Clear Channel Outdoor Holdings, Inc.
Form DEF 14A
April 30, 2009
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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 x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

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)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

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Clear Channel Outdoor Holdings, Inc.

P.O. Box 659512

San Antonio, Texas 78265-9512

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 27, 2009

As a stockholder of Clear Channel Outdoor Holdings, Inc., you are hereby given notice of and invited to attend, in person or by proxy, the Annual Meeting of Stockholders of Clear Channel Outdoor Holdings, Inc. to be held at the corporate offices of Clear Channel Outdoor Holdings, Inc., located at 200 E. Basse Road, San Antonio, Texas 78209, on May 27, 2009, at 9:00 a.m. local time, for the following purposes:

1. to elect Margaret W. Covell, Mark P. Mays and Dale W. Tremblay to serve for a three year term;

2. 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 29, 2009 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

Andrew W. Levin
Executive Vice President, Chief Legal Officer
and Secretary

San Antonio, Texas

April 30, 2009

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE

ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 27, 2009

The Proxy Statement and our 2008 Annual Report are available at

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

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2009 ANNUAL MEETING OF STOCKHOLDERS

NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

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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 Wednesday, May 27, 2009, beginning at 9:00 a.m. local time, at the corporate offices of Clear Channel Outdoor Holdings, Inc., located at 200 E. Basse Road, San Antonio, Texas 78209, and at any postponements or adjournments thereof. This proxy statement is being mailed to stockholders on or about April 29, 2009.

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 27, 2009. 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 2008 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 is one proposal scheduled to be voted on at the annual meeting which is the election of directors.

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 29, 2009 (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, 29, 2009, there were 40,676,720 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 subsidiary of CC Media Holdings, Inc. (CC Media).

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

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, The Bank of New York, you are considered, with respect to those shares, the stockholder of record, and these proxy materials are being sent directly to you by The Bank of New York 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 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 routine matter. Your broker will send you directions on how you can instruct your broker to vote.

If you do not provide instructions to your broker on how to vote your shares on routine matters, they may either vote your shares on these matters in their discretion or leave your shares unvoted.

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 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 the Company 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. Broker non-votes (as described above) and abstentions are both counted toward a quorum.

Under NYSE rules, the proposal to elect directors is considered a routine matter. This means that brokerage firms may vote in their discretion on these matters on behalf of clients who have not timely furnished voting instructions.

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.

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 quarterly report on Form 10-Q for the second quarter of 2009, which we anticipate will be filed with the Securities and Exchange Commission (the SEC) by August 10, 2009.

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, President and Chief Executive Officer Americas and Asia/Pacific 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 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 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 Listing Standards of the New York Stock Exchange. 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 Committee s purpose and responsibilities, and that we conduct an annual performance evaluation of the Nominating and Governance Committee, and (iii) that we have a Compensation Committee composed entirely of independent

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directors with a written charter addressing the 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 Committee s purpose and responsibilities.

BOARD MEETINGS

The Board held six meetings during 2008. For the 2008 fiscal year, except for Mr. W. Douglas Parker, each Board member attended at least 75% of the total number of meetings of the Board (held during the period for which such person served) and at least 75% of the total number of meetings of all Board Committees on which such person served (during the period for which such person served). Mr. W. Douglas Parker resigned from the Board on July 16, 2008. Prior to his resignation, Mr. W. Douglas Parker attended 33% of Board meetings and 100% of the Board Committee meetings on which he served.

STOCKHOLDER MEETING ATTENDANCE

Clear Channel Outdoor encourages, but does not require, directors to attend the annual meetings of stockholders. Except for Mr. W. Douglas Parker, all of our directors attended the annual meeting of stockholders in 2008.

INDEPENDENCE OF DIRECTORS

The Board has adopted a set of 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*. A copy of the Governance Guidelines may also be obtained upon request from the Secretary of Clear Channel Outdoor at Clear Channel Outdoor Holdings, Inc., P.O. Box 659512, San Antonio, Texas 78265-9512.

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 $100,000 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 current employee of such a firm and who participates in the firm s audit, assurance or tax compliance (but not tax planning) practice. 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 (a) 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.

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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.

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 ten directors, one of whom is our Chief Executive Officer and one of whom is our Chief Financial Officer. Pursuant to the Governance Guidelines, the Board undertook its annual review of director independence in February 2009. For a director to be independent, the Board must determine the 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. The Board determined that W. Douglas Parker, who served as a member of the Board and the Compensation Committee until July 2008 was also independent pursuant to the NYSE requirements and our independence standards. In addition, the Board has determined that every member of the Audit Committee and the Compensation Committee is independent.

During this review with respect to Marsha M. Shields, the Board considered the transactions and relationships reported in the Transactions with Related Persons Marsha M. Shields section of this proxy statement and concluded none of these transactions or relationships impaired Marsha M. Shields independence.

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 2008.

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;

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 shall 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, Marsha M. Shields is serving as the Presiding Director. As part of the standard rotation established by the Board, Dale W. Tremblay will begin serving as the Presiding Director on July 1, 2009.

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*, or a copy may be obtained upon request from the Secretary of Clear Channel Outdoor. The table below sets forth members of each committee.

BOARD COMMITTEE MEMBERSHIP

Name	Compensation Committee	Audit 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 CEO and CFO, 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 three times during 2008. 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. Hewitt Associates serves as the Compensation Committee s independent compensation consultant, and works directly for the Compensation Committee. Hewitt Associates does not perform any other services for Clear Channel Outdoor.

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The Compensation Committee s primary responsibilities, which are discussed in detail within its charter, are to:

- 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 and to evaluate the Chief Operating Officer s performance in light of those goals and objectives, and to determine and approve the Chief Operating Officer s compensation level based on this evaluation; and

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

The compensation of our CEO and CFO are set by the Compensation Committee of CC Media. See the discussion of CEO and CFO compensation in the Compensation Discussion and Analysis 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 Audit Committee

The Audit Committee is responsible for reviewing Clear Channel s accounting practices and audit procedures. James M. Raines has been designated by our Board as the Audit Committee financial expert (as defined in the applicable regulations of the SEC). See the Audit Committee Report later in this document, which details the duties and performance of the Audit Committee. The Audit Committee met nine times during 2008. 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 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 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* or may be obtained upon request from our Secretary.

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. While we have not established specific minimum qualifications that nominees must possess, the Board seeks candidates with diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. 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. 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, P.O. Box 659512 San Antonio, Texas 75265-9512.

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STOCKHOLDER AND INTERESTED PARTY COMMUNICATION WITH DIRECTORS

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

P.O. Box 659512

San Antonio, Texas 75265-9512

Each communication should specify the applicable addressee or addressees to be contacted, as well as the general topic of the communication. We will initially receive and process communications before forwarding them to the addressee. We may also refer communications to other departments at the Company. We generally will not forward to the directors a communication that is primarily commercial in nature, relates to an improper or irrelevant topic, or requests general information regarding the Company.

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 or her 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, 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 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.

NOMINEES FOR DIRECTOR FOR TERMS EXPIRING 2012

The nominees for director are Margaret W. Covell, Mark P. Mays and Dale W. Tremblay.

Margaret W. Covell, age 43 has served as a Managing Director at Thomas H. Lee Partners, L.P. (THL) since 2006. Ms. Covell leads 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 for the remainder of the relevant five year period. Ms. Covell has been a member of our Board since August 2008.

Mark P. Mays, age 45, 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, when he relinquished his duties as President. 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 is the son of L. Lowry Mays, CC Media s Chairman Emeritus and one of our Board members, and is the brother of Randall T. Mays, our Chief Financial Officer and one of our Board members.

Dale W. Tremblay, age 50, 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

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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.

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

DIRECTORS WHOSE TERMS WILL EXPIRE IN 2010

Blair E. Hendrix, age 44, has served as Operating Partner at Bain Capital Partners, LLC (Bain Capital), since 2000. Mr. Hendrix has been a member of our Board since August 2008. 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 SMTC Corporation (SMTX).

Daniel G. Jones, age 34, has served as a Vice President at THL since 2008 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, 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.

L. Lowry Mays, age 73, has served as a member of our Board since April 1997 and has been our Chairman of the Board since October 2005. Mr. L. Mays is Chairman Emeritus of the Board of Directors of CC Media, and prior to October 2004 he was Clear Channel Communications, Inc. s Chief Executive Officer. Mr. L. Mays has been the Chairman Emeritus of CC Media s Board of Directors since the closing of the Merger. Mr. L. Mays is the father of Mark P. Mays and Randall T. Mays, both of whom are members of our Board and executive officers of the Company. Mr. L. Mays has served as a director of Live Nation, Inc. (LYV) since December 2005.

James M. Raines, age 69, has served as the President of James M. Raines & Co., an investment banking company, since 1988. Mr. Raines has been a member of our Board since November 2005. Since 1998, Mr. Raines has served on the Board of Directors of Waddell & Reed Financial, Inc., a financial services corporation.

Scott R. Wells, age 40, 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.

DIRECTORS WHOSE TERMS WILL EXPIRE IN 2011

Randall T. Mays, age 43, has served as our Chief Financial Officer since August 2005 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. He was appointed President of Clear Channel Communications, Inc. in February 2006. Upon the closing of the Merger, Mr. R. Mays became a director and the President and Chief Financial Officer of CC Media. Mr. R. Mays is the son of L. Lowry Mays, CC Media s Chairman Emeritus and one of our Board members, and is the brother of Mark P. Mays, our Chief Executive Officer and one of our Board members.

Marsha M. Shields, age 54, 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.

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CODE OF BUSINESS CONDUCT AND ETHICS

Clear Channel Outdoor adopted a Code of Business Conduct and Ethics applicable to all its directors and employees, including its Chief Executive Officer, Chief Financial Officer, and Chief Accounting Officer, which is a code of ethics as defined by applicable rules of the SEC. This code is publicly available on Clear Channel Outdoor s website at *www.clearchanneloutdoor.com.* A copy may also be obtained upon request from the Secretary of Clear Channel Outdoor. If Clear Channel Outdoor makes any amendments to this code other than technical, administrative, or other non-substantive amendments, or grants any waivers, including implicit waivers, from a provision of this 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.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL

OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The table below sets forth information concerning the beneficial ownership of Clear Channel Outdoor common stock as of April 29, 2009, 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 29, 2009, there were 40,676,720 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			
L. Lowry Mays			
Mark P. Mays	29,167(1)	*	
Randall T. Mays	29,167(2)	*	
James M. Raines	10,374(3)	*	
Marsha M. Shields	14,500(4)	*	
Dale W. Tremblay	14,500(5)	*	
Scott R. Wells			
Paul J. Meyer	204,150(6)	*	
Jonathan D. Bevan	45,495(7)	*	
Franklin G. Sisson, Jr.	164,887(8)	*	
Clear Channel Holdings, Inc	315,000,000	(9)	100.0%(9)
Arnhold & S Bleichroeder Advisers, LLC (10)	10,397,583	25.6%	
T. Rowe Price Associates, Inc. (11)	9,675,300	23.8%	
Frank Russell Company. (12)	3,121,497	7.7%	
GAMCO Investors, Inc. (13)	2,253,400	5.5%	
All Directors and Executive Officers as a Group (16 persons)	621,148(14)	1.5%	

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

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(1) Includes 12,500 shares subject to options held by Mr. M. Mays.

