limited access to the credit markets, lower levels of liquidity and lower consumer and business spending. These disruptions in the credit and financial markets and the impact of adverse economic, financial and industry conditions on the demand for advertising negatively impacted the key assumptions in the discounted cash flow model that were used to value our reporting units as of the merger date. Therefore, we performed an interim impairment test resulting in a charge of \$2.5 billion as of December 31, 2008.

Our cash flows during the first six months of 2009 were below those used in the discounted cash flow model used to calculate the impairment at December 31, 2008. Additionally, the fair value of our debt and equity at June 30, 2009 was below the carrying amount of our reporting units at June 30, 2009. As a result of these indicators, we performed an interim goodwill impairment test as of June 30, 2009 resulting in a non-cash impairment charge of \$419.5 million.

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Our goodwill impairment test is a two-step process. The first step, used to screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. If applicable, the second step, used to measure the amount of the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. We engaged Mesirow Financial to assist us in the development of the assumptions and our determination of the fair value of our reporting units.

Each of our U.S. outdoor advertising markets is a component and are aggregated into a single reporting unit for purposes of the goodwill impairment test using the guidance in ASC 350-20-55. We also determined that in our Americas segment, Canada, Mexico, Peru, and Brazil constitute separate reporting units and each country in our International segment constitutes a separate reporting unit.

The discounted cash flow model indicated that we failed the first step of the impairment test for substantially all reporting units as of December 31, 2008 and June 30, 2009, which required us to compare the implied fair value of each reporting unit's goodwill with its carrying value.

The discounted cash flow approach we use for valuing our reporting units involves estimating future cash flows expected to be generated from the related assets, discounted to their present value using a risk-adjusted discount rate. Terminal values are also estimated and discounted to their present value.

We forecasted revenue, expenses, and cash flows over a ten-year period for each of our reporting units. In projecting future cash flows, we consider a variety of factors including our historical growth rates, macroeconomic conditions, advertising sector and industry trends as well as company-specific information. Historically, revenues in our industries have been highly correlated to economic cycles. Based on these considerations, our assumed 2008 revenue growth rate used in the December 31, 2008 impairment model was negative followed by assumed revenue growth with an anticipated economic recovery in 2009. Additionally, our assumed 2009 revenue growth rate used in the June 30, 2009 impairment model was negative followed by assumed revenue growth with an anticipated economic recovery in 2010. To arrive at our projected cash flows and resulting growth rates, we evaluated our historical operating results, current management initiatives and both historical and anticipated industry results to assess the reasonableness of our operating margin assumptions. We also calculated a normalized residual year which represents the perpetual cash flows of each reporting unit. The residual year cash flow was capitalized to arrive at the terminal value of the reporting unit.

We calculated the weighted average cost of capital (WACC) as of December 31, 2008 and June 30, 2009 and also one-year, two-year, and three-year historical quarterly averages for each of our reporting units. WACC is an overall rate based upon the individual rates of return for invested capital (equity and interest-bearing debt). The WACC is calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages in an expected capital structure. The capital structure was estimated based on the quarterly average data for publicly traded companies in the outdoor advertising industry. Our calculation of the WACC considered both current industry WACCs and historical trends in the industry.

The calculation of the WACC requires the rate of return on debt, which was based on a review of the credit ratings for comparable companies (i.e., market participants) and the indicated yield on similarly rated bonds.

The rate of return on equity capital was estimated using a modified CAPM. Inputs to this model included the yield on long-term U.S. Treasury Bonds, forecast betas for comparable companies, calculation of a market risk premium based on research and empirical evidence and calculation of a size premium derived from historical differences in returns between small companies and large companies using data published by Ibbotson Associates.

In line with advertising industry trends, our operations and expected cash flow are subject to significant uncertainties about future developments, including timing and severity of the recessionary trends and customers' behaviors. To address these risks, we included company-specific risk premiums for each of our reporting units in the estimated WACC. Based on this analysis, as of December 31, 2008, company-specific risk premiums of 300 basis points were included for both of our Americas outdoor and International outdoor segments, resulting in WACCs of 12.5% for each of our reporting units in the Americas and International segments. As of June 30, 2009, company-specific risk premiums of 250 basis points and 350 basis points were included for our Americas outdoor and International outdoor segments, respectively, resulting in WACCs of 12.5% and 13.5% for each of our reporting units in the Americas and International segments, respectively. Applying these WACCs, the present value of cash flows during the discrete projection period and terminal value were added to estimate the fair value of the reporting units.

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The discount rate utilized in the valuation of the outdoor permits as of December 31, 2008 and June 30, 2009 excludes the company-specific risk premiums that were added to the industry WACCs used in the valuation of the reporting units. Management believes the exclusion of this premium is appropriate given the difference between the nature of the billboard permits and reporting unit cash flow projections. The cash flow projections utilized under the direct valuation method for the permits are derived from utilizing industry normalized information for the existing portfolio of permits. Given that the underlying cash flow projections are based on industry normalized information, application of an industry average discount rate is appropriate. Conversely, our cash flow projections for the overall reporting unit are based on our internal forecasts for each business and incorporate future growth and initiatives unrelated to the existing permit portfolio. Additionally, the projections for the reporting unit include cash flows related to non-permit based assets. In the valuation of the reporting unit, the company-specific risk premiums were added to the industry WACCs due to the risks inherent in achieving the projected cash flows of the reporting unit.

