CITADEL BROADCASTING CORP
Form S-4/A
May 08, 2007
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Subject to completion, as filed with the Securities and Exchange Commission on May 8, 2007

Registration No. 333-139577

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 5

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CITADEL BROADCASTING CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**4832**	**51-0405729**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

Citadel Broadcasting Corporation

City Center West, Suite 400

7201 West Lake Mead Blvd.

Las Vegas, Nevada 89128

(702) 804-5200

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Jacquelyn J. Orr

General Counsel & Vice President

CITADEL BROADCASTING CORPORATION

City Center West, Suite 400

7201 West Lake Mead Blvd.

Las Vegas, Nevada 89128

(702) 804-5200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

Stephen Fraidin	**Alan N. Braverman**	**Morton A. Pierce**
Andrew E. Nagel	**THE WALT DISNEY COMPANY**	**M. Adel Aslani-Far**
KIRKLAND & ELLIS LLP	**500 South Buena Vista Street**	**DEWEY BALLANTINE LLP**
Citigroup Center	**Burbank, California 91521**	**1301 Avenue of the Americas**
153 East 53rd Street	**(818) 560-1000**	**New York, New York 10019-6092**
New York, New York 10022-4611		**(212) 259-8000**
(212) 446-4800		

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective and the date on which all other conditions to the merger of Alphabet Acquisition Corp. with and into ABC Radio Holdings, Inc., formerly known as ABC Chicago FM Radio, Inc., pursuant to the merger agreement described in the enclosed information statement/prospectus, have been satisfied or waived.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, par value $.01 per share	164,597,788	$7.57	$1,246,005,255	$133,323

(1) This registration statement relates to shares of common stock, par value $0.01 per share, of Citadel Broadcasting Corporation issuable to holders of common stock, no par value, of ABC Radio Holdings, Inc., formerly known as ABC Chicago FM Radio, Inc., a Delaware corporation (ABC Radio Holdings) and currently an indirect, wholly-owned subsidiary of The Walt Disney Company (Disney), a Delaware corporation, pursuant to the proposed merger of Alphabet Acquisition Corp., a direct wholly-owned subsidiary of Citadel, with and into ABC Radio Holdings. The amount of Citadel common stock to be registered represents the maximum number of shares of common stock that Citadel will issue to holders of common stock of ABC Radio Holdings upon consummation of the merger based on a formula set forth in the merger agreement, which requires that Citadel issue a number of shares of its common stock equal to the aggregate number of shares of ABC Radio Holdings common stock issued and outstanding immediately prior to the effective time of the merger. This calculation is based on 127,179,708 shares of Citadel common stock deemed outstanding for these purposes as of December 20, 2006.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f)(2) of the Securities Act of 1933, based on the pro forma book value (computed as of September 30, 2006, the last practicable date prior to the filing of this registration statement) of the common stock of Citadel to be exchanged in the merger.

(3) Computed in accordance with Rule 457(f) and Section 6(b) under the Securities Act of 1933 by multiplying (A) the proposed maximum aggregate offering price for all securities to be registered by (B) 0.000107. The full registration fee of $133,323 was paid in connection with the initial filing on December 21, 2006.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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THE INFORMATION IN THIS INFORMATION STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. CITADEL BROADCASTING CORPORATION MAY NOT DISTRIBUTE OR ISSUE THE SHARES OF ITS COMMON STOCK BEING REGISTERED PURSUANT TO THE REGISTRATION STATEMENT, OF WHICH THIS INFORMATION STATEMENT/PROSPECTUS IS A PART, UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS INFORMATION STATEMENT/PROSPECTUS IS NOT AN OFFER TO DISTRIBUTE THESE SECURITIES AND CITADEL BROADCASTING CORPORATION IS NOT SOLICITING OFFERS TO RECEIVE THESE SECURITIES IN ANY STATE WHERE SUCH OFFER OR DISTRIBUTION IS NOT PERMITTED.

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SUBJECT TO COMPLETION DATED MAY 8, 2007

May 8, 2007

Dear Citadel Stockholder:

As we announced on February 6, 2006, we have entered into an agreement with The Walt Disney Company to combine our business with Disney s ABC Radio Business. The ABC Radio Business includes the ABC Radio Network business, which produces and distributes a variety of radio programs and formats, and 22 major market radio stations. After the merger, we are expected to be the country s third largest radio group based upon our net revenue. Citadel common stock is expected to continue trading on the New York Stock Exchange (NYSE) under the symbol CDL .

