

CLEAR CHANNEL HOLDINGS LIMITED

Registered Number: 3565606

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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COMPANIES HOUSE

CLEAR CHANNEL HOLDINGS LIMITED

DIRECTORS

J Bevan
W Eccleshare
D Eller

SECRETARY

A Tow (Appointed 31st October 2012)
C Carey (Appointed 10th February 2011 resigned 31st October 2012)

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

BANKERS

Barclays Bank PLC
7th Floor
180 Oxford Street
London W1D 1EA

REGISTERED OFFICE

33 Golden Square
London W1F 9JT

CLEAR CHANNEL HOLDINGS LIMITED

REGISTERED NUMBER: 3565606

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2012

Results and dividends

The company's retained loss for the year amounted to (£12,853,082) (2011 profit-£32,290,838). No dividends were paid during the year (2011: £39,598,227)

Principal activity and review of the business

The company's principal activity is to act as a holding company. The company is a wholly owned subsidiary undertaking of Clear Channel International Holdings BV.

The company's key financial and other performance indicators during the financial year were as follows

| | <u>2012</u> | <u>2011</u> | <u>Change</u> |
|--------------------------|--------------------|--------------------|----------------------|
| | £'000 | £'000 | % |
| Profit/ (loss) after tax | (12,853) | 32,290 | (1,398%) |
| Shareholders' funds | 354,390 | 367,243 | (3.5%) |

There was no dividend received in the 2012 resulting in a loss for the period

Impairment

We reviewed our investments for impairment and no write down was necessary (2011 nil.)

Restatement

All loan balances are repayable on demand and are therefore classified as Current. Prior year comparatives have been restated to conform with this presentation. In the filed 2011 accounts £317,699,935 of creditors were classified as falling due after more than one year. Following the restatement, this amount is now classified as current creditors.

Principal risks and uncertainties

As a holder of significant investments in subsidiary companies, Clear Channel Holdings Limited has exposure to changes in the value of its investments based upon the performance of the investments and prevailing market conditions. The company addresses this risk by active management of the underlying businesses of all investments

CLEAR CHANNEL HOLDINGS LIMITED

REPORT OF THE DIRECTORS (Continued)

Future developments

The company intends to continue to hold its investments in subsidiaries operating in the outdoor advertising market and would consider future acquisitions and disposals where appropriate

Liquidity Risk and Going Concern

Clear Channel Holdings Limited is ultimately funded by its parent company Clear Channel Outdoor Holdings Inc in the US and is part of the Clear Channel Outdoor Holdings Inc. group of companies.

The directors of Clear Channel Holdings Limited have sought assurance from Clear Channel Outdoor Holdings Inc. that its financial support will not be withdrawn in the foreseeable future and that no loans shall be recalled, except in the event that Clear Channel Holdings Limited has excess cash either through operations or the disposal of assets

The directors of Clear Channel Holdings Limited have also reviewed the expected cash flows from its subsidiaries in light of the current difficult trading environment, and based on this, and the assurances of Clear Channel Outdoor Holdings Inc, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

Directors and their interests

The directors who served the company during the year were:

J Bevan
W Eccleshare
D Eller

There are no directors' interests requiring disclosure under the Companies Act 2006

Directors' Liabilities

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the directors' report

CLEAR CHANNEL HOLDINGS LIMITED

REPORT OF THE DIRECTORS (Continued)

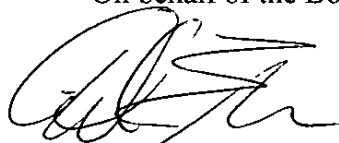
Disclosure of information to the auditors

So far as each person who is a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors, and the company's auditor each director has taken all the steps that he/she is obliged to take as a director in order to make himself / herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'D Eller', written over a horizontal line.

D Eller
Director

23rd September 2013

CLEAR CHANNEL HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAR CHANNEL HOLDINGS LIMITED

We have audited the financial statements of Clear Channel Holdings Ltd for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Shareholders' Funds and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement (on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

CLEAR CHANNEL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEAR CHANNEL HOLDINGS LIMITED (Continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young L.L.P.