We also utilized the market approach to provide a test of reasonableness to the results of the discounted cash flow model. The market approach indicates the fair value of the invested capital of a business based on a company's market capitalization (if publicly traded) and a comparison of the business to comparable publicly traded companies and transactions in its industry. This approach can be estimated through the quoted market price method, the market comparable method, and the market transaction method.

One indication of the fair value of a business is the quoted market price in active markets for the debt and equity of the business. The quoted market price of equity multiplied by the number of shares outstanding yields the fair value of the equity of a business on a marketable, noncontrolling basis. We then apply a premium for control and add the estimated fair value of interest-bearing debt to indicate the fair value of the invested capital of the business on a marketable, controlling basis.

The market comparable method provides an indication of the fair value of the invested capital of a business by comparing it to publicly traded companies in similar lines of business. The conditions and prospects of companies in similar lines of business depend on common factors such as overall demand for their products and services. An analysis of the market multiples of companies engaged in similar lines of business yields insight into investor perceptions and, therefore, the value of the subject business. These multiples are then applied to the operating results of the subject business to estimate the fair value of the invested capital on a marketable, noncontrolling basis. We then apply a premium for control to indicate the fair value of the business on a marketable, controlling basis.

The market transaction method estimates the fair value of the invested capital of a business based on exchange prices in actual transactions and on asking prices for controlling interests in similar companies recently offered for sale. This process involves comparison and correlation of the subject business with other similar companies that have recently been purchased. Considerations such as location, time of sale, physical characteristics, and conditions of sale are analyzed for comparable businesses.

The three variations of the market approach indicated that the fair value determined by our discounted cash flow model was within a reasonable range of outcomes as of December 31, 2008 and June 30, 2009.

Our revenue forecasts for 2009 declined 21% and 29% for Americas outdoor and International outdoor, respectively, compared to the forecasts used in the July 30, 2008 preliminary purchase price allocation primarily as a result of our revenues realized for the year ended December 31, 2008. These market driven changes were primarily responsible for the decline in fair value of our reporting units below their carrying value. As a result, we recognized a non-cash impairment charge to reduce our goodwill of \$2.5 billion at December 31, 2008.

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Our revenue forecasts for 2009 declined 7% and 9% for Americas and International, respectively, compared to the forecasts used in the 2008 impairment test primarily as a result of our revenues realized during the first six months of 2009. These market driven changes were primarily responsible for the decline in fair value of our reporting units below their carrying value. As a result, we recognized a non-cash impairment charge to reduce our goodwill of \$419.5 million at June 30, 2009.

The following table shows the increase to the goodwill impairment that would have occurred using hypothetical percentage reductions in fair value, had the hypothetical reduction in fair value existed at the time of our impairment testing:

<i>(In thousands)</i>	June 30, 2009			December 31, 2008		
	Change to impairment			Change to impairment		
Reportable segment	5%	10%	15%	5%	10%	15%
Americas outdoor	\$ 164,950	\$ 329,465	\$ 493,915	\$ 166,303	\$ 341,303	\$ 516,303
International outdoor	\$ 7,207	\$ 18,452	\$ 33,774	\$ 6,761	\$ 14,966	\$ 24,830
<i>Annual Impairments to Goodwill</i>						

We perform our annual impairment test on October 1 of each year. We engaged Mesirow Financial to assist us in the development of the assumptions and our determination of the fair value of our reporting units. The fair value of our reporting units on October 1, 2009 increased from the fair value at June 30, 2009. The increase in fair value of our Americas reporting unit was primarily the result of a 150 basis point decline in the WACC. Application of the market approach described above supported lowering the company-specific risk premium used in the discounted cash flow model to fair value the Americas reporting unit. The increase in the aggregate fair value of the reporting units in our International outdoor segment was primarily the result of an improvement in the long-term revenue forecasts. A certain reporting unit in our International outdoor segment recognized a \$41.4 million impairment to goodwill related to the fair value adjustments of certain noncontrolling interests recorded in the merger pursuant to ASC 480-10-S99.

While we believe we have made reasonable estimates and utilized appropriate assumptions to calculate the fair value of our reporting units, it is possible a material change could occur. If future results are not consistent with our assumptions and estimates, we may be exposed to impairment charges in the future. The following table shows the decline in the fair value of each of our reportable segments that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

<i>(In thousands)</i>	Revenue growth rate	Profit margin	Discount rates
Reportable segment			
Americas outdoor	\$ 480,000	\$ 110,000	\$ 430,000
International outdoor	\$ 180,000	\$ 150,000	\$ 160,000

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A rollforward of our goodwill balance from July 30, 2008 through December 31, 2009 by reporting unit is as follows:

<i>(In thousands)</i>	Balances as of		Foreign Currency	Impairment	Adjustments	Balances as of
	July 30, 2008	Acquisitions				Dispositions
United States Outdoor Markets	\$ 3,083,660	\$	\$	\$ (2,296,915)	\$ 37,985	\$ 824,730
Switzerland	57,664		(977)		198	56,885
Ireland	16,224		(1,939)			14,285
Baltics	14,336			(3,707)		10,629
Americas Mexico	20,501		(11,772)			8,729
Americas Chile	9,311		(5,347)			3,964
Americas Peru	45,284					45,284
Americas Brazil	11,674					