(2) Includes 12,500 shares subject to options held by Mr. R. Mays.

(3) Includes 8,250 shares subject to options held by Mr. Raines.

(4) Includes 8,250 shares subject to options held by Mrs. Shields.

(5) Includes 8,250 shares subject to options held by Mr. Tremblay.

(6) Includes 164,150 shares subject to options held by Mr. Meyer.

(7) Includes 45,495 shares subject to options held by Mr. Bevan.

(8) Includes 152,230 shares subject to options held by Mr. Sisson.

(9) CC Media does not own any of our Class A common stock. The 315.0 million shares owned by CC Media 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.

(10) Address: 1345 Avenue of the Americas, New York, NY 10105. The reporting stockholder has sole voting power with regard to 7,152,998 of the shares indicated and sole dispositive / investment power with regard to 10,115,956 of the shares indicated. These amounts include approximately 508,527 shares owned by clients of GoodHope Advisers, LLC, an affiliate of the reporting stockholder. Information related to this reporting stockholder is based on the stockholder s Schedule 13G/A filed with the SEC on February 12, 2009.

(11) Address: 100 E. Pratt Street, Baltimore, MD 21202. These shares are owned by T. Rowe Price Associates, Inc., together with T. Rowe Price Mid-Cap Growth Fund, Inc. T. Rowe Price Associates, Inc. has sole voting power with regard to 1,530,200 of the shares indicated and sole dispositive / investment power with regard to 9,595,100 of the shares indicated: T. Rowe Price Mid-Cap Growth Fund, Inc. has sole voting power with regard to 4,500,000 of the shares indicated. Information related to these reporting stockholders is based on the stockholders Schedule 13G/A filed with the SEC on February 11, 2009.

(12) Address: 909 A. Street, Tacoma, WA 98402. The reporting stockholder has sole voting and shared dispositive / investment power with regard to the shares indicated. Information related to this reporting stockholder is based on the stockholder s Schedule 13G filed with the SEC on February 17, 2009.

(13) Address: One Corporate Center, Rye NY 10580. Information related to this reporting stockholder is based on the stockholder s Schedule 13D filed with the SEC on April 16, 2009.

(14) Includes 471,238 shares subject to options held by such persons.

On July 30, 2008, Clear Channel Communications, Inc. completed its merger with a subsidiary of CC Media Holdings, Inc., a company formed by a group of private equity funds sponsored by Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P. Clear Channel Communications, Inc. is now owned indirectly by CC Media Holdings, Inc.

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EQUITY COMPENSATION PLANS

The following table summarizes information as of December 31, 2008, relating to Clear Channel Outdoor 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 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)	8,063,192	$ 21.0753	33,023,098 (2)
Equity compensation plans not approved by security holders			
Total	8,063,192	$ 21.0753	33,023,098 (2)

(1) The plan is the Clear Channel Outdoor Holdings, Inc. 2005 Stock Incentive Plan.

(2) All 33,023,098 shares may be issued in the form of director shares, restricted stock, performance awards and other stock-based awards (i.e., bonus shares and other forms of equity-based awards).

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

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.

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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. Our Chief Financial Officer, Mr. Randall Mays, simultaneously serves as the President and Chief Financial Officer of CCMH. Messrs. Mark and Randall Mays are compensated by CCMH, and we reimburse CCMH for their services pursuant to a Corporate Services Agreement between us and Clear Channel Management Services, L.P. The compensation for Messrs. Mark and Randall Mays is set by the Compensation Committee of the Board of Directors of CCMH. Clear Channel Outdoor s Compensation Committee (the Committee) has no involvement in recommending or approving Messrs. Mark and Randall Mays compensation.

Pursuant to the Corporate Services Agreement referenced above, a portion of Messrs. Mark and Randall Mays base salary and annual incentive bonus in 2008 was allocated to us, as reflected in the 2008 Summary Compensation Table set forth below. These allocations were made based on Clear Channel Outdoor s 2007 OIBDAN (as defined below) as a percentage of Clear Channel Communications Inc. s 2007 OIBDAN. Accordingly, 41% of Messrs. Mark and Randall Mays base salary and annual incentive bonus in 2008 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, Paul J. Meyer, our President and Chief Executive Officer Americas and Asia/Pacific; Jonathan D. Bevan, our Chief Financial Officer International; and Franklin G. Sisson, Jr., our Global Director 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

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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;
- Mr. Meyer s and Mr. Mark Mays recommendations (other than for themselves);
- In the case of Mr. Meyer, how proposed amounts of his total compensation compare to amounts paid to similarly situated executives of the Media Peers (as defined below) both for the prior year and over a multi-year period;
- 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.

In 2008, the Committee engaged Hewitt Associates, an independent leading national executive compensation consulting firm, to develop and provide market pay data (including base salary, bonus, total cash compensation, long-term incentive compensation, and total compensation data) to better evaluate the appropriateness and competitiveness of overall compensation paid to Mr. Meyer. Compensation objectives for Mr. Meyer were developed based on market pay data from proxy statements and other sources, when available, of leading media companies identified as key competitors for business and/or executive talent (the Media Peers). Mr. Meyer s individual pay components and total compensation were benchmarked against similarly situated executives of the Media Peers.

The Media Peers included Belo Corp., Dow Jones & Co. Inc., Interpublic Group of companies, Inc., JC Decaux, Lamar Advertising Company, New York Times Co., Reader s Digest Association Inc., Scholastic Corp., Tribune Company, Washington Post Co., and Yahoo! Inc. The Media Peers were selected by Hewitt, with consultation of the Committee, based on business industry sector, selected financial criteria, and pay data availability for top executive positions.

Set forth below is a table showing the compensation of executives of the Media Peers similarly situated to Mr. Meyer:

Company	Revenue ($M)	Executive (1)	Salary	Bonus Total (2)	Total Cash Compensation	Total Long-Term (Black-Scholes)	Total Compensation
BELO CORP	$ 1,588	SANDER, JOHN L. (JACK)	$ 700,000	$ 685,000	$ 1,385,000	$ 1,034,388	$ 2,419,388
DOW JONES & CO INC	$ 1,784	CROVITZ, L. GORDON	$ 588,099	$ 360,000	$ 948,099	$ 1,138,780	$ 2,086,879
INTERPUBLIC GROUP OF COMPANIES, INC.	$ 6,191	DOONER, JR., JOHN J.	$ 1,250,000	$ 1,662,500	$ 2,912,500	$ 2,509,665	$ 5,422,165
JC DECAUX	$ 1,946	DECAUX, JEAN-CHARLES	$ 1,408,013	$ 1,369,745	$ 2,777,758	N/A	$ 2,777,758
LAMAR ADVERTISING CO	$ 1,120	REILLY, SEAN E.	$ 500,000	$ 250,000	$ 750,000	$ 2,178,000	$ 2,928,000
	$ 3,290	HEEKIN-CANEDY, SCOTT H.	$ 522,500	$ 365,750	$ 888,250	$ 729,170	$ 1,617,420

NEW YORK TIMES CO							
READERS DIGEST ASSOCIATION INC.	$ 2,386	GARDNER, THOMAS D.	$ 517,170	$ 312,000	$ 829,170	$ 834,690	$ 1,663,860
SCHOLASTIC CORP	$ 2,179	MAYER, MARGERY W.	$ 611,769	$ 309,000	$ 920,769	$ 345,510	$ 1,266,279
TRIBUNE CO	$ 5,518	SMITH, SCOTT C.	$ 578,365	$ 460,000	$ 1,038,365	$ 1,496,601	$ 2,534,966
WASHINGTON POST CO	$ 3,905	MORSE, JR., JOHN B.	$ 585,000	$ 292,500	$ 877,500	$ 149,120	$ 1,026,620
YAHOO INC	$ 6,426	ROSENSWEIG, DANIEL	$ 500,000	$ 1,000,000	$ 1,500,000	$ 27,556,500	$ 29,056,500
25th %ile	$ 1,865		$ 519,835	$ 310,500	$ 882,875	$ 755,550	$ 1,640,640
50th %ile	$ 2,386		$ 585,000	$ 365,750	$ 948,099	$ 1,086,584	$ 2,419,388
75th %ile	$ 4,711		$ 655,885	$ 842,500	$ 1,442,500	$ 2,007,650	$ 2,852,879

(1) Peer executive make-up includes six Group Presidents, two Chief Operating Officers, two Chief Executive Officers/Vice Chairmen, and one Chief Financial Officer.

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(2) Bonus total for Belo Corp, JC Decaux and Readers Digest Association Inc. reflects actual bonus values, and bonus total for all other listed peers reflects target bonuses.

The Committee aims to set each of Mr. Meyer s (a) total cash compensation (base salary and annual incentive bonus), (b) long-term incentive compensation, and (c) total compensation between the 50^{th} and 75^{th} percentile of the Media Peers. Notwithstanding, such elements of pay may from time to time be above or below these percentiles as the Committee deems appropriate due to performance or prevailing market conditions for executive talent. The Committee does not benchmark the other named executive officers compensation.

Hewitt did not perform an assessment of Messrs. Bevan s or Sisson s compensation, and the Committee relied instead on Messrs. M. Mays and Meyer s recommendations regarding the appropriateness and competitiveness of their base salaries, bonus opportunities, and long-term incentive compensation.

Elements of Compensation

The Committee believe 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.

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.

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 other similarly situated executives of the Media Peers, and general competitive pay practices.

We have entered into employment agreements with Messrs. Meyer and Bevan pursuant to which their initial base salaries were set. Accordingly, we are required to compensate Messrs. Meyer and Bevan in accordance with their respective employment agreements. Clear Channel Outdoor believes that the employment agreements with Mr. Meyer and Mr. Bevan 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.

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Analysis. In 2008, the named executive officers received the following base salary increase:

Named Executive Officer	2007 Rate of Base Salary		2008 Rate of Base Salary		Percentage Increase
Paul J. Meyer	$	650,000	$	675,000	3.9%
Jonathan D. Bevan (1)	£	193,500	£	205,500	6.2%
Franklin G. Sisson, Jr.	$	360,000	$	380,000	5.6%

(1) Compensation values for Mr. Bevan are shown in British Pounds. Converting Mr. Bevan s compensation from British Pounds into US dollars at the average exchange rates of £1 = $2.0018 and £1 = $1.8525 for the years ended December 31, 2007 and 2008, respectively, results in a rate of base salary for 2007 and 2008 of $387,348 and $380,689, respectively.

The rate of base salary for Messrs. Meyer, Bevan and Sisson were each increased in 2008 based on a subjective evaluation of their general performance and expected competitive pay practices for the 2008 fiscal year.

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 and Randall 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 Mr. Meyer in consultation with other senior executive officers of Clear Channel Outdoor. Mr. Meyer 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 Mr. Meyer.