Before the merger, Disney will separate and consolidate the businesses that comprise the ABC Radio Business under ABC Radio Holdings, Inc. and spin off ABC Radio Holdings to its stockholders. Disney (or one of its affiliates) will retain approximately $1.1 billion to $1.35 billion in cash from the proceeds of indebtedness that the ABC Radio Business is expected to incur in connection with that restructuring. Immediately after the spin-off, our wholly-owned subsidiary, Alphabet Acquisition Corp., will merge with and into ABC Radio Holdings, which will become a direct, wholly-owned subsidiary of Citadel. In the merger, the shares of ABC Radio Holdings common stock held by Disney stockholders will be converted into an equal number of shares of Citadel common stock. If the closing were to occur on the trading date immediately prior to the date of the attached information statement/prospectus, the amount of indebtedness incurred by the ABC Radio Business would be approximately $1.35 billion, pre-merger ABC Radio Holdings stockholders would own approximately 57%, and pre-merger Citadel stockholders would own approximately 43%, of the Citadel common stock after the merger. These percentages are determined on a partially diluted basis, as agreed to in the merger agreement, and assume that Disney has made its election to exclude from this determination the shares of Citadel common stock issuable upon conversion of our convertible notes. Under these circumstances, the maximum number of shares that we would issue to pre-merger ABC Radio Holdings stockholders would be approximately 151.7 million.

Our pre-merger stockholders will not receive any new shares in the merger and will continue to hold their existing shares of Citadel common stock after the merger. In addition, immediately prior to the merger and pursuant to the merger agreement, we have agreed to pay a special distribution to our pre-merger stockholders in an amount not less than $2.46 per share. Only pre-merger Citadel stockholders will receive this special distribution. If the closing were to occur on the trading date immediately prior to the date of the accompanying information statement/prospectus, the per share amount of the special distribution would be approximately $2.46.

On February 6, 2006, our board of directors unanimously approved, adopted and declared advisable Citadel s entering into the merger agreement with The Walt Disney Company and the issuance of Citadel common stock in the merger. In addition, the board determined that the merger and the other transactions contemplated by the merger agreement were in the best interests of Citadel and its stockholders. A copy of the merger agreement is included with the attached information statement/prospectus as Annex A.

Please note that NO action is needed on your part in connection with the transactions. We are not asking you for a proxy and you are requested not to send us a proxy. Under applicable rules, the merger cannot be completed unless holders of a majority of the outstanding shares of our common stock entitled to vote on the transaction vote for the issuance of shares contemplated by the merger agreement. On February 6, 2006, we received the written consent to the adoption of the merger agreement and the transactions contemplated thereby from partnerships affiliated with Forstmann Little & Co., which at that time beneficially owned approximately 67% of our common stock. These actions by written consent are sufficient to approve the transactions, without any further action by Citadel stockholders. As a result, no other votes are necessary with respect to the matters described in this letter and your approval is not required and is not being requested.

7201 W. Lake Mead Blvd., Suite 400 n Las Vegas, NV 89128 n (702) 804-5200 n Fax (702) 804-8250

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The accompanying information statement will provide you with information regarding the transactions, including details about the merger and information about the ABC Radio Business. This document also serves as our prospectus relating to the issuance of shares of our common stock to Disney s stockholders in connection with the merger. We urge you to read the accompanying information statement/prospectus carefully.

The merger involves risks, some of which may be significant, and its completion is subject to several conditions that either must be satisfied or waived. We discuss these risks and conditions in greater detail in the accompanying information statement/prospectus and urge you to read the sections entitled Risk Factors beginning on page 21 and The Merger Agreement Conditions to the Consummation of the Merger beginning on page 164.

Under applicable securities regulations, the merger may not be completed until 20 business days after the date of mailing of the attached information statement/prospectus to Citadel stockholders. The completion of the merger is also subject to the satisfaction or waiver of all conditions to the merger contained in the merger agreement described in the enclosed document.

Thank you for your continued support.

Sincerely,

Farid Suleman

Chairman and Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This information statement/prospectus is dated May 8, 2007 and is first being mailed to Citadel stockholders on May 9, 2007.

7201 W. Lake Mead Blvd., Suite 400 n Las Vegas, NV 89128 n (702) 804-5200 n Fax (702) 804-8250

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SUBJECT TO COMPLETION DATED MAY 8, 2007

May 8, 2007

Dear Disney Shareholder,

As part of our ongoing efforts to manage Disney s assets in the best interests of our shareholders, we announced on February 6, 2006, Disney s intention to spin off its ABC Radio Business and to combine these assets with Citadel Broadcasting Corporation. The ABC Radio Business includes 22 large-market radio stations and the ABC Radio Network. This transaction does not include our ESPN Radio and Radio Disney network and station businesses. After the merger, Citadel Broadcasting Corporation, listed on the New York Stock Exchange (NYSE) under the trading symbol CDL, is expected to be the country s third largest radio group based on net revenue.