Cameron Cartmell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London

26th September 2013

CLEAR CHANNEL HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

| | Notes | 2012 £ | 2011 £ |
|--|-----------|---------------------|-------------------|
| Exchange gain | | 882,445 | 733,927 |
| Administrative expenses | | (223) | (3) |
| Operating profit | 2 | 882,222 | 733,924 |
| Interest payable and similar charges | 4 | (13,735,305) | (11,904,635) |
| Interest receivable and similar income | 5 | 1 | 1 |
| Dividends received | | 0 | 43,461,548 |
| Profit/ (loss) on ordinary activities before taxation | | (12,853,082) | 32,290,838 |
| Tax on profit on ordinary activities | 6 | - | - |
| Profit/ (loss) for the financial year | 10 | <u>(12,853,082)</u> | <u>32,290,838</u> |

All the company's activities are in respect of continuing operations

There are no gains or losses other than those recognised in the loss for the financial year
There is no difference between the results reported above and their historical cost equivalent

CLEAR CHANNEL HOLDINGS LIMITED

**RECONCILIATION OF SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2012**

| | 2012 £ | 2011 £ |
|-------------------------------------|---------------------------|---------------------------|
| Total recognised profit/ (loss) | (12,853,082) | 32,290,838 |
| Dividends paid | - | (39,598,227) |
| Net movement in shareholders' funds | <u>(12,853,082)</u> | <u>(7,307,389)</u> |
| Opening shareholders' funds | 367,243,559 | 374,550,948 |
| Closing shareholders' funds | <u>354,390,477</u> | <u>367,243,559</u> |

CLEAR CHANNEL HOLDINGS LIMITED**REGISTERED NUMBER: 3565606****BALANCE SHEET
AT 31 DECEMBER 2012**

| | Notes | 2012 £ | 2011 Restated £ |
|---|-------|----------------------|-----------------------|
| Fixed assets | | | |
| Investments in subsidiary undertakings | 7 | 696,516,421 | 696,516,421 |
| Current assets | | | |
| Cash at bank | | 1,349 | 1,584 |
| | | <u>1,349</u> | <u>1,584</u> |
| Creditors: amounts falling due within one year | 8 | (342,127,293) | (329,274,446) |
| Net current liabilities | | <u>(342,125,944)</u> | <u>(329,272,862)</u> |
| Total assets less current liabilities | | <u>354,390,477</u> | <u>367,243,559</u> |
| Net assets | | <u>354,390,477</u> | <u>367,243,559</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 10,000,000 | 10,000,000 |
| Profit and loss account | 10 | 344,390,477 | 357,243,559 |
| Equity shareholders' funds | | <u>354,390,477</u> | <u>367,243,559</u> |

Note 2011 balances have been restated to reflect that amounts owed to parent undertakings are current creditors

D Eller
Director



23rd September 2013

CLEAR CHANNEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

1 Accounting policies

The principal accounting policies of the company are set out below

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

The financial statements present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption of s401 of the Companies Act 2006 not to prepare group financial statements

The financial statements have been prepared on a going concern basis

Cash flow statement

In accordance with FRS 1 (revised), the company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking of Clear Channel Outdoor Holdings, Inc, which produces publicly available consolidated financial statements

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for impairment. Impairment tests are carried out as and when required by FRS11.

Amounts owed by and to parent and group undertakings

Amounts owed by and to parent and group undertakings consist of current account balances and loan balances, including interest thereon

All loan balances are repayable on demand and are therefore classified as current. Prior year comparatives have been restated to conform with this presentation. In the filed 2011 accounts £317,699,935 of creditors were classified as falling due after more than one year. Following the restatement, this amount is now classified as current creditors.

Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

CLEAR CHANNEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

1 Accounting policies (continued)

Deferred taxation

In accordance with FRS 19 (Deferred Tax), full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted.

No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. No provision is made for the tax which would become payable on the distribution of retained profits by foreign subsidiaries, associates or joint ventures unless there is an intention to distribute such retained earnings giving rise to a charge.

Provision on timing differences arising when an asset is continuously revalued to fair value is only made where changes in fair value are recognised in the profit and loss account. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

2 Operating profit

Auditors' remuneration of £17,000 (2011: £12,572) is borne in full by Clear Channel International Limited (Clear Channel Holdings Limited's subsidiary undertaking).

3 Directors and employees

During the year, the directors received no emoluments in respect of their services to the company (2011: £nil).

The company had no other employees (2011: none).

4. Interest payable and similar charges

| | 2012 | 2011 |
|--|---------------------|---------------------|
| | £ | £ |
| Interest payable to group undertakings | (13,735,305) | (11,904,635) |
| Total | <u>(13,735,305)</u> | <u>(11,904,635)</u> |

CLEAR CHANNEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

| | | | |
|----------|---|-------------|-------------|
| 5 | Interest receivable and similar income | 2012 | 2011 |
| | | £ | £ |
| | External interest receivable | 1 | 1 |

6 Taxation

| | | |
|---|-------------|-------------|
| <u>Analysis of tax charge in the year</u> | 2012 | 2011 |
| | £ | £ |
| Total current tax | - | - |
| Total deferred tax | - | - |
| Total tax charge | - | - |

Factors affecting the current tax charge for the year

The difference between the total current tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 24.5% (2011: 26.5%) to the loss before tax is as follows

| | | |
|---|--------------|-------------|
| | 2012 | 2011 |
| | £ | £ |
| Profit/(loss) on ordinary activities before tax | (12,853,082) | 32,290,838 |
| Loss on ordinary activities multiplied by the standard rate of corporation tax of 24.5% (2011: 26.5%) | (3,149,005) | 8,557,072 |

Effects of

| | | |
|----------------------------------|-----------|--------------|
| Net (income)/expense not taxable | 2,773,054 | (11,532,150) |
| Group relief surrendered | 375,951 | 2,420,050 |
| Losses carried forward | - | 555,028 |
| Current tax charge for the year | - | - |

There was no unrecognised deferred tax asset at 31 December 2012 (2011: £523,612) in respect of tax losses. Deferred tax assets have not been recognised to the extent that they exceed deferred tax liabilities in the year.