In 2008, (a) Mr. Meyer s performance goals were based on year-over-year growth in OIBDAN (as defined below), on a company-wide basis, and other performance measures that best reflect his position and responsibilities, (b) Mr. Sisson s performance goals were based on year-over-year growth in EBITDA (as defined below) of the Americas Division, year-over-year growth in EBITDA of the International Division and other performance measures that best reflect his position and responsibilities, and (c) Mr. Bevan s performance goal was based on year-over-year growth in OIBAN (as defined below) of the International Division, which best reflects his position and responsibilities.

The annual incentive bonus was paid in cash in 2008. 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 four 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 preliminary bonus; and

Make adjustments to the preliminary bonus calculation to reflect Clear Channel Outdoor s performance relative to the performance of the Media Peers, as applicable.

Analysis. For 2008, the performance-based goals applicable to the named executive officers are set forth below:

Paul J. Meyer

Mr. Meyer s 2008 performance-based goals consisted of (a) year-over-year growth in OIBDAN on a company-wide basis (weighted at 80%), (b) development of management team (weighted at 5%), (c) implementation of digital signs (weighted at 5%), (d) implementation of strategic initiatives set by the Board of Directors (weighted at 5%), and (e) enhancement of understanding of confluence of CCOH and CCMH strategic goals among management team (weighted at 5%).

OIBDAN is defined as operating income before depreciation, amortization, non-cash compensation expense, and gain or loss on disposition of assets. Clear Channel Outdoor calculates OIBDAN by adjusting net income to exclude non-cash compensation and the following line items presented in its statement of operations: (a) minority interest income (expense), (b) income tax (expense) benefit, (c) other income (expense) net, (d) equity in earnings of nonconsolidated affiliates, (e) gain (loss) on marketable securities, (f) interest expense, (g) gain (loss) on disposition of assets net, and (h) depreciation and amortization.

It is believed that OIBDAN is one of the best quantifiable indicators of operating performance for this position; therefore, 80% of Mr. Meyer s bonus opportunity was based on OIBDAN growth. 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. OIBDAN is among the primary measures used by management for (a) planning and forecasting of future periods, and (b) evaluating companies as potential acquisition targets. In addition, this measure is among the primary measures used externally by Clear Channel Outdoor s investors, analysts, and peers in its industry for purposes of valuing and comparing the operating performance of Clear Channel Outdoor to other companies in its industry.
Mr. Meyer was also charged with four qualitatively evaluated initiatives that were deemed by the Board of Directors to be critical to Clear Channel Outdoor s short and long term success and that will drive future stockholder value, each of which represented 5% of his bonus opportunity.

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Mr. Meyer s aggregate target bonus for 2008 was set at $750,000, which was the same amount as in 2007. Set forth below is a table showing the potential performance-based bonus opportunities for Mr. Meyer for 2008:

OIBDAN Growth (objective)		Development of Management Team (subjective)	Implementation of Digital Signs (subjective)	Implementation of Strategic Initiatives (subjective)	Enhancement of Understanding of Confluence of CCOH and CCMH (subjective)	Total Potential Performance Based Bonus	
Growth Rate	Bonus Amount ($)	Bonus Amount ($) (1)	Bonus Amount ($) (1)	Bonus Amount ($) (1)	Bonus Amount ($)	Total Bonus ($)	% of $750,000 Targeted Bonus Opportunity
0$							
1.0%	60,000	3,750	3,750	3,750	3,750	75,000	10.0%
1.8%	120,000	7,500	7,500	7,500	7,500	150,000	20.0%
2.2%	180,000	11,250	11,250	11,250	11,250	225,000	30.0%
2.8%	240,000	15,000	15,000	15,000	15,000	300,000	40.0%
3.4%	300,000	18,750	18,750	18,750	18,750	375,000	50.0%
4.0%	360,000	22,500	22,500	22,500	22,500	450,000	60.0%
4.5%	420,000	26,250	26,250	26,250	26,250	525,000	70.0%
5.0%	480,000	30,000	30,000	30,000	30,000	600,000	80.0%
5.5%	540,000	33,750	33,750	33,750	33,750	675,000	90.0%
6.0%	**600,000***	**37,500***	**37,500***	**37,500***	**37,500***	**750,000***	**100.0%**
6.6%	690,000	43,125	43,125	43,125	43,125	862,500	115.0%
7.2%	780,000	48,750	48,750	48,750	48,750	975,000	130.0%
7.8%	870,000	54,375	54,375	54,375	54,375	1,087,500	145.0%
8.4%	960,000	60,000	60,000	60,000	60,000	1,200,000	160.0%
9.0%	1,050,000	65,625	65,625	65,625	65,625	1,312,500	175.0%
9.6%	1,140,000	71,250	71,250	71,250	71,250	1,425,000	190.0%
10.2%	1,230,000	76,875	76,875	76,875	76,875	1,537,500	205.0%
10.8%	1,320,000	82,500	82,500	82,500	82,500	1,650,000	220.0%
11.4%	1,410,000	88,125	88,125	88,125	88,125	1,762,500	235.0%
12.0%	1,500,000	93,750	93,750	93,750	93,750	1,875,000	250.0%

* Target Bonus

(1) Amounts reflect a range of the values for the respective qualitatively evaluated initiatives. The actual award for any qualitatively evaluated initiative may be for an amount between $0 and $93,750.

Mr. Meyer s total annual incentive bonus for 2008 was $175,000, as further described below.

Clear Channel Outdoor s OIBDAN growth for 2008 was negative, resulting in no award for the OIBDAN growth component of Mr. Meyer s performance-based bonus. Mr. Meyer was awarded $37,500, $50,000, $37,500, and $50,000 for his performance pertaining to the four subjective qualitative components, respectively, of his performance-based bonus.

As discussed above, the Committee aims to set Mr. Meyer s total cash compensation (base salary and annual incentive bonus) between the 50th and 75th percentile of the Media Peers. Taking into account Mr. Meyer s 2008 base salary and annual incentive bonus, Mr. Meyer s total cash compensation in 2008 was $847,115, which fell slightly below the 25th percentile of the Media Peers. The Committee deems Mr. Meyer s 2008 total cash compensation appropriate in light of the negative year-over-year growth in 2008 OIBDAN on a company-wide basis.

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Franklin G. Sisson, Jr.

Mr. Sisson s 2008 performance-based goals consisted of (a) year-over-year growth in EBITDA of the Americas Division (weighted at 80%), and (b) year-over-year growth in EBITDA of the International Division (weighted at 20%).

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: (a) interest expense, (b) income tax (expense) benefit, (c) depreciation expense, and (d) amortization expense.

It is believed that EBITDA is one of the best quantifiable indicators of operating performance for this position; therefore, Mr. Sisson s bonus opportunity was based on EBITDA growth in the Americas Division and International Division. 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.

Set forth below is a table showing the potential performance-based bonus opportunity for Mr. Sisson for 2008:

EBITDA Growth	Americas Bonus Amount ($)	International Bonus Amount	Total Potential Performance Based Bonus
0%			
1%	27,360	6,840	34,200
2%	54,720	13,680	68,400
3%	82,080	20,520	102,600
4%	109,440	27,360	136,800
5%	136,800	34,200	171,000
6%	167,200	41,800	209,000
7%	197,600	49,400	247,000
8%	228,000	57,000	285,000
9%	258,400	64,600	323,000
10%	288,800	72,200	361,000
11% *	322,240	80,560	402,800

* For each 1% growth in EBITDA over 10%, additional bonus amount is equal to 11% of Mr. Sisson s 2008 rate of base salary with no maximum aggregate bonus opportunity.

Mr. Sisson did not earn an annual incentive bonus for 2008, as Clear Channel Outdoor s EBITDA growth in the Americas Division and International Division for 2008 were both negative.

In addition to the above objective performance-based bonus, Mr. Sisson was eligible to earn an annual incentive bonus based upon his leadership in the blueprinting process, the amount of which was $50,000 for threshold performance, $100,000 for target performance and $150,000 for maximum performance. Based upon the Committee s subjective determination, Mr. Sisson earned a bonus of $150,000 for his leadership in the blueprinting process.

Jonathan D. Bevan

Mr. Bevan s 2008 performance-based goal consisted of year-over-year growth in OIBAN of the International Division. OIBAN is defined as operating income before amortization, non-cash compensation expense, and gain or loss on disposition of assets. OIBAN is calculated by adjusting net income to exclude non-cash compensation and the following line items presented in the statement of operations: (a) minority interest income (expense), (b) income tax (expense) benefit, (c) other income (expense) net, (d) equity in earnings of nonconsolidated affiliates, (e) gain (loss) on marketable securities, (f) interest expense, (g) gain (loss) on disposition of assets net, and (h) amortization.

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It is believed that OIBAN is one of the best quantifiable indicators of operating performance for this position; therefore, Mr. Bevan s bonus opportunity was based on OIBAN growth for the International Division, which best reflects his respective contribution to outstanding divisional performance. 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. Bevan s performance-based bonus opportunity was capped at 150% of his 2008 rate of base salary. Set forth below is a table showing the potential performance-based bonus opportunity for Mr. Bevan for 2008:

OIBAN Growth	Bonus Amount ($)
0%	
1%	11,421
2%	22,841
3%	34,262
4%	45,683
5%	57,103
6%	68,524
7%	79,945
8%	91,365
9%	102,786
10%	114,207
11%	129,434
12%	144,662
13%	159,889
14%	175,117
15%	190,345
16%	209,379
17%	228,413
18%	247,448
19%	266,482
20%	285,517
21%	308,358
22%	331,199
23%	354,041
24%	376,882
25%	399,723
26%	422,565
27%	445,406
28%	468,247
29%	491,089
30%	513,930
31%	536,771
32%	559,613
≥33%	571,034

Mr. Bevan did not earn an annual incentive bonus for 2008, as Clear Channel Outdoor s OIBAN growth in the International Division in 2008 was negative.

The Committee believes that OIBDAN, EBITDA and OIBAN are all comparable measures, as they are each reflective of (a) Clear Channel Outdoor s financial performance, including any operational improvements, (b) Clear Channel Outdoor s ability to generate cash flow from operations, and (c) Clear Channel Outdoor s growth and return to stockholders. Each of these measures excludes certain expenses (as further described above) that the Committee believes have little or no bearing on Clear Channel Outdoor s day-to-day operating performance. Currently, the Committee intends to use the same performance-based financial measure for each of the named executive officers in the future.

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 569 employees at all levels holding outstanding stock incentive awards as of December 31, 2008. 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 2007, 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 2008.

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 2008, Messrs. Meyer, Sisson, and Bevan received stock options for 151,069, 81,107, and 55,000 shares of common stock, respectively, under the Stock Incentive Plan.

The amount of Mr. Meyer s stock option award was primarily based upon (a) the market pay data of the Media Peers, (b) Mr. Meyer s general performance, including his performance relative to the previously cited four qualitatively evaluated initiatives, (c) internal pay equity relative to other key employees of Clear Channel Outdoor, and (d) the value of equity awards granted in prior years.