Each Disney shareholder will receive approximately 0.0766 shares of Citadel common stock for each share of Disney common stock held on the record date. Citadel may issue in the aggregate up to approximately 151.7 million shares of Citadel common stock in the merger, with Disney shareholders collectively holding approximately 57% of the post-merger Citadel shares. The transaction will also result in Disney retaining $1.35 billion in cash, which will then be available for future value-enhancing initiatives. The figures in this paragraph are each based upon the price of Citadel stock as of the trading date immediately prior to the date of this letter.

Please note that you will retain all of your Disney shares and NO action is needed on your part to participate in the distribution of Citadel shares. In addition, NO vote of Disney shareholders is required in connection with this transaction and no proxy is required. Following the merger, you will be provided with information regarding your shares of Citadel common stock.

The accompanying information statement will provide you with information regarding the transaction, including the terms of the separation of the ABC Radio Business from Disney and details about the merger. This document also serves as a prospectus of Citadel relating to the issuance of shares of Citadel common stock in connection with the merger. We encourage you to read it carefully.

We believe this transaction is in the best interests of Disney shareholders. Nonetheless, there are risks you should be aware of, as described under Risk Factors beginning on page 21 of the information statement/prospectus. The completion of the transaction is also subject to several conditions, which are described in the section entitled The Merger Agreement Conditions to the Consummation of the Merger beginning on page 164 of the information statement/prospectus.

We look forward to the completion of this transaction and the new opportunities it presents for our shareholders.

Sincerely,

Robert A. Iger

President and Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS INFORMATION STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This information statement/prospectus is dated May 8, 2007 and is first being mailed to Disney stockholders on May 9, 2007.

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ANNEXES

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HELPFUL INFORMATION

In this information statement/prospectus the terms described below are used frequently.

ABC Radio Holdings means ABC Radio Holdings, Inc., formerly known as ABC Chicago FM Radio, Inc., currently the indirect, wholly-owned subsidiary of Disney that, after the internal restructuring, will own the ABC Radio Business. The shares of this entity will be distributed to Disney stockholders in the spin-off, and ABC Radio Holdings will be merged with Alphabet Acquisition in the merger.

ABC Radio Holdings debt means the indebtedness that ABC Radio Holdings is expected to incur in connection with the separation.

ABC Radio Holdings shares means the shares of ABC Radio Holdings common stock that Disney will distribute to its stockholders in the spin-off, which will then be converted on a one-for-one basis into shares of Citadel common stock in the merger. There are three components used to calculate the number of ABC Radio Holdings shares: the base ABC Radio Holdings shares, the fixed price ABC Radio Holdings shares and the floating price ABC Radio Holdings shares. We describe each of these in more detail under The Transactions Transaction Consideration Collar Mechanism Determination of Number of ABC Radio Holdings Shares beginning on page 104.

ABC Radio Business means the ABC Radio Network business and the ABC Radio Stations business, which Disney will separate from the rest of the Disney enterprise in the separation, which we sometimes refer to in this information statement/prospectus as the ABC Radio Group.

ABC Radio Network business means the business of producing a variety of radio programs and formats, and distributing them to station affiliates and satellite radio providers. The ABC Radio Network business does not include Disney s ESPN Radio or Radio Disney networks.

ABC Radio Stations business means the business of owning and operating 22 radio stations that broadcast various news, news/talk and music programming, including programming produced by the ABC Radio Network business. The ABC Radio Stations business does not include Disney s business of owning and operating radio stations that carry the ESPN Radio or Radio Disney formats.

Alphabet Acquisition means Alphabet Acquisition Corp., a direct, wholly-owned subsidiary of Citadel that will merge with and into ABC Radio Holdings in the merger.

Citadel means Citadel Broadcasting Corporation.

collar measurement date means the trading day immediately after the 10 consecutive trading day period that comprises the measurement period for the average closing price of Citadel common stock that is used in the collar mechanism. The collar measurement date is also the day as of which the number of shares of Citadel common stock deemed to be outstanding for purposes of the collar mechanism and the number of shares of Citadel common stock that will be distributed to Disney stockholders in the merger will be determined, with certain exceptions designed to provide a true-up mechanism at closing, and the first day on which the ABC Radio Holdings debt may be incurred.

collar mechanism means the method set forth in the merger agreement and separation agreement for adjusting within a specific range, depending on the price of Citadel common stock during a specified measurement period before closing, the amount of ABC Radio Holdings debt and the amount of the special distribution so that, as long as the Citadel common stock trades within a specified range during the ten consecutive trading day period ending on and including the trading day immediately proceeding the collar measurement date, the aggregate transaction value received by ABC Radio Holdings stockholders and Disney is approximately $2.6 billion.

