

July 26, 2013



Summary Notice of Pendency of Derivative Action, Proposed Settlement of Derivative Action, Settlement Hearing and Right to Appear In Re Clear Channel Outdoor Holdings, Inc. Derivative Litigation

SAN ANTONIO--(BUSINESS WIRE)-- Clear Channel Outdoor Holdings, Inc. (NYSE: CCO), today issued the following press release:

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN RE CLEAR CHANNEL OUTDOOR) CONSOLIDATED
HOLDINGS, INC. DERIVATIVE LITIGATION)
) C.A. No. 7315-CS

SUMMARY NOTICE OF PENDENCY OF DERIVATIVE ACTION, PROPOSED SETTLEMENT OF DERIVATIVE ACTION, SETTLEMENT HEARING, AND RIGHT TO APPEAR

TO: ALL RECORD AND BENEFICIAL HOLDERS OF SHARES OF THE
COMMON STOCK OF CLEAR CHANNEL OUTDOOR HOLDINGS,
INC. ("OUTDOOR" OR THE "COMPANY") AS OF THE CLOSE OF
BUSINESS ON JULY 9, 2013.

YOU ARE HEREBY NOTIFIED that the plaintiffs and defendants in the above-captioned derivative lawsuit (the "Derivative Action"), and the Special Litigation Committee of the Board of Directors of Outdoor (the "SLC"), have entered into a proposed settlement of the Derivative Action (the "Settlement").

PLEASE BE FURTHER ADVISED that pursuant to an Order of the Court of Chancery of the State of Delaware (the "Court"), dated July 9, 2013 (the "Scheduling Order"), a hearing (the "Settlement Hearing") will be held on September 9, 2013, at 10:00 a.m., before The Honorable Leo E. Strine, Jr., in the Court of Chancery of the State of Delaware, New Castle County Courthouse, 500 North King Street, Wilmington, DE 19801. The purpose of the Settlement Hearing is: (a) to determine whether Plaintiffs and Counsel for the Plaintiffs have adequately represented the interests of Outdoor and its stockholders; (b) to determine whether a Stipulation of Settlement dated July 8, 2013 (the "Stipulation"), and the terms and conditions of the Settlement proposed in the Stipulation, are fair, reasonable, adequate and in the best interests of Outdoor and its stockholders; (c) to determine whether the Court should enter an Order and Final Judgment, substantially in the form attached as Exhibit F to the Stipulation, dismissing the Derivative Action with prejudice, and releasing, barring, and enjoining the prosecution of any Released Plaintiff Claims against the Released Defendant

Persons and any Released Defendant Claims against the Released Plaintiff Persons; (d) to consider the application by Counsel for the Plaintiffs for an award of attorneys' fees and expenses; (e) hear and determine any objections to the Settlement and/or Counsel for the Plaintiffs' application for an award of attorneys' fees and expenses; and (f) to rule on such other matters as the Court may deem appropriate.

The Derivative Action and Settlement address claims alleging that Clear Channel Communications, Inc. ("Clear Channel") and its private-equity sponsors, Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P., breached their fiduciary duties to Outdoor and its stockholders by requiring the Company to agree to amend the terms of the Revolving Promissory Note, dated as of November 10, 2005, between Clear Channel, as maker, and Outdoor, as payee (as amended by the first amendment dated as of December 23, 2009, and as may be further amended, the "Note"), to extend the maturity date of the Note and to amend the interest rate payable on the Note (the "Contract Rate"). According to the derivative complaints, the terms of the amended Note were unfair to Outdoor because, among other things, the Contract Rate was below market. The derivative complaints allege that Clear Channel and its private-equity sponsors were unjustly enriched as a result of the foregoing transaction. The derivative complaints also allege that certain current and former directors of Outdoor and Clear Channel breached their fiduciary duties to Outdoor in connection with the transaction and that the transaction constituted corporate waste. The derivative complaints also allege that the Clear Channel Board of Directors (the "Board") breached its fiduciary duties to Outdoor and its stockholders by refusing to demand repayment of the outstanding balance of the Note despite the contractual right to do so. On April 4, 2012, the Board formed the SLC consisting of independent directors to review and investigate Plaintiffs' derivative claims and determine the course of action that serves the best interest of the Company and its stockholders.