CLEAR CHANNEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

Factors that may affect future tax changes

It was announced in the Budget in March 2012 that the headline rate of corporation tax would be reduced for each of the subsequent two financial years until it reached 22% in April 2014

The announcements in the 2012 Autumn Statement on 5 December 2012 and the UK Budget of 20 March 2013 rate of 22% to 21% from 1 April 2014 and to 20% from 1 April 2015 respectively

The reduction in the main corporation tax rate from 25% to 24% from 1 April 2012 was substantively enacted on 26 March 2012. The proposed further reductions to 21% from 1 April 2014 and 20% from 1 April 2015 are expected to be substantively enacted in July 2013

The proposed rate reductions to 20% by 1 April 2015 are not expected to have any material impact on these accounts

7 Investments in subsidiary undertakings

| | 2012 £ | 2011 £ |
|------------------------|--------------------|--------------------|
| At 1 January | 696,516,421 | 696,516,421 |
| Balance at 31 December | <u>696,516,421</u> | <u>696,516,421</u> |

At 31 December 2012, the company held 100% of the issued share capital of Clear Channel International Limited, a company incorporated in the United Kingdom. The principal activity of this company is to act as a head office company for making investments in outdoor advertising.

The subsidiary undertaking detailed above is held directly by the company. In accordance with the exemption under the Companies Act 2006 s410 the company has not disclosed information relating to indirectly held subsidiaries as this would be excessive in length and have instead opted to include a list as an annex to the company's next Annual Return.

8 Creditors: amounts falling due within one year

| | 2012 £ | 2011 Restated £ |
|------------------------------------|--------------------|-----------------------|
| Amounts owed to group undertakings | <u>342,127,293</u> | <u>329,274,446</u> |
| | <u>342,127,293</u> | <u>329,274,446</u> |

CLEAR CHANNEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

8 Creditors: amounts falling due within one year (Continued)

The interest rate on these intercompany loans are set by the inter-bank offered rates of the currency of the loan plus margin (3.4% -3.65%)

Note In the filed 2011 accounts £317,699,935 of creditors were classified as falling due after more than one year. Following the restatement (See note 1 for further detail), this amount is now classified as current creditors

9. Share capital

| | Authorised 2012 Number | Authorised 2011 Number |
|----------------------------------|---|---|
| Ordinary shares of £1 each | 692,600,000 | 692,600,000 |
| | <hr/> | <hr/> |
| | Allotted, called up and fully paid | Allotted, called up and fully paid |
| | 2012 | 2011 |
| | £ | £ |
| Ordinary shares of £1 each | 10,000,000 | 10,000,000 |
| | <hr/> | <hr/> |
| All shares were issued at £1 par | | |

10 Reserves

| | Profit and loss account £ |
|----------------------------|--|
| At 1 January 2012 | 357,243,559 |
| Retained loss for the year | (12,853,082) |
| Dividends paid | - |
| At 31 December 2012 | <hr/> 344,390,477 <hr/> |

CLEAR CHANNEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012

11 Related party transactions

The company is included within the publicly available consolidated financial statements of CC Media Holdings Inc. As a result, the company has taken advantage of the exemptions within FRS 8 and has not disclosed details or related party transactions with entities in the CC Media Holdings Inc. group as it is a wholly owned subsidiary.

12. Ultimate parent undertaking

The company's ultimate parent undertaking is CC Media Holdings Inc., a company incorporated in the United States of America, traded on the Over the Counter Bulletin Board (OTCBB).

A copy of the financial statements for CC Media Holdings Inc. can be obtained from the company's head office in San Antonio, Texas, United States of America.

The top group company that is publicly listed on the New York Stock Exchange is Clear Channel Outdoor Holdings Inc. Consolidated financial statements can be requested from the company's offices in San Antonio, Texas, United States of America.

The smallest group, for which group financial statements are prepared and of which the company is a member, is Clear Channel Outdoor Holdings Inc.

The immediate parent company of Clear Channel Holdings Limited is Clear Channel International Holdings BV.

13 Post balance sheet events

There have been no significant events after the balance sheet date.