Disney means The Walt Disney Company.

Disney savings plan means the Disney Salaried Savings and Investment Plan, the ABC, Inc. Savings and Investment Plan or the Disney Hourly Savings and Investment Plan.

internal restructuring means the realignment of certain assets, liabilities and operations of Disney and certain of its subsidiaries to separate the ABC Radio Business from the rest of the Disney enterprise and consolidate it under ABC Radio Holdings that will occur prior to and in connection with the spin-off.

merger means the merger of Alphabet Acquisition with and into ABC Radio Holdings, resulting in ABC Radio Holdings becoming a direct, wholly-owned subsidiary of Citadel.

merger agreement means the original merger agreement, as amended November 19, 2006.

original merger agreement means the Agreement and Plan of Merger, dated as of February 6, 2006, by and among Citadel, Disney, Alphabet Acquisition and ABC Radio Holdings.

original separation agreement means the Separation Agreement, dated as of February 6, 2006, by and between ABC Radio Holdings and Disney.

principal Citadel stockholders means Forstmann Little & Co. Equity Partnership-VI, L.P., Forstmann Little & Co. Equity Partnership-VII, L.P., Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-VII, L.P. and Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-VIII, L.P., the four entities that held in the aggregate approximately 67% of the outstanding Citadel common stock on February 6, 2006.

separation means the transactions by which Disney will (i) undergo the internal restructuring to separate the ABC Radio Business from the rest of the Disney enterprise and consolidate it under ABC Radio Holdings, (ii) distribute, by means of a spin-off, all of the outstanding shares of ABC Radio Holdings common stock to Disney stockholders, and (iii) retain the cash proceeds from the ABC Radio Holdings debt to be incurred in connection with these transactions.

separation agreement means the original separation agreement, as amended November 19, 2006.

special distribution means the distribution that Citadel has agreed to pay to its pre-merger stockholders, pursuant to the terms of the merger agreement.

spin-off means the pro rata distribution by Disney to the Disney stockholders following the internal restructuring of all the outstanding shares of ABC Radio Holdings common stock.

tax sharing and indemnification agreement means the Tax Sharing and Indemnification Agreement that Disney, ABC Radio Holdings and Citadel will enter into in connection with the closing of the merger.

REFERENCES TO ADDITIONAL INFORMATION

This information statement/prospectus incorporates important business and financial information about Citadel from other documents that are not included in or delivered with this document. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference into this document by accessing the Securities and Exchange Commission s website maintained at www.sec.gov or by requesting copies in writing or by telephone from Citadel at the following address: Citadel Broadcasting Corporation, Attn: Corporate Secretary, City Center West, Suite 400, 7201 West Lake Mead Blvd., Las Vegas, Nevada 89128; telephone: (702) 804-5200; or from Disney by contacting Georgeson, Inc. at (866) 577-4987. See Where You Can Find More Information; Incorporation by Reference beginning on page 204.

ALL INFORMATION CONTAINED IN THIS INFORMATION STATEMENT/PROSPECTUS WITH RESPECT TO DISNEY, ABC RADIO HOLDINGS OR THE ABC RADIO BUSINESS HAS BEEN PROVIDED BY DISNEY. ALL INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS INFORMATION STATEMENT/PROSPECTUS WITH RESPECT TO CITADEL AND ITS SUBSIDIARIES (UP TO THE CLOSING DATE OF THE MERGER) HAS BEEN PROVIDED BY CITADEL. NEITHER CITADEL, ON

THE ONE HAND, NOR DISNEY, ON THE OTHER HAND, HAS VERIFIED THE ACCURACY OR MADE ANY OTHER INVESTIGATION OF THE INFORMATION PROVIDED BY THE OTHER.

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WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS

Q: What are the Transactions?

A: Citadel, Alphabet Acquisition, Disney and ABC Radio Holdings have entered into an agreement under which Alphabet Acquisition will merge with and into ABC Radio Holdings and Citadel s business will combine with Disney s ABC Radio Network business of producing and distributing a variety of radio programs and formats and Disney s 22 major market radio stations, which we refer to collectively as the ABC Radio Business. The ABC Radio Business does not include the ESPN Radio and Radio Disney networks or any radio stations carrying the ESPN Radio and Radio Disney formats.

Q: What are the Steps to the Transactions?