As discussed above, the Committee aims to set Mr. Meyer s long-term incentive compensation between the 50^{th} and 75^{th} percentile of the Media Peers. Mr. Meyer s long-term incentive compensation in 2008 fell between the 50^{th} and 75^{th} percentile of the Media Peers. Mr. Meyer s 2008 total compensation (the sum of base salary, annual incentive bonus, and long-term incentive compensation) fell between the 25^{th} and 50^{th} percentile of the Media Peers. The Committee deems Mr. Meyer s 2008 total cash compensation appropriate in light of the negative year-over-year growth in 2008 OIBDAN.

The amount of Messrs. Sisson s and Bevan s stock option award was primarily based upon internal pay equity relative to other key employees of Clear Channel Outdoor (including the share amount and value of equity awards granted in prior years).

As described above, the Committee considered internal pay equity when determining the amount of stock options to grant to Messrs. Meyer, Sisson, and Bevan. 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.

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, and (e) car allowance.

Clear Channel Outdoor has a Medical Executive Reimbursement Plan (MERP) in place for 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 2008, we paid $7,595 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-third 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.

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

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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 2008 Summary Compensation Table set forth below in this proxy statement.

Change-in-Control and Severance Arrangements

Pursuant to Messrs. Meyer s and Bevan 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 Messrs. M. Mays and Meyer.

Role of Executive Officers. As set forth below, Messrs. M. Mays and Meyer are both involved in recommending the form and amount of executive compensation. They 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

- Recommending pay levels, payout, and awards for the named executive officers (except that Mr. Meyer does not make such recommendations for himself).

The Committee has the responsibility for administrating 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 FAS 123R.

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SUMMARY COMPENSATION

The Summary Compensation table shows certain compensation information for the years ended December 31, 2008, 2007 and 2006 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).

2008 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($) (1)	Non Equity Incentive Plan Compensation ($) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (3)	All Other Compensation ($)	Total ($)
Mark P. Mays Chief	2008	366,950(4)	1,845,000(4)	120,878	286,974				2,619,802
Executive Officer (PEO)*	2007	313,250(4)	2,318,750(4)	70,512	229,367				2,931,879
	2006	313,250(4)	2,318,750(4)		148,719				2,780,719
Randall T. Mays Chief	2008	358,750(5)	1,845,000(5)	120,878	286,974				2,611,602
Financial Officer (PFO)**	2007	306,250(5)	2,318,750(5)	70,512	229,367				2,924,879
	2006	303,917(5)	2,318,750(5)		148,719				2,771,386
Paul J. Meyer President and	2008	672,115		290,101	688,598	175,000		20,545(6)	1,846,359
Chief Operating Officer	2007	647,115		169,226	582,757	1,484,766		18,470	2,902,334
	2006	622,404	895,000		601,389			9,340	2,128,133
Franklin G. Sisson, Jr.	2008	374,583		84,615	388,465	150,000		5,750(7)	1,003,413
Executive Vice President	2007	353,538		49,359	279,380	157,320		5,625	845,222
Sales and Marketing	2006	325,000	194,125		230,332			6,259	755,716
Jonathan D. Bevan Chief	2008	377,217		110,590	160,916		0	111,028(9)	759,751
Financial Officer	2007	390,353		84,500	82,674	536,605	91,032	104,564	1,289,728
International (8)	2006	331,686	55,281	47,130	41,834		95,740	84,359	656,030

* PEO refers to principal executive officer.

** PFO refers to principal financial officer.

(1) Amounts reflect the compensation expense recognized for stock option and restricted stock awards, as applicable, by Clear Channel Outdoor for financial statement reporting purposes during 2008, 2007 and 2006 in accordance with FAS 123R, except no assumptions for forfeitures were included. There were no forfeitures of stock or option awards held by the named executive officers during 2008, 2007 and 2006. See Note K - Shareholders Equity in Appendix A page A-61 of this document for the complete disclosure of the assumptions made in the valuation of our stock and option awards.

(2) 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, Sisson, and Bevan participate in the Clear Channel Outdoor 2006 Annual Incentive Plan. For further discussion of the 2008 pre-established performance goals, see the Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus section of this proxy statement set forth above.

(3)

Amounts reflect the increase in Mr. Bevan s actuarial present value of accumulated pension benefits during 2007 and 2006 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.

(4) Mr. M. Mays salary earned during each of the years ended December 31, 2008, 2007 and 2006 was $895,000 of which, 366,950, $313,250 and $313,250, respectively, was reimbursed by the Company to CC Media and its predecessor Clear Channel Communications, Inc., as applicable, pursuant to a Corporate Services Agreement between the Company and Clear Channel Management Services, LP (the Corporate Services Agreement). Mr. M. Mays bonus earned during the years ended December 31, 2008, 2007 and 2006 was and $4,500,000, $6,625,000 and $6,625,000, respectively, of which $1,845,000, $2,318,750, and $2,318,750 was reimbursed by the Company 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

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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 2008 base salary and bonus to Clear Channel Outdoor.

(5) Mr. R. Mays salary earned during the year ended December 31, 2008, 2007 and 2006 was $875,000 of which, $358,750, $306,250 and $303,917, respectively, was reimbursed by the Company 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, 2008, 2007 and 2006 was $4,500,000, $6,625,000 and $6,625,000, respectively, of which $1,845,000, $2,318,750, and $2,318,750 was reimbursed by the Company 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 2008 base salary and bonus to Clear Channel Outdoor.

(6) For 2008, represents personal club membership of $7,200, claims and administrative expenses associated with a Medical Executive Reimbursement Plan of $7,595 and company- matching contributions to the 401(k) Plan of $5,750.

(7) For 2008, represents company-matching contributions to the 401(k) Plan of $5,750.

(8) 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 = $1.8525, £1 = $2.0018 and £1 = $1.8427 for the years ended December 31, 2008, 2007 and 2006, respectively.

(9) For 2008, represents contracted payment of $31,435 for car allowance and $79,593 in payments to the UK Clear Channel Retirement Benefit Scheme.

On August 5, 2005, Clear Channel Outdoor entered into a new 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 the third year of the agreement, subject to additional annual raises in accordance with company policies. 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 may terminate his employment at any time upon one year s written notice. Clear Channel Outdoor may terminate Mr. Meyer for any reason at any time upon one year s written notice. See the Potential Post-Employment Payments section of this proxy statement set forth above for further discussion of Mr. Meyer s severance arrangements. 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.

On December 3, 2007, Clear Channel Outdoor entered into an employment agreement with Jonathan D. Bevan. The agreement has no specified term, but can generally be terminated by either party without cause upon 12 months prior written notice. The agreement sets Mr. Bevan s initial base salary at £198,000; subject to additional annual raises at the sole discretion of Clear Channel Outdoor. Mr. Bevan also receives a car allowance, is eligible to receive a performance bonus as decided at the sole discretion of the Committee, and is entitled to certain other employee benefits.

Pursuant to his employment agreement, if Clear Channel Outdoor terminates Mr. Bevan s employment, Clear Channel Outdoor is obligated to pay Mr. Bevan a pro rata portion of his annual bonus for the fiscal year in which his employment was terminated. Such bonus payment will be calculated at fiscal yearend based on actual audited results and will be paid in lump sum as soon as possible at the commencement of the following fiscal year. 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.

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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, 2008.

GRANTS OF PLAN-BASED AWARDS DURING 2008

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Awards Threshold ($)	Target ($)	Maximum ($)	All Other Option Awards; Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/sh)	Grant Date Fair Value of Option Awards ($)(8)
Mark P. Mays							
Randall T. Mays							
Paul J. Meyer							
Annual Incentive Bonus	2/5/08(1)	0	750,000	1,875,000			
Stock Option Award	2/5/08(2)				151,069	20.64	1,072,590
Franklin G. Sisson, Jr.							
Annual Incentive Bonus	2/5/08(3)	0	380,000				
Blueprinting Incentive Bonus	2/5/08(4)	50,000	100,000	150,000			
Stock Option Award	2/5/08(5)				81,107	20.64	575,860
Jonathan D. Bevan							
Annual Incentive Bonus	2/5/08(6)	0	380,689	571,034			
Stock Option Award	2/5/08(7)				55,000	20.64	390,500

(1) On 2/5/08, Mr. Meyer was granted a cash incentive award based upon achieving (a) various levels of year-over-year growth in OIBDAN on a company-wide basis, (b) development of management team, (c) implementation of digital signs, (d) implementation of strategic initiatives set by the Board, and (e) enhancement of understanding of confluence of CCOH and CCMH strategic goals among management team. For further discussion of Mr. Meyer s 2008 cash incentive award, including the cash payout levels for each of the five, separate performance measures, see the Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus section of this proxy statement set forth above. This award was granted under the Clear Channel Outdoor 2006 Annual Incentive Plan.

(2) On 2/5/08, Mr. Meyer was granted stock options for 151,069 shares of 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.

(3) On 2/5/08, Mr. Sisson was granted a cash incentive award based upon achieving (a) year-over-year growth in EBITDA of the Americas Division, and (b) year-over-year growth in EBITDA of the International Division. There is no maximum payout for this award. The target amount has been set at Mr. Sisson s 2008 rate of base salary, which was the general expectation of the Subcommittee when the award was approved. For further discussion of Mr. Sisson s 2008 cash incentive award, including the cash payout levels for each of the two, separate performance measures, see the Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus section of this proxy statement set forth above. This award was granted under the Clear Channel Outdoor 2006 Annual Incentive Plan.

(4) On 2/5/08, Mr. Sisson was granted a cash incentive award based upon his leadership in the blueprinting process. For further discussion of this cash incentive award, see the Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus section of this proxy statement set forth above. This award was granted under the Clear Channel Outdoor 2006 Annual Incentive Plan.

(5) On 2/5/08, Mr. Sisson was granted stock options for 81,107 shares of 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.

(6) On 2/5/08, Mr. Bevan was granted a cash incentive award based upon achieving various levels of year-over-year growth in OIBAN of the International Division. The target amount has been set at Mr. Bevan s 2008 rate of base salary, which was the general expectation of the Subcommittee when the award was approved. For further discussion of Mr. Bevan s 2008 cash incentive award, including the cash payout levels for this performance measure, see the Compensation Discussion and Analysis Elements of Compensation Annual Incentive Bonus section of this proxy statement set forth above. This award was granted under the Clear Channel Outdoor 2006 Annual Incentive Plan.

(7) On 2/5/08, Mr. Bevan was granted stock options for 55,000 shares of 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.

(8) Amounts reflect the aggregate grant date fair value of the respective stock option award, computed in accordance with FAS 123R, except no assumptions for forfeitures were included. See Note K Shareholders Equity in Appendix A page A-61 of this proxy statement for the complete disclosure of the assumptions made in the valuation of our stock option awards.