The SLC (acting for and on behalf of the Company), in the exercise of its business judgment, has determined that it is in the best interests of the Company and its stockholders that the Derivative Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation, and that the terms and conditions are fair, reasonable, and adequate. The SLC has reached this conclusion only after a comprehensive consideration of the pertinent factual and legal issues surrounding the allegations made in the Verified Stockholder Derivative Complaint, as well as additional possible claims identified by the SLC, and only after an extensive investigation that spanned more than six months. In addition, the SLC's determinations were informed by various prudential considerations, including the costs (financial and otherwise) of litigation, the uncertainty and risk inherent in any litigation, the potential disparity between the costs associated with continued litigation and a potential recovery sufficient to justify those costs, the availability of relief through this Settlement that would not be available through litigation, and the possibility that continued litigation would threaten harm to the Company's reputation and distract the Company's board of directors and senior management from managing the affairs and operations of the Company.

On March 28, 2013, to avoid the costs, disruption, and distraction of further litigation, and without admitting the validity of any allegations made in the derivative complaints, legal counsel for the defendants entered into a binding memorandum of understanding (the "MOU") with legal counsel for the SLC and the plaintiffs to settle the Derivative Action. On July 8, 2013, the parties to the MOU executed the Stipulation reflecting the terms of the

MOU and presented such Stipulation to the Court for approval.

The principal terms of the Settlement are as follows:

- Not later than ten (10) calendar days after Final Court Approval, the Company will on the same day both (a) notify Clear Channel of its intent to make a demand for repayment of \$200 million outstanding under the Note twenty (20) calendar days thereafter (or if that day is not a business day, then the next business day thereafter), and (b) declare a dividend to be paid the same business day that such demand is made, conditioned on Clear Channel having satisfied such demand. On the twentieth (20th) calendar day after providing such notice to Clear Channel (or if that day is not a business day, then the next business day thereafter), Outdoor will demand repayment of \$200 million outstanding under the Note. Clear Channel will satisfy the demand the same day it is made.
- Not later than ten (10) business days after Final Court Approval, the Company and Clear Channel will adopt a Note amendment in substantially the form attached to the Stipulation as Exhibit D. The Note amendment will change the Contract Rate such that, in the event that (x) the outstanding balance (which shall be calculated on a daily basis) due under the Note exceeds \$1.0 billion, the per annum rate of interest applicable to such excess balance (i.e., the amount that exceeds \$1.0 billion) will be (only for so long as the outstanding balance due under the Note exceeds \$1.0 billion) an amount equal to the Average Yield-to-Maturity for the series of Clear Channel Reference Notes that has the nearest future maturity date or (y) the Clear Channel Liquidity Ratio is less than 2.0x, the per annum rate of interest applicable to the entire balance outstanding under the Note will be (only for so long as the Clear Channel Liquidity Ratio is less than 2.0x) an amount equal to the Average Yield-to-Maturity for the series of Clear Channel Reference Notes that has the nearest future maturity date. For purposes of determining the Contract Rate, the series of Clear Channel Reference Notes that has the nearest future maturity date shall be determined without regard to any series of Clear Channel Reference Notes that has a maturity date less than 90 calendar days from the date of measurement. If no trades were reported during the month for the applicable Clear Channel Reference Notes, the Average Yield-to-Maturity from the previous month shall be used. If no series of Clear Channel Reference Notes that has a maturity date of 90 days or more from the date of measurement continues in existence on the date of measurement, Average Yield-to-Maturity shall be calculated in the manner described in the three preceding sentences, except that the publicly traded Clear Channel unsecured debt that has the nearest maturity date of 90 days or more from the date of measurement shall be substituted for the Clear Channel Reference Notes. The Average Yield-to-Maturity shall in no event be less than 6.5%, nor greater than 20%.

All capitalized terms in this Notice not otherwise defined herein have the meaning given to them in this Notice and/or in the Stipulation of Settlement in this matter.