A: First, in the separation, Disney will separate and consolidate the businesses that comprise the ABC Radio Business, through an internal restructuring, under ABC Radio Holdings, currently an indirect, wholly-owned subsidiary of Disney. Second, Disney will distribute all of the outstanding common stock of ABC Radio Holdings pro rata to Disney s stockholders through a spin-off. Third, immediately after the spin-off, Alphabet Acquisition will merge with and into ABC Radio Holdings, which will become a direct, wholly-owned subsidiary of Citadel, and the shares of ABC Radio Holdings common stock held by Disney stockholders will be converted into an equal number of shares of Citadel common stock in the merger. Disney (or one of its affiliates) also will retain approximately $1.1 billion to $1.35 billion in cash from the proceeds of indebtedness, which we refer to as the ABC Radio Holdings debt, that ABC Radio Holdings is expected to incur in connection with the internal restructuring and prior to the spin-off. In addition, immediately prior to the merger and pursuant to the merger agreement, Citadel has agreed to pay a special distribution only to its pre-merger stockholders.

Q: What Will Citadel Stockholders Receive in the Transactions?

A: Citadel stockholders will not receive any consideration in the merger. They will continue to hold their existing shares of Citadel common stock. Immediately prior to the merger and pursuant to the merger agreement, Citadel has agreed to pay a special distribution only to its pre-merger stockholders of record on a date that will not be earlier than two trading days prior to the closing date for the merger. Based on the number of shares that would be deemed outstanding under the merger agreement as of the trading date immediately prior to the date of this information statement/prospectus, the amount of the special distribution would be $2.46 per share. Under the agreements, there is an upward adjustment which could be as much as approximately $204 million in the aggregate, which means that the amount of the special distribution will not be adjusted to account for increases in the average closing price on the NYSE of Citadel common stock above $14.52 per share during the measurement period. See The Transactions Transaction Consideration Determination of Amount of Special Distribution beginning on page 106. See Risk Factors beginning on page 21.

Q: What Will Disney Stockholders Receive in the Transactions?

A: Each Disney stockholder will ultimately receive shares of Citadel common stock in the merger. As a result of the spin-off, it is currently anticipated that Disney stockholders will receive 0.0766 shares of ABC Radio Holdings common stock for each share of Disney common stock that they own, each of which will be converted in the merger into the right to receive one share of Citadel common stock. Disney stockholders will not be required to pay for the shares of ABC Radio Holdings common stock distributed in the spin-off or the shares of Citadel common stock issued in the merger. Disney stockholders will receive cash from the distribution agent in lieu of any fractional shares of ABC Radio Holdings common stock or Citadel common stock to which such stockholder would otherwise be entitled. All shares of Citadel common stock issued in the merger will be issued by either certificates delivered to the distribution agent or book entry form.

The Citadel common stock is expected to continue to be listed on the NYSE under the symbol CDL. For more information, see The Transactions Transaction Consideration beginning on page 101.

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Q: What are the Material United States Federal Income Tax Consequences to Citadel Stockholders and Disney Stockholders Resulting from the Spin-Off, the Merger and the Special Distribution?

A: Disney has received and we expect ABC Radio Holdings to receive a private letter ruling from the United States Internal Revenue Service, which we refer to as the IRS. We refer to the private letter ruling that Disney has received as the Disney IRS ruling, the letter we expect ABC Radio Holdings to receive as the ABC IRS ruling, and both letters together as the IRS rulings. The ABC IRS ruling is expected to be identical to the Disney IRS ruling in all material respects. Disney and ABC Radio Holdings have received tax opinions from Dewey Ballantine LLP, and Citadel has received a tax opinion from Kirkland & Ellis LLP, regarding certain aspects of the spin-off, the merger and the special distribution. In the Disney IRS ruling, the IRS has ruled, among other things, that stockholders of Disney generally will not recognize any gain or loss for United States federal income tax purposes upon the receipt of ABC Radio Holdings common stock in the spin-off. The IRS has also ruled, and in the opinions received from Dewey Ballantine LLP and Kirkland & Ellis LLP, counsel has concluded, among other things, that stockholders of ABC Radio Holdings will not recognize gain or loss for United States federal income tax purposes upon the conversion of shares of ABC Radio Holdings common stock into shares of Citadel common stock in the merger, except to the extent of any cash received by an ABC Radio Holdings stockholder instead of a fractional share.

In addition, in the opinion received from Kirkland & Ellis LLP, counsel has concluded that the special distribution that Citadel has agreed to pay, pursuant to the merger agreement, only to pre-merger Citadel stockholders in connection with the transactions (i) will be taxable to pre-merger Citadel stockholders for United States federal income tax purposes as dividend income, to the extent paid out of Citadel s earnings and profits as calculated for United States federal income tax purposes, and (ii) to the extent the amount of the special distribution exceeds Citadel s current and accumulated earnings and profits, the excess will be treated first as a tax-free return of basis and thereafter as gain from the sale of such stock.