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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, 2008.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2008

	Option Awards				Stock Awards	
Name	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		100,000(1)	18.0000	11/11/15		
	12,500(2)	37,500(3)	29.0300	5/23/17		
					12,501(4)	76,881
Randall T. Mays		100,000(1)	18.0000	11/11/15		
	12,500(2)	37,500(3)	29.0300	5/23/17		
					12,501(4)	76,881
Paul J. Meyer	114,183(5)		25.3491	2/19/09		
	35,133(6)		20.8463	2/19/10		
	91,250(7)	273,750(8)	18.0000	11/11/12		
		151,069(9)	20.6400	5/16/18		
					30,000(4)	184,500
Franklin G. Sisson, Jr.	43,916(5)		29.6015	10/25/10		
	21,958(10)		26.3454	12/14/11		
	26,350(5)		25.3491	2/19/09		
	21,080(6)		20.8463	2/19/10		
		35,133(11)	17.8861	1/12/15		
	27,500(7)	82,500(8)	18.0000	11/11/12		
	8,750(2)	26,250(3)	29.0300	5/23/17		
		81,107(9)	20.6400	5/16/18		
					8,751(4)	53,819
Jonathan D. Bevan	8,783(5)		25.3491	2/19/09		
	8,783(6)		20.8463	2/19/10		
	3,293(12)	9,882(13)	17.8861	1/12/12		
		12,500(14)	19.8500	2/13/13		
	6,625(2)	19,875(3)	29.0300	5/23/17		
		55,000(9)	20.6400	5/16/18		
					15,376(15)	94,562

(1) Options will vest and become exercisable on November 11, 2010.

(2) Options became exercisable on May 23, 2008.

(3) One third of the options will vest and become exercisable on May 23, 2009, 2010 and 2011.

(4) The restriction lapse and shares become freely tradable with respect to one third of the restricted shares on May 23, 2009, 2010 and 2011.

(5) Option became exercisable on November 11, 2005.

(6) 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.

(7) Options became exercisable on November 11, 2008.

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(8) One third of the options will vest and become exercisable on November 11, 2009 and remaining two thirds of the options will vest and become exercisable on November 11, 2010.

(9) Twenty-five percent of the options will vest and become exercisable on May 16, 2009, 2010, 2011 and 2012.

(10) Options became exercisable on December 14, 2006.

(11) Option will vest and become exercisable on January 12, 2010.

(12) Options became exercisable on January 12, 2008.

(13) One third of the options will vest and become exercisable on January 12, 2009 and the remaining two thirds of the options will vest and become exercisable on January 12, 2010.

(14) Twenty-five percent of the options will vest and become exercisable on February 13, 2009 and 2010 and remaining fifty percent of the options will vest and become exercisable on February 13, 2011.

(15) The restriction lapse and shares become freely tradable with respect to 781 shares on February 13, 2009, 2,208 shares on May 23, 2009, 1,876 shares on November 11, 2009, 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, 2008.

OPTION EXERCISES AND STOCK VESTED DURING 2008

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($) (1)**
Mark P. Mays			4,166	$ 86,153
Randall T. Mays			4,166	86,153
Paul J. Meyer			10,000	206,800
Franklin G. Sisson, Jr.			2,916	60,303
Jonathan D. Bevan			4,082	54,187

(1) Represents the amount realized based on the closing market price of Clear Channel Outdoor s common stock on the applicable vesting date.

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PENSION BENEFITS

The following table sets forth certain information concerning pension benefits for the named executive officers at December 31, 2008.

2008 PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($) (1)	Payments During Last Fiscal Year ($)
Mark P. Mays				
Randall T. Mays				
Paul J. Meyer				
Franklin G. Sisson, Jr.				
Jonathan D. Bevan (2)	Clear Channel Retirement Benefit Scheme	5	284,253	

(1) Amount reflects the actuarial present value of the accumulated benefit at December 31, 2008 based upon the following material assumptions: discount rate of 6.4% per annum; expected return on invested assets of 7.70% per annum; salary increases of 4.20% 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.

(2) 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, 2008 of £1 = $1.4378.

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). There are approximately 163 current employees paying into the defined benefit section. The defined benefit section is closed to employees who joined Clear Channel Outdoor after March 1, 2002 or who joined prior to that date but have now reached the age of 35. Mr. Bevan is the only named executive officer that is a participant of the Scheme and the Scheme is the only defined benefit pension plan operated by Clear Channel Outdoor.

Mr. Bevan, age 37, joined the Scheme on December 1, 2003 and has accrued a total of 5 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. Clear Channel Outdoor contributes 21.1% of Mr. Bevan s Pensionable Salary to the Scheme. As reported in the 2008 Summary Compensation Table, this amount equaled $79,593 in 2008.

Normal retirement age under the Scheme is 60. In general, the Scheme 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 £117,600 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 which is restricted to the earnings cap.

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 times two-thirds of the notional earnings cap.

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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 in to 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 2008. 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**.**

In connection with Clear Channel Communications, Inc. s merger with a subsidiary of CCMH on July 30, 2008, the Nonqualified Deferred Compensation Plan was terminated and all account balances were distributed to the participants. Following the merger, CCMH adopted a new Nonqualified Deferred Compensation Plan in which the named executive officers are eligible to participate. None of the named executive officers have elected to participate in the new plan for the year ended December 31, 2008.

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

2008 NONQUALIFIED DEFERRED COMPENSATION TABLE

Name	Executive contributions in last FY ($)	Registrant contributions in last FY ($)	Aggregate earnings in last FY ($)	Aggregate withdrawals / distributions ($)	Aggregate Balance at last FYE ($)
Mark P. Mays			(5,725)	446,381	

Randall T. Mays		
Paul J. Meyer	(73,961)	444,062
Franklin G. Sisson, Jr.		
Jonathan D. Bevan		

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DIRECTOR COMPENSATION

The following table sets forth certain information concerning director compensation granted to the named directors for the year ended December 31, 2008.

2008 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash (1) ($)	Stock Awards (2) ($)	Option Awards (3) ($)	Total ($)
Margaret W. Covell (4)				
Blair E. Hendrix (4)				
Daniel G. Jones (4)				
L. Lowry Mays (5)				
Mark P. Mays (5)				
Randall T. Mays (5)				
W. Douglas Parker (6)	22,500			22,500
James M. Raines	52,000	22,156	25,892	100,048
Marsha M. Shields	42,000	22,156	25,892	90,048
Dale W. Tremblay	56,000	22,156	25,892	104,048
Scott R. Wells (4)				

(1) In addition to the fees earned in 2008, amounts also include fees earned in 2007, but not paid until 2008, as follows: Mr. Parker $6,000; Mr. Raines $7,000; Ms. Shields $7,000; and Mr. Tremblay $15,000.

(2) Represents the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2008, in accordance with FAS 123R except no assumptions for forfeitures were included, and involves grants in 2007 and 2005. See Note K Shareholders Equity in Appendix A page A-61of this proxy statement for the complete disclosure of the assumptions made in the valuation of our stock awards. As of December 31, 2008, Mr. Raines, Ms. Shields, and Mr. Tremblay each held 4,250 shares of unvested restricted stock. Ms. Covell, Mr. Hendrix, Mr. Jones, Mr. L. Mays, Mr. M. Mays, Mr. R. Mays, Mr. Parker and Mr. Wells held no shares of unvested restricted stock at December 31, 2008.

(3) Represents the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2008, in accordance with FAS 123R except no assumptions for forfeitures were included, and involves grants in 2008, 2007 and 2005.

In 2008, Mr. Raines, Ms. Shields and Mr. Tremblay were each granted 7,500 stock options. The grant date fair value of the 2008 stock option awards to each of Mr. Raines, Ms. Shields and Mr. Tremblay was $53,282 as computed in accordance with FAS 123R. See Note K Shareholders Equity in Appendix A page A-61 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 2008. As of December 31, 2008, Mr. Raines, Ms. Shields, and Mr. Tremblay each held unexercised stock options for 15,750 shares of common stock. Ms. Covell, Mr. Hendrix, Mr. Jones, Mr. L. Mays, Mr. M. Mays, Mr. R. Mays, Mr. Parker and Mr. Wells held no stock options at December 31, 2008.

(4) 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.

(5) Messrs. L. Mays, 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 2008 Summary Compensation Table.

Mr. Raines, Ms. Shields and Mr. Tremblay are each entitled to an annual cash retainer of $25,000, an additional $1,500 for each Board meeting attended and an additional $1,000 for each Committee meeting attended. 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 2008.

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In 2008, Mr. Raines, Ms. Shields and Mr. Tremblay were each granted 7,500 stock options. Stock awards and option awards granted in 2005 vest in five equal installments annually. Stock awards and option awards granted in 2007 and option awards granted in 2008 vest in four equal installments annually.

POTENTIAL POST-EMPLOYMENT PAYMENTS

Paul Meyer

Pursuant to the terms of Mr. Meyer s employment agreement, if his employment with the Clear Channel Outdoor is terminated (a) by us for Cause (as defined below), Clear Channel Outdoor will pay Mr. Meyer a lump sum amount equal to his accrued and unpaid base salary and any payments to which he may be entitled under any applicable employee benefit plan, (b) by us without Cause, Clear Channel Outdoor will pay Mr. Meyer (i) a lump sum amount equal to his accrued and unpaid base salary, a prorated annual incentive bonus (if earned), and any payments to which he may be entitled under any applicable employee benefit plan, and (ii) $600,000, paid pro rata over a one year period in accordance with our standard payroll schedule and practices as consideration for Mr. Meyer s post-termination non-compete and non-solicitation covenants, (c) by reason of his death, Clear Channel Outdoor will pay to Mr. Meyer s designee or estate, as applicable, a lump sum amount equal to his accrued and unpaid base salary, a prorated annual incentive bonus (if earned), and any payments to which Mr. Meyer s spouse, beneficiaries, or estate may be entitled under any applicable employee benefit plan, or (d) due to Mr. Meyer s Disability (as defined below), Clear Channel Outdoor will pay Mr. Meyer a lump sum amount equal to his accrued and unpaid base salary, a prorated annual incentive bonus (if earned), and any payments to which he may be entitled under any applicable employee benefit plan.

Mr. Meyer s employment agreement contains non-competition and non-solicitation covenants, each with a one-year term. The non-competition covenant may be waived by Clear Channel Outdoor if its Board of Directors determines, in its sole discretion, that the proposed activities are immaterial to the operations of Clear Channel Outdoor, and any of its subsidiaries and affiliates, in the location in question. Mr. Meyer s employment agreement also contains a confidentiality provision with a perpetual term.

Termination for Cause means (i) conduct by Mr. Meyer constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, violation of our policy on sexual harassment, misappropriation of funds or property of Clear Channel Outdoor, or other willful misconduct as determined in the sole discretion of Clear Channel Outdoor; (ii) continued, willful and deliberate non-performance by Mr. Meyer of his duties under his employment agreement (other than by reason of Mr. Meyer s physical or mental illness, incapacity or disability) where such non-performance has continued for more than 10 days following written notice of such non-performance; (iii) Mr. Meyer s refusal or failure to follow lawful directives where such refusal or failure has continued for more than 30 days following written notice of such refusal or failure; (iv) a criminal or civil conviction of Mr. Meyer, a plea of nolo contendere by Mr. Meyer, or other conduct by Mr. Meyer that, as determined in the sole discretion of the Board of Directors, has resulted in, or would result in if he were retained in his position with Clear Channel Outdoor, material injury to the reputation of Clear Channel Outdoor, including, without limitation, conviction of fraud, theft, embezzlement, or a crime involving moral turpitude; (v) a breach by Mr. Meyer of any of the provisions of his employment agreement; or (vi) a violation by Mr. Meyer of Clear Channel Outdoor s employment policies.