- Not later than ten (10) business days after Final Court Approval, the Company will establish a committee of the Board (the "Committee") for the specific purpose of monitoring the Note, composed of all then-serving Independent Directors of the Company, and will adopt a Committee charter in substantially the form attached to the Stipulation as Exhibit E. The Committee will be provided reports on a monthly and

annual basis, and will have access to independent legal and financial advisors. The Committee charter will provide for the Committee to have the non-exclusive authority (*i.e.*, in addition to the authority of the full Board), if the Committee so desires and believes it to be in the best interests of the Company's stockholders, to demand payments under the Note in the following specified circumstances:

- if the Clear Channel Liquidity Ratio is less than 2.0x on an actual and projected basis, the Committee will be authorized to demand payment up to the full amount outstanding under the Note; or
- if the Outdoor Public Share is greater than \$114.0 million on an actual or projected basis, then the Committee will be authorized to demand payment up to the amount required to reduce the Outdoor Public Share to \$85.0 million;

in each such case provided that the Committee simultaneously declares a dividend equal to the amount so demanded, to be paid simultaneously with the amount paid pursuant to the demand.

- A comprehensive release from liability arising out of the derivative claims asserted in the Derivative Action.

Before the Settlement Hearing, Counsel for the Plaintiffs intends to apply to the Court for an award of attorneys' fees and expenses. Clear Channel and the SLC (acting for and on behalf of the Company) acknowledge the right of Counsel for the Plaintiffs to an award of fees and expenses as a result of their prosecution of the Derivative Action. Counsel for the Plaintiffs agree not to seek fees or expenses from the Court in excess of six million dollars (\$6,000,000), and Defendants shall take no position on the amount of any application for an award of fees and expenses (provided that the application complies with the Stipulation).

If the Settlement is approved, the Action will be dismissed with prejudice and the Released Persons will be released by Plaintiffs, Defendants, the SLC, the Company, and Company Stockholders, derivatively on behalf of the Company, as applicable, on the terms and subject to the conditions set forth in the Stipulation.

ANY PERSON THAT OWNED OUTDOOR COMMON STOCK AS OF JULY 9, 2013, THE DATE THAT THE COURT ENTERED THE SCHEDULING ORDER, AND WHO CONTINUES TO OWN SHARES OF OUTDOOR COMMON STOCK THROUGH SEPTEMBER 9, 2013, THE DATE OF THE SETTLEMENT HEARING, AND WHO WISHES TO OBJECT TO THE SETTLEMENT OR THE APPLICATION FOR FEES AND EXPENSES BY COUNSEL FOR THE PLAINTIFFS, OR ANY OTHER MATTER RELATED TO THE SETTLEMENT, MAY DO SO BY FOLLOWING THE PROCEDURE SET FORTH IN SECTIONS 27-30 OF THE NOTICE OF PENDENCY OF DERIVATIVE ACTION, PROPOSED SETTLEMENT OF DERIVATIVE ACTION, SETTLEMENT HEARING, AND RIGHT TO APPEAR (the "Notice"). The Notice, as well as the Stipulation and the Court's July 9, 2013 Scheduling Order, are available on Outdoor's website at <http://clearchanneloutdoor.com/about-us/investors/> and on plaintiffs' counsel's websites at <http://www.gelaw.com/clear-channel> and <http://www.blbglaw.com>.

PLEASE DO NOT CONTACT THE COURT.

Dated: July 19, 2013

BY ORDER OF THE COURT OF CHANCERY
OF THE STATE OF DELAWARE

About Clear Channel Outdoor Holdings, Inc.

Clear Channel Outdoor Holdings, Inc., (NYSE: CCO) is one of the world's largest outdoor advertising companies, with more than 750,000 displays in over 40 countries across five continents, including 48 of the 50 largest markets in the United States. Clear Channel Outdoor Holdings offers many types of displays across its global platform to meet the advertising needs of its customers. This includes a growing digital platform that now offers over 1000 digital billboards across 37 U.S. markets. Clear Channel Outdoor Holdings' International segment operates in nearly 30 countries across Asia, Australia, Europe and Latin America in a wide variety of formats.

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Source: Clear Channel Outdoor Holdings, Inc.