The tax consequences described above may not apply to all stockholders. For further information regarding the material United States federal income tax consequences of the transactions to stockholders of Citadel and Disney and limitations relating to the IRS rulings and counsels opinions, please see The Transactions Material United States Federal Income Tax Consequences of the Spin-Off, the Merger and the Special Distribution beginning on page 148.

Tax matters are very complicated and the consequences of the transactions to any particular stockholder will depend on that stockholder s particular facts and circumstances. Citadel and Disney stockholders are urged to consult their own tax advisors to determine their own tax consequences from the transactions.

Q: Do Citadel Stockholders Have to Take Any Further Action to Approve the Merger or Issuance of Shares?

A: No. Although Citadel stockholder approval of the merger and the issuance of Citadel common stock in the merger is required under the merger agreement and the rules of the NYSE, on February 6, 2006, the principal Citadel stockholders, holding a majority of the outstanding Citadel common stock, delivered a written consent to Citadel approving the merger and the issuance of Citadel common stock. As a result, no other votes are necessary to adopt the merger agreement and to approve the merger and the issuance of shares in connection therewith and your approval is not required and is not being requested. See Written Consents of the Principal Citadel Stockholders beginning on page 184.

Q: Do Disney Stockholders Have to Vote to Approve the Spin-Off or the Merger?

A: No. No vote of Disney stockholders is required or being sought in connection with the spin-off or the merger. Each of Disney and ABC Radio Holdings has adopted the merger agreement and approved the merger and other transactions contemplated thereby and has adopted the separation agreement and approved the separation, the spin-off and other transactions contemplated thereby.

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Q: Can Citadel or Disney Stockholders Dissent and Require Appraisal of Their Shares?

A: No. Neither Citadel s nor Disney s stockholders have dissenters rights under Delaware law in connection with the transactions.

Q: Are There Any Conditions to Consummation of the Merger?

A: Yes. Consummation of the merger is subject to the satisfaction or waiver of closing conditions that are contained in the merger agreement. These include Disney and ABC Radio Holdings receipt of certain IRS rulings regarding the tax-free nature of the transactions; the receipt of tax opinions from counsel to Disney, ABC Radio Holdings and Citadel; the receipt of consents from the Federal Communications Commission, which we refer to as the FCC; the expiration or termination of any required waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act; and other customary conditions. Each of Citadel, Disney or ABC Radio Holdings may waive any of the conditions to its obligations to complete the merger. See The Merger Agreement Conditions to the Consummation of the Merger beginning on page 164.

Q: When Will the Merger be Completed?

A: We expect to complete the merger in the second calendar quarter of 2007.

Q: Are There Risks Associated with the Merger?

A: Yes. Citadel may not realize the expected benefits of the merger because of the risks and uncertainties discussed in the section entitled Risk Factors beginning on page 21 and the section entitled Special Note Regarding Forward-Looking Statements beginning on page 38. Those risks include, among others, risks relating to the uncertainty that the merger will close, the uncertainty that Citadel will be able to integrate the ABC Radio Business successfully, and uncertainties relating to the performance of the combined company after completion of the merger in light of restrictions imposed by the tax sharing and indemnification agreement and the anticipated credit facilities, among other factors.

Q: Will There be Any Change to the Board of Directors or the Executive Officers of Citadel After the Merger?

A: No. The initial directors and executive officers of Citadel immediately following the closing of the merger are expected to be the directors and executive officers of Citadel immediately prior to the closing of the merger. Currently, the directors of Citadel are Farid Suleman, Katherine Brown, J. Anthony Forstmann, Theodore J. Forstmann, Michael A. Miles, Michael J. Regan, Charles P. Rose, Jr., Herbert J. Siegel and Wayne T. Smith. Citadel s chief executive officer is Farid Suleman, chief operating officer is Judith A. Ellis, chief financial officer is Robert G. Freedline, vice president finance and principal accounting officer is Randy L. Taylor, senior vice president finance and administration is Patricia Stratford and vice president and general counsel is Jacquelyn J. Orr. See Information on Citadel Directors and Officers of Citadel Before and After the Merger beginning on page 41.

Q: Will the Instruments that Govern the Rights of Citadel and Disney Stockholders with Respect to Their Shares of Citadel Common Stock After the Merger be Different from Those that Govern the Rights of Current Citadel Stockholders?

A: No. The rights of Citadel and Disney stockholders with respect to their shares of Citadel common stock after the merger will be governed by federal and local laws and Citadel s current governing documents, including:

the General Corporation Law of the State of Delaware;

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the restated certificate of incorporation of Citadel; and

the amended and restated by-laws of Citadel.