Disability means Mr. Meyer s incapacity due to physical or mental illness such that Mr. Meyer is unable to perform his duties under this employment agreement on a full-time basis for more than 90 days in any 12 month period, as determined by Clear Channel Outdoor

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 (as defined below), 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 (as defined above) 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. A Change in Control means any transaction or series of transactions which constitutes an Exchange Transaction (as defined below) or such other event involving a change in ownership or control of the business or assets of Clear Channel Outdoor as the Board,

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acting in its discretion, may determine. An Exchange Transaction means a merger (other than a merger of Clear Channel Outdoor in which the holders of common stock immediately prior to the merger have the same proportionate ownership of common stock in the surviving corporation immediately after the merger), consolidation, acquisition or disposition of property or stock, separation, reorganization (other than a mere reincorporation or the creation of a holding company), liquidation of Clear Channel Outdoor or any other similar transaction or event so designated by the Board in its sole discretion, as a result of which the stockholders of Clear Channel Outdoor receive cash, stock or other property in exchange for or in connection with their shares of common stock.

Jonathan Bevan

Pursuant to the terms of Mr. Bevan s employment agreement, if his employment with Clear Channel Outdoor is terminated for any reason, Clear Channel Outdoor will pay Mr. Bevan a lump sum prorated annual incentive bonus (if earned) for the fiscal year in which his employment was terminated. Such bonus payment will be calculated at fiscal yearend based on actual audited results and will be paid as soon as possible at the commencement of the following fiscal year.

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 (as defined above), 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 (as defined below), 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 Sisson

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 (as defined above), any outstanding, unvested equity awards granted to Mr. Sisson under the 2005 Stock Incentive Plan immediately vest, and (b) upon Mr. Mr. Sisson s termination due to a Disability (as defined below), any outstanding, unvested equity awards granted to Mr. 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.

Under the terms of the 2006 Annual Incentive Plan, if a participant, including Mr. Sisson, dies before receiving payment of an amount earned under the plan, such payment will be made to the decreased participant s designated beneficiary or estate.

Mark Mays and Randall 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) Messrs. M. Mays or R. Mays termination due to death, or (ii) a Change in Control (as defined above), any outstanding, unvested equity awards granted to the respective officer under the 2005 Stock Incentive Plan immediately vest, and (b) upon Messrs. M. Mays or R. Mays termination due to a Disability (as defined below), any outstanding, unvested equity awards granted to the respective officer under the 2005 Stock Incentive Plan continue to vest, in general, in accordance with the respective award s vesting schedule. In Messrs. M. Mays or R. 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.

Additionally, 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, upon the Retirement (as defined below) of any named executive officer, his outstanding, unvested equity awards will continue to vest, in general, in accordance with the respective award s vesting schedule. Retirement means the named executive officer s resignation from Clear Channel Outdoor on or after the date on which the sum of his (a) full years of age (measured as of his last birthday preceding the date of termination of employment or service) and (b) full years of service with Clear Channel Outdoor measured from his date of hire (or re-hire, if later), is equal at least seventy (70); provided, that, the named executive officer must have attained at least the age of sixty (60) and completed at least five (5) full years of service with Clear Channel Outdoor prior to the date of his resignation. Mr. Meyer is the only named executive officer that meets the retirement eligibility requirements under the Plan.

As briefly indicated above, the Clear Channel Outdoor s 2005 Stock Incentive Plan and related forms of stock option agreement and restricted stock award agreement contain a single trigger change in control provision pursuant to which all outstanding, unvested equity awards are subject to accelerated vesting upon a change in control of Clear Channel Outdoor. The Committee believes that a single trigger change in control provision (a) provides a powerful retention device during change in control discussions, and (b) ensures our key employees are not deprived of the benefits that they earned or reasonably should expect to receive if there was no change in control.

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.

2008 POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL (1)

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	Cash payment						
	Vesting of equity awards			76,881(2)	76,881(3)		76,881(3)
	TOTAL			**76,881**	**76,881**		**76,881**
Randall T. Mays	Cash payment						
	Vesting of equity awards			76,881(2)	76,881(3)		76,881(3)
	TOTAL			**76,881**	**76,881**		**76,881**
Paul J. Meyer	Cash payment		775,000(4)	175,000(5)	175,000(5)		
	Vesting of equity awards			184,500(2)	184,500(3)	184,500(6)	184,500(3)
	TOTAL		**775,000**	**359,500**	**359,500**	**184,500**	**184,500**
Franklin G. Sisson, Jr.	Cash payment				150,000(7)		
	Vesting of equity awards			53,819(2)	53,819(3)		53,819(3)
	TOTAL			**53,819**	**203,819**		**53,819**
Jonathan D. Bevan	Cash payment						
	Vesting of equity awards			94,562(2)	94,562(3)		94,562(3)
	TOTAL			**94,562**	**94,562**		**94,562**

(1) Amounts reflected in the table were calculated assuming a December 31, 2008 termination date, which was the last business day of the 2008 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 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.

(2) Amount reflects the value of unvested equity awards held by the respective named executive officer on December 31, 2008 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 common stock on December 31, 2008 of $6.15, but it excludes stock options where the exercise price exceeds the closing sale price of our common stock on December 31, 2008.

(3) Amount reflects the value of unvested equity awards held by the respective named executive officer on December 31, 2008 that would be subject to accelerated vesting. This value is based upon the closing sale price of Clear Channel Outdoor s common stock on December 31, 2008 of $6.15, but it excludes stock options where the exercise price exceeds the closing sale price of our common stock on December 31, 2008.

(4) Amount reflects Mr. Meyer s 2008 annual incentive award of $175,000, plus $600,000 as consideration for the post-termination non-compete and non-solicitation covenants contained in Mr. Meyer s employment agreement.

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(5) Amount reflects Mr. Meyer s 2008 annual incentive award of $175,000.

(6) Amount reflects the value of unvested equity awards held by Mr. Meyer on December 31, 2008 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 common stock on December 31, 2008 of $6.15, but it excludes stock options where the exercise price exceeds the closing sale price of our common stock on December 31, 2008.

(7) Amount reflects Mr. Sisson s cash incentive award based upon his leadership in the blueprinting process.

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 2008, except that (a) Ms. Toncheff was late in filing one Form 4 reporting the withholding of shares for taxes associated with the vesting of restricted stock, and (b) Ms. Covell, Mr. Hendrix, Mr. Jones and Mr. Wells were late in filing their Form 3 reporting their initial holdings upon their appointment to Clear Channel Outdoor s Board.

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.

TRANSACTIONS WITH RELATED PERSONS

Marsha M. Shields

Businesses owned and controlled, in part, by Marsha M. Shields and/or her family members purchased an aggregate of $160,392 of outdoor advertising for those businesses from Clear Channel Outdoor during 2008. In addition, in 2008 we had a lease with one of those businesses, where we provide advertising to that business on a structure owned by that business (at a cost to us of $16,437), and in return were permitted to sell advertising on such structure without paying rent (with a value to us of $16,437). Lastly, Clear Channel Outdoor has three leases with such businesses for which we paid an aggregate of $15,000 in 2008 in exchange for the right to sell advertising to third parties. Clear Channel Outdoor believes the transactions described above are no less favorable to Clear Channel Outdoor than could be obtained with nonaffiliated parties.

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 88.6% 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. CC Media has advised us that its current intent is to continue to hold all of our Class B common stock owned by it and thereby retain its controlling interest in us. However, CC Media is not subject to any

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contractual obligation that would prohibit it from selling, spinning off, splitting off or otherwise disposing of any shares of our common stock.

Each of Mark P. Mays and Randall T. Mays, two of our current directors, is a director and executive officer of CCC Media. L. Lowry Mays, one of our current directors, is the Chairman Emeritus 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 its subsidiaries, 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 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.

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 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 affiliates and each of our and 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 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.

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.

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;

incurrence or guarantee of debt by us or our subsidiaries in excess of $400.0 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;

enter 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.

Corporate Services Agreement

We have entered into a corporate services agreement with Clear Channel Communications to provide us certain administrative and support services and other assistance. Pursuant to the Corporate Services Agreement, Clear Channel Communications provides us with, among other things, the following:

- treasury, payroll and other financial related services;

- executive officer services;

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- 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, the services of the chief executive officer of Clear Channel Communications, currently Mark P. Mays, to serve as our Chief Executive Officer, and the chief financial officer of Clear Channel Communications, currently Randall T. Mays, to serve as our Chief Financial Officer. Our obligation to utilize the services of each of the chief executive officer and chief financial officer of Clear Channel Communications in these capacities will continue until Clear Channel Communications owns less than 50% of the voting power of our common stock or we provide Clear Channel Communications with six months prior written notice of termination. 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, 2008, charges for the corporate and executive services provided to us by Clear Channel Communications under the Corporate Services Agreement totaled $28.1million.

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 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.

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, 2008, the amount of receivable from Clear Channel Communications under the Tax Matters Agreement was $7.1 million.

Employee Matters Agreement

We have entered into an 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 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 2008, 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 2009.

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 2008, we estimated that these discounted revenues would have been less than 1% of our domestic revenues.

Intercompany Note and Other Indebtedness

On August 2, 2005, we distributed a note in the original principal amount of $2.5 billion to Clear Channel Communications as a dividend. This note matures on August 2, 2010, may be prepaid in whole at any time, or in part from time to time. The note accrues interest at a variable per annum rate equal to the weighted average cost of debt for Clear Channel Communications, calculated on a monthly basis. This note is mandatorily payable upon a change of control and, subject to certain exceptions, all proceeds from debt or equity raised by us must be used to prepay such note. At December 31, 2008, the interest rate on the $2.5 billion note was 6%. The amount of interest accrued under the intercompany note during the year ended December 31, 2008, totaled $3.5 million. The principal balance on the intercompany note outstanding as of March 31, 2009, was $2.5 billion.

Until all our obligations evidenced by and provided for in the $2.5 billion intercompany note are fully paid, we and our subsidiaries are subject to certain negative covenants contained in the note, including limitations on the following:

- becoming liable for consolidated funded indebtedness (as defined in the note), excluding certain intercompany indebtedness or guarantees of indebtedness incurred by Clear Channel Communications or certain of its subsidiaries, in a principal amount in excess of $400.0 million at any one time outstanding;

- creating liens;
- making investments;
- sale and leaseback transactions (as defined in the note), which when aggregated with consolidated funded indebtedness secured by liens, will not exceed an amount equal to 10% of our total consolidated stockholder s equity (as defined in the note) as shown on our most recently reported annual audited consolidated financial statements;
- disposing of all or substantially all of our assets;
- mergers and consolidations;
- declaring or paying dividends or other distributions;
- repurchasing our equity; and
- limitations on entering into transactions with our affiliates.