Q: Is There Anything that Citadel Stockholders Need to Do Now?

A: No. Since the principal Citadel stockholders, holding a majority of the outstanding Citadel common stock, have already provided to Citadel their written consent to the adoption of the merger agreement and the transactions contemplated thereby, including the merger and the issuance of Citadel common stock, there is no further action for Citadel stockholders to take. However, Citadel stockholders should carefully read this information statement/prospectus, which contains important information about the spin-off, the merger, the ABC Radio Business, Citadel and the combined company.

CITADEL STOCKHOLDERS WILL NOT BE REQUIRED TO SURRENDER THEIR EXISTING CERTIFICATES REPRESENTING CITADEL SHARES IN THE SPIN-OFF OR MERGER AND THEY SHOULD NOT SEND IN THEIR CITADEL STOCK CERTIFICATES.

Q: Is There Anything that Disney Stockholders Need to Do Now?

A: No. No vote of Disney stockholders is required in connection with the separation, the spin-off or the merger and no action by Disney stockholders is required to participate in the spin-off or the merger. However, Disney stockholders should carefully read this information statement/prospectus, which contains important information about the spin-off, the merger, the ABC Radio Business, Citadel and the combined company.

Q: Who Can Answer My Questions?

A: If you are a Citadel stockholder and you have any questions about the merger, please contact Citadel Broadcasting Corporation at (702) 804-5200 or at 7201 West Lake Mead Boulevard, Suite 400, Las Vegas, Nevada 89128.

If you are a Disney stockholder and you have any questions about the separation, the spin-off or the merger or to request additional documents, including copies of this information statement/prospectus, please contact Georgeson, Inc. at (866) 577-4987.

Q: Where Can I Find More Information About Citadel and the ABC Radio Business?

A: You can find more information about Citadel and the ABC Radio Business in the section entitled Information on Citadel beginning on page 40 and Information on the ABC Radio Business beginning on page 45 of this information/prospectus statement and from the various sources described under Where You Can Find More Information; Incorporation by Reference beginning on page 204.

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SUMMARY

This summary, together with the section titled Questions and Answers About the Transactions immediately preceding this summary, provides a summary of the material terms of the spin-off and the merger. These sections highlight selected information contained in this information statement/prospectus and may not include all the information that is important to you. To better understand the proposed spin-off and merger, and the risks associated with the transactions, and for a more complete description of the legal terms of the spin-off and the merger, you should read this entire information statement/prospectus-carefully, as well as those additional documents to which we refer you. We have included page references at various points in this summary to direct you to a more detailed description of the topics presented. In addition, see Where You Can Find More Information; Incorporation by Reference beginning on page 204.

This document constitutes:

an information statement/prospectus of Citadel for use in providing information about the proposed merger and relating to the issuance of shares of Citadel common stock in connection with the merger; and

an information statement of Disney relating to the spin-off of the ABC Radio Business from Disney and the merger of ABC Radio Holdings with Citadel.

The Companies

Citadel Broadcasting Corporation

City Center West, Suite 400

7201 West Lake Mead Blvd.

Las Vegas, Nevada 89128

(702) 804-5200

Citadel Broadcasting Corporation is the sixth largest radio broadcasting company in the United States based on net broadcasting revenue. As of February 28, 2007, Citadel owns and operates 165 FM and 58 AM radio stations in 46 markets located in 24 states across the country. Citadel has a clustered radio station portfolio that is diversified by programming formats, geographic regions, audience demographics and advertising clients. Radio stations serving the same geographic area (*i.e.* principally a city or combination of cities) are referred to as a market. Citadel ranks first or second in audience share in 34 of its 46 Arbitron rated metropolitan markets. Citadel s top 25 markets accounted for approximately 76% of its revenue in fiscal year 2006. Approximately 86% of its 2006 revenues were derived from local and regional advertising with the remaining portion derived from national ad sales. For the fiscal year ended December 31, 2006, Citadel had approximately $433 million in net broadcasting revenue and a net loss of approximately $48 million, without giving effect to the transactions. For more information on Citadel, see Information on Citadel beginning on page 40.

Alphabet Acquisition Corp.

c/o Citadel Broadcasting Corporation

City Center West, Suite 400

7201 West Lake Mead Blvd.

Las Vegas, Nevada 89128

(702) 804-5200

Alphabet Acquisition Corp. is a direct, wholly-owned subsidiary of Citadel Broadcasting Corporation. Alphabet Acquisition was organized on January 24, 2006 for the purposes of merging with and into ABC Radio Holdings, Inc. in the merger. It has not carried on any activities other than in connection with the merger agreement.

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The Walt Disney Company

500 South Buena Vista Street

Burbank, California 91521

(818) 560-1000

The Walt Disney Company, together with its subsidiaries, is a diversified worldwide media and entertainment enterprise with four main business segments: media networks, parks and resorts, studio entertainment and consumer products. Disney is a Dow 30 company, had annual revenues of nearly $34 billion in its most recent fiscal year and a market capitalization of approximately $72.1 billion as of February 2, 2007.

ABC Radio Holdings, Inc.

c/o The Walt Disney Company

500 South Buena Vista Street

Burbank, California 91521

(818) 560-1000

We refer to ABC Radio Holdings, Inc., a Delaware corporation, as ABC Radio Holdings. ABC Radio Holdings is currently an indirect, wholly-owned subsidiary of Disney. In connection with the separation, Disney will separate and consolidate the ABC Radio Business under ABC Radio Holdings and then distribute all of the shares of common stock of ABC Radio Holdings to Disney stockholders.

The ABC Radio Business is the third largest radio broadcasting business in the United States, based on net broadcasting revenue, and includes the ABC Radio Stations business and the ABC Radio Network business. The ABC Radio Stations business is composed of 22 owned and operated radio stations owned by Disney which broadcast music, news and talk programming in 9 of the top 16 market areas as defined by Arbitron reaching an estimated 13 million listeners per week. The ABC Radio Network business is a leading radio network syndicator in the United States with approximately 4,000 affiliate stations and 8,500 program affiliations, and, according to industry sources, reaches an estimated 100 million people on a weekly basis and provides news and talk formats such as ABC News, Paul Harvey and Sean Hannity, collaborative programming aimed at the urban and Hispanic communities and 24-hour music formats. For the fiscal year ended September 30, 2006, the ABC Radio Business had approximately $539 million in net revenue and approximately $78 million in net income, without giving effect to the transactions. For more information on the ABC Radio Business, see Information on the ABC Radio Business beginning on page 45.

The Separation

Before the merger, Disney will engage in the internal restructuring to realign certain assets, liabilities and the operations of Disney and certain of its subsidiaries and separate and consolidate the ABC Radio Business under ABC Radio Holdings. In addition, Disney (or one of its affiliates) will retain cash from the proceeds of the ABC Radio Holdings debt that ABC Radio Holdings is expected to incur in connection with the internal restructuring and prior to the spin-off. The amount of the ABC Radio Holdings debt is expected to be between approximately $1.1 billion and $1.35 billion (depending on the price of Citadel common stock during a specified measurement period before closing) but in no event will exceed the maximum amount of borrowing permissible pursuant to the leverage test contained in the ABC Radio Holdings financing commitment. The precise amount of proceeds will be determined as described in this information statement/prospectus. In accordance with these determination mechanisms, if the average closing price of Citadel common stock during the measurement period prior to closing equals $9.05, which was the closing price of Citadel common stock on the NYSE on the trading date immediately prior to the date of this information statement/prospectus, Disney (or one of its affiliates) will retain approximately $1.35 billion of cash, representing all of the proceeds of the ABC Radio Holdings debt.

Pursuant to the terms and conditions set forth in the separation agreement, Disney will then distribute all of the outstanding common stock of ABC Radio Holdings pro rata to Disney s stockholders through a spin-off. The number of shares of ABC Radio Holdings common stock that will be outstanding at the time of the spin-off will be determined as described in detail in The Transactions Transaction Consideration Determination of Number of ABC Radio Holdings Shares beginning on page 104. Based upon current market prices, it is currently expected that Disney stockholders will receive approximately 0.0766 shares of ABC Radio Holdings common stock for each share of Disney common stock that they own on the record date of the transaction. The Disney stockholders will not, however, physically receive certificates representing ABC Radio Holdings shares. Instead, the ABC Radio Holdings shares will be deposited with a third-party distribution agent, to be held for the benefit of the Disney stockholders prior to the shares conversion into the right to receive Citadel common stock in connection with the merger and pursuant to the merger agreement (described below). The terms and conditions of the separation are set forth in the original separation agreement and the first amendment thereto, which are attached to this information statement/prospectus as Annexes B and B-I and described in detail in The Separation Agreement beginning on page 169. We encourage you to read the separation agreement carefully.

The Merger

Citadel will combine its business with the ABC Radio Business through the merger of Alphabet Acquisition with and into ABC Radio Holdings on the terms and subject to the conditions set forth in the merger agreement. ABC Radio Holdings will survive the merger as a direct, wholly-owned subsidiary of Citadel.

At the closing of the merger, pursuant to the merger agreement, each share of ABC Radio Holdings common stock