The note contains customary events that permit its maturity to be accelerated prior to its stated maturity date including our failure to comply with any of its negative covenants.

As part of the day-to-day cash management services provided by Clear Channel Communications, we maintain an account that represents net amounts, up to a maximum of $1.0 billion, due to or from Clear Channel Communications, which is recorded as Due from Clear Channel Communications or Due to Clear Channel Communications on the consolidated balance sheets. The account represents our revolving promissory note with Clear Channel Communications. The account accrues interest pursuant to the Master Agreement and is generally payable on demand. Included in the account is the net activity 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 by Clear Channel Communications. In return, Clear Channel Communications funds our controlled disbursement accounts as checks or electronic payments are presented for payment. At December 31, 2008, a balance of $431.6 million was an asset recorded in Due from Clear Channel Communications on the consolidated balance sheet. For the year ended December 31, 2008, we accrued net interest income on net amounts due to or from Clear Channel Communications of $3.5 million. At December 31, 2008, the interest rate on the intercompany account was .02%.

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*. A copy may also be obtained upon request from the Secretary of Clear Channel Outdoor.

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, 2008. 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 2008, 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

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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, 2008 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.

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, 2008, 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

The Audit Committee has selected Ernst & Young LLP as our independent registered public accounting firm for the 2009 fiscal year. Ernst & Young LLP has served as our independent registered public accounting firm since our Initial Public Offering on November 11, 2005. Ernst & Young LLP billed Clear Channel Outdoor the following fees for services provided during the years ended December 31, 2008 and 2007:

(In thousands)	Fees Paid During Year Ended December 31, 2008	2007
Audit fees (1)	$ 3,967	$ 3,891
Audit-related fees (2)	33	58
Tax fees (3)	761	604
All other fees		
Total fees for services	$ 4,761	$ 4,553

(1) 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.

(2) 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.

(3) 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 $761,000 tax fees for 2008, $58,056 was related to tax compliance services. Of the $604,000 tax fees for 2007, $97,000 was related to tax compliance 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.

STOCKHOLDER PROPOSALS FOR 2010 ANNUAL MEETING

Stockholders interested in submitting a proposal for inclusion in the proxy materials for the annual meeting of stockholders in 2010 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 31, 2009. Proposals should be sent to Secretary, Clear Channel Outdoor Holdings, Inc., P.O. Box 659512, San Antonio, Texas 78265-9512.

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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. Assuming the 2009 Annual Meeting of Stockholders occurs on May 27, 2009, notice of nominations or proposals for the 2010 Annual Meeting of Stockholders must be received by the secretary of Clear Channel Outdoor no earlier than January 27, 2010, and no later than February 26, 2010. 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 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.

NYSE MATTERS

Clear Channel Outdoor filed the CEO and CFO certifications required under Section 302 of the Sarbanes-Oxley Act with the SEC as exhibits to its most recently filed Form 10-K. Clear Channel Outdoor also submitted a Section 303A.12(a) CEO Certification to the NYSE last year.

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, P.O. Box 659512, San Antonio, Texas 78265-9512 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 2, 2009, is available free of charge at Clear Channel Outdoor s Internet website at

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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., P.O. Box 659512, San Antonio, Texas 78265-9512.

This document is dated April 30, 2009 and is first being mailed to stockholders on or about May 5, 2009.

Andrew W. Levin
Executive Vice President, Chief Legal Officer and Secretary

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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, 2008.

Indexed yearly Stock Price Close

(Prices adjusted for Stock Splits and Dividends)

INDEXED YEARLY STOCK PRICE CLOSE

(Prices adjusted for Stock Splits and Dividends

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

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 under the symbol CCO. There were 87 shareholders of record as of February 26, 2009. 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
2007			**2008**		
First Quarter	$ 31.14	$ 24.91	First Quarter	$ 27.82	$ 18.36
Second Quarter	30.12	25.95	Second Quarter	22.49	17.05
Third Quarter	29.24	22.81	Third Quarter	18.15	11.88
Fourth Quarter	28.57	23.65	Fourth Quarter	13.75	3.35

See Part III, Item 12 for information regarding securities authorized for issuance under our equity compensation plans.

Dividend Policy

To date, we have not paid dividends on our common stock and we do not anticipate paying any dividends on the shares of our common stock in the foreseeable future. Pursuant to the covenants on the $2.5 billion note with Clear Channel Communications, our ability to pay dividends is restricted. If cash dividends were to be paid on our common stock, holders of Class A common stock and Class B common stock would share equally, on a per share basis, in any such cash dividend.

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Purchases of Equity Securities by the Issuer and Affiliated Purchases

The following table sets forth the Company s purchases of our Class A common stock registered pursuant to Section 12 of the Securities Exchange Act of 1934 that occurred during the quarter ended December 31, 2008:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 through October 31, 2008		$		
November 1 through November 30, 2008	9,811	4.55		
December 1 through December 31, 2008				
Total	9,811			

(1) The shares indicated consist of shares tendered by employees to the Company during the three months ended December 31, 2008 to satisfy the employees tax withholding obligations in connection with the vesting and release of restricted shares, which are repurchased by the Company based on their fair market value on the date the relevant transaction occurs.

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

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 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.

The historical financial and other data for the year ended December 31, 2008 are comprised of two periods: post-merger and pre-merger results, which relate to the period succeeding Clear Channel Communications merger and the periods preceding Clear Channel Communications merger, respectively. For purposes of this discussion, we have presented the historical financial data for the year ended December 31, 2008 on a combined basis. We believe that the presentation on a combined basis is more meaningful as it allows the financial data to be analyzed to comparable periods prior to Clear Channel Communications merger. The post-merger and pre-merger financial data for the year ended December 31, 2008 is presented in Management s Discussion and Analysis of Financial Condition and Results of Operations, and the historical audited consolidated financial statements and the accompanying notes thereto included elsewhere in this Annual Report.

The results of operations data, segment data and cash flow data for the years presented below were derived from our audited consolidated and combined financial statements.

You should read the information contained in this table in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, and the historical audited consolidated financial statements and the accompanying notes thereto included elsewhere in this Annual Report.

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	Year Ended December 31,				
(In thousands, except per share data)	2008 Combined	2007 (1) Pre-Merger	2006 (2) Pre-Merger	2005 Pre-Merger	2004 Pre-Merger
Results of Operations Data:					
Revenue	$ 3,289,287	$ 3,281,836	$ 2,897,721	$ 2,666,078	$ 2,447,040
Operating expenses:					
Direct operating expenses	1,882,136	1,734,845	1,514,842	1,405,758	1,322,488
Selling, general and administrative expenses	606,370	537,994	486,994	478,343	439,286
Depreciation and amortization	472,350	399,483	407,730	400,639	388,217
Corporate expenses	71,045	66,080	65,542	61,096	53,770
Impairment charge (3)	3,217,649				
Other operating income net	15,848	11,824	22,846	3,488	10,791
Operating income (loss)	(2,944,415)	555,258	445,459	323,730	254,070
Interest expense (including interest on debt with Clear Channel Communications)	161,650	157,881	162,583	198,354	159,830
Loss on marketable securities	59,842				
Equity in earnings (loss) of nonconsolidated affiliates	68,733	4,402	7,460	9,844	(76)
Other income (expense) net	25,479	10,113	331	(12,291)	(16,530)
Income (loss) before income taxes, minority interest and cumulative effect of a change in accounting principle	(3,071,695)	411,892	290,667	122,929	77,634
Income tax (expense) benefit:					
Current	(27,126)	(111,726)	(82,553)	(51,173)	(23,422)
Deferred	247,445	(34,915)	(39,527)	5,689	(39,132)
Income tax (expense) benefit	220,319	(146,641)	(122,080)	(45,484)	(62,554)
Minority interest income (expense) net	293	(19,261)	(15,515)	(15,872)	(7,602)
Income (loss) before cumulative effect of a change in accounting principle	(2,851,083)	245,990	153,072	61,573	7,478
Cumulative effect of a change in accounting principle, net of tax of $113,173 in 2004 (4)					(162,858)
Net income (loss)	$ (2,851,083)	$ 245,990	$ 153,072	$ 61,573	$ (155,380)
Net income (loss) per common share:					
Basic:					
Income (loss) before cumulative effect of a change in accounting principle	$ (8.03)	$ .69	$ .43	$ .19	$ .02
Cumulative effect of a change in accounting principle					(.52)
Net income (loss)	$ (8.03)	$ .69	$ .43	$ .19	$ (.50)
Weighted average common shares	355,233	354,838	352,155	319,890	315,000
Diluted:					
Income (loss) before cumulative effect of a change in accounting principle	$ (8.03)	$ .69	$ .43	$ .19	$ .02
Cumulative effect of a change in accounting principle					(.52)
Net income (loss)	$ (8.03)	$ .69	$ .43	$ .19	$ (.50)
Weighted average common shares	355,233	355,806	352,262	319,921	315,000

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	As of December 31,				
	2008	2007 (1)	2006 (2)	2005	2004
(In thousands)	Post-Merger	Pre-Merger	Pre-Merger	Pre-Merger	Pre-Merger
Balance Sheet Data:					
Current assets	$ 1,554,652	$ 1,607,107	$ 1,189,915	$ 1,050,180	$ 1,107,240
Property, plant and equipment net	2,586,720	2,244,108	2,191,839	2,153,428	2,195,985
Total assets	8,050,761	5,935,604	5,421,891	4,918,345	5,240,933
Current liabilities	791,865	921,292	841,509	793,812	749,055
Long-term debt, including current maturities	2,601,854	2,682,021	2,684,176	2,727,786	1,639,380
Shareholders /owner s equity	3,332,010	1,982,730	1,586,378	1,209,437	2,729,653

(1) Effective January 1, 2007, the Company adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, or FIN 48. In accordance with the provisions of FIN 48, the effects of adoption were accounted for as a cumulative-effect adjustment recorded to the balance of retained earnings on the date of adoption. See Note J to the Company s financial statements.

(2) Effective January 1, 2006, the Company adopted FASB Statement No. 123(R), *Share-Based Payment*. In accordance with the provisions of Statement 123(R), the Company elected to adopt the standard using the modified prospective method. See Note K to the Company s financial statements.

(3) We recorded a non-cash impairment charge of $3.2 billion in 2008 as a result of the global economic slowdown which adversely affected advertising revenues across our businesses in recent months, as discussed more fully in Item 7.

(4) Cumulative effect of change in accounting principle for the year ended December 31, 2004 related to a non-cash charge recognized in accordance with the adoption of Topic D-108, *Use of the Residual Method to Value Acquired Assets other than Goodwill*.

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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, 2008, 2007 and 2006.

Our discussion is presented on both a consolidated and segment basis. Our reportable operating segments are Americas and International. Approximately 92% of our 2008 Americas revenue was derived from the United States, with the balance derived primarily from Canada and Latin America. Approximately 40% of our 2008 International revenue was derived from France and the United Kingdom.

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

- *Financial Condition and Liquidity.* This section provides a discussion of our financial condition as of December 31, 2008, as well as an analysis of our cash flows for the years ended December 31, 2008, 2007 and 2006. The discussion of our financial condition and liquidity 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, 2008.

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

- *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. 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.* Staff Accounting Bulletin No. 54, *Push Down Basis of Accounting Required in Certain Limited Circumstances,* 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. Accordingly, the financial statements as of December 31, 2008 reflect Clear Channel Communications preliminary estimated fair value basis resulting from the merger that has been pushed down to us. A portion of the

consideration paid has been preliminarily 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 preliminary allocation was recorded as goodwill. Clear Channel Communications has preliminarily estimated the fair value of the acquired assets and liabilities as of the merger date utilizing information available at the time the financial statements were prepared. These estimates are subject to refinement until all pertinent information is obtained and finalized. Clear Channel Communications is currently in the process of obtaining third-party valuations of certain of the acquired assets and liabilities in order to finalize the purchase price allocation. Clear Channel Communications will complete its purchase price allocation in 2009 and the final allocation of the purchase price may be different than the preliminary allocation.

Impairment Charge

The global economic slowdown has adversely affected advertising revenues across our business in recent months. As a result, we performed an impairment test in the fourth quarter of 2008 on our indefinite-lived permits and goodwill.

Our permits are valued using the direct valuation approach, with the key assumptions being 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 asset within a market.

The estimated fair value of permits was below their carrying values. As a result, we recognized a non-cash impairment charge of $722.6 million on our permits. The United States and global economies are undergoing a period of economic uncertainty, which has caused, among other things, a general tightening in the credit markets, limited access to the credit market, lower levels of liquidity and lower consumer and business spending. These disruptions in the credit and financial markets and the continuing impact of adverse economic, financial and industry conditions on the demand for advertising negatively impacted the key assumptions in the discounted cash flow models used to value our permits.

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

The estimated fair value of our reporting units was below their carrying values, which required us to compare the implied fair value of each reporting units goodwill with its carrying value. As a result, we recognized a non-cash impairment charge of $2.5 billion to reduce our goodwill. The macroeconomic factors discussed above had an adverse effect on our estimated cash flows and discount rates used in the discounted cash flow model.

While we believe we had made reasonable estimates and utilized reasonable assumptions to calculate the fair value of our permits and reporting units, it is possible a material change could occur to the estimated fair value of these assets. If our 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.

Restructuring Program

On January 20, 2009, CC Media Holdings announced that it had commenced a restructuring program targeting a reduction of fixed costs by approximately $350 million on an annualized basis. As part of the program, it eliminated approximately 1,850 full-time positions representing approximately 9% of total workforce. The restructuring program will also include other actions, including elimination of overlapping functions and other cost savings initiatives. The program is expected to result in restructuring and other non-recurring charges of approximately $200 million, although additional costs may be incurred as the program evolves. It is estimated that

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approximately 40% of the anticipated cost savings and related charges will be attributable to us. The cost savings initiatives are expected to be fully implemented by the end of the first quarter of 2010. No assurance can be given that the restructuring program will be successful or will achieve the anticipated cost savings in the timeframe expected or at all. In addition, the restructuring program may be modified or terminated in response to economic conditions or otherwise.

As of December 31, 2008 we had recognized approximately $35.5 million of expenses related to our restructuring program. These expenses primarily related to severance of approximately $27.8 million and $7.7 million related to other professional fees.

Format of Presentation

The accompanying consolidated financial statements are presented for two periods: post-merger and pre-merger. As a result, preliminary purchase accounting adjustments, including goodwill, were pushed down to the opening balance sheet on July 31, 2008 as Clear Channel Communications 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 and the financial reporting periods are presented as follows:

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

- The period from January 1, 2008 through July 30, 2008 includes the pre-merger period.

- The years ended December 31, 2007 and 2006 presented are pre-merger. 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 preliminary purchase accounting, the consolidated financial statements of the post-merger periods are not comparable to periods preceding the merger.

There are several agreements which govern our relationship with Clear Channel Communications including the 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.

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. On February 6, 2009, Clear Channel Communications borrowed the remaining availability under its $2.0 billion revolving credit facility, including the remaining availability under the $150.0 million sub-limit. 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.

The accompanying consolidated financial statements included elsewhere in this Annual Report are presented for two periods for 2008: post-merger and pre-merger results, which relate to the period succeeding the merger and the periods preceding the merger, respectively. 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 2007 and 2006.

Description of Business

Our outdoor advertising business has been, and may continue to be, adversely impacted by the difficult economic conditions currently present in the United States and other countries in which we operate. The continuing

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weakening economy has, among other things, adversely affected our clients need for advertising and marketing services, resulted in increased cancellations and non-renewals by our clients, thereby reducing our occupancy levels and could require us to lower our rates in order to remain competitive, thereby reducing our yield, or affect our client s solvency. Any one or more of these effects could materially affect our business, financial condition and results of operations.

Our revenue is derived from selling advertising space on approximately 908,000 displays owned or operated as of December 31, 2008, consisting primarily of billboards, street furniture and transit displays. Our business has been, and may continue to be, adversely impacted by the adverse economic conditions currently present in the United States and other countries in which we operate. The continuing weakening economy has, among other things, adversely affect our clients need for advertising and marketing services, resulted in increased cancellations and non-renewals by our clients, thereby reducing our occupancy levels, and could require us to lower our rates in order to remain competitive, thereby reducing our yield, or affect our clients solvency. Any one or more of these effects could materially affect our business, financial condition and results of operations.

We own the majority of our advertising displays, which typically are located on sites that we either lease or own or for which we have acquired permanent easements. Our advertising contracts with clients typically outline the number of displays reserved, the duration of the advertising campaign and the unit price per display.

Our advertising rates are based on a number of different factors including location, competition, size of display, illumination, market and gross ratings points. Gross ratings points are the total number of impressions delivered by a display or group of displays, expressed as a percentage of a market population. The number of impressions delivered by a display is measured by the number of people passing the site during a defined period of time and, in some International markets, is weighted to account for such factors as illumination, proximity to other displays and the speed and viewing angle of approaching traffic. Management typically monitors our business by reviewing the average rates, average revenue per display, or yield, occupancy and inventory levels of each of our display types by market. In addition, because a significant portion of our advertising operations are conducted in foreign markets, the largest being France and the United Kingdom, management reviews the operating results from our foreign operations on a constant dollar basis. A constant dollar basis allows for comparison of operations independent of foreign exchange movements.

The significant expenses associated with our operations include (i) direct production, maintenance and installation expenses, (ii) site lease expenses for land under our displays and (iii) revenue-sharing or minimum guaranteed amounts payable under our billboard, street furniture and transit display contracts. Our direct production, maintenance and installation expenses include costs for printing, transporting and changing the advertising copy on our displays, the related labor costs, the vinyl and paper costs and the costs for cleaning and maintaining our displays. Vinyl and paper costs vary according to the complexity of the advertising copy and the quantity of displays. Our site lease expenses include lease payments for use of the land under our displays, as well as any revenue-sharing arrangements or minimum guaranteed amounts payable we may have with the landlords. The terms of our site leases and revenue-sharing or minimum guaranteed contracts generally range from 1 to 20 years.

In our International business, normal market practice is to sell billboards and street furniture as network packages with contract terms typically ranging from one to two weeks, compared to contract terms typically ranging from 4 weeks to one year in the United States. In addition, competitive bidding for street furniture and transit display contracts, which constitute a larger portion of our International business, and a different regulatory environment for billboards, result in higher site lease cost in our International business compared to our Americas business. As a result, our margins are typically less in our International business than in the Americas.

Our street furniture and transit display contracts, the terms of which range from 3 to 20 years, generally require us to make upfront investments in property, plant and equipment. These contracts may also include upfront lease payments and/or minimum annual guaranteed lease payments. We can give no assurance that our cash flows from operations over the terms of these contracts will exceed the upfront and minimum required payments.

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Our 2008 and 2007 results of operations include a full year of the results of operations of Interspace Airport Advertising, or Interspace, and our results of operations for 2006 include a partial year of the results of operations of Interspace, which we acquired in July 2006.

Relationship with Clear Channel Communications

We became a publicly traded company on November 11, 2005, through an initial public offering, or IPO, in which we sold 10% of our common stock, or 35.0 million shares of our Class A common stock. Prior to our IPO we were an indirect wholly-owned subsidiary of Clear Channel Communications. Clear Channel Communications currently 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.

In accordance with the Master Agreement, our branch managers follow a corporate policy allowing Clear Channel Communications to use, without charge, Americas displays they 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 revenue. Clear Channel Communications bears the cost of producing the advertising and we bear the costs of installing and removing this advertising. In 2008, we estimated this discounted revenue would have been less than 1% of our Americas revenue.

Under the Corporate Services Agreement, Clear Channel Communications provides management services to us. These services are charged to us based on actual direct costs incurred or allocated by Clear Channel Communications based on headcount, revenue or other factors on a pro rata basis. For further discussion of these services, see Note I to the consolidated financial statements. For the years ended December 31, 2008, 2007 and 2006, we recorded approximately $28.1 million, $20.3 million and $24.3 million, respectively, as a component of corporate expenses for these services.

Share-Based Payments

As of December 31, 2008, there was $21.2 million of total unrecognized compensation cost, net of estimated forfeitures, related to unvested share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of approximately three years.

The following table details compensation costs related to share-based payments:

	Year Ended December 31,		
	2008	2007	2006
(In thousands)	Combined	Pre-Merger	Pre-Merger
Direct operating expenses	$ 8,057	$ 6,951	$ 4,328
Selling, general and administrative expenses	2,575	2,682	1,683
Corporate expenses	957	538	88
Total share-based payments	$ 11,589	$ 10,171	$ 6,099

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RESULTS OF OPERATIONS

Consolidated Results of Operations

The following tables summarize our historical results of operations:

(In thousands)	Post-Merger Period from July 31 through December 31, 2008	Pre-Merger Period from January 1 through July 30, 2008	Combined Year Ended December 31, 2008
Revenue	$ 1,327,224	$ 1,962,063	$ 3,289,287
Operating expenses:			
Direct operating expenses	762,704	1,119,432	1,882,136
Selling, general and administrative expenses	261,524	344,846	606,370
Depreciation and amortization	224,713	247,637	472,350
Corporate expenses	31,681	39,364	71,045
Impairment charge	3,217,649		3,217,649
Other operating income net	4,870	10,978	15,848
Operating income (loss)	(3,166,177)	221,762	(2,944,415)
Interest expense (including interest on debt with Clear Channel Communications)	72,863	88,787	161,650
Loss on marketable securities	59,842		59,842
Equity in earnings (loss) of nonconsolidated affiliates	(2,109)	70,842	68,733
Other income (expense) net	12,114	13,365	25,479
Income (loss) before income taxes and minority interest	(3,288,877)	217,182	(3,071,695)
Income tax (expense) benefit:			
Current	3,045	(30,171)	(27,126)
Deferred	268,850	(21,405)	247,445
Income tax (expense) benefit	271,895	(51,576)	220,319
Minority interest income (expense) net	(1,655)	1,948	293
Net income (loss)	$ (3,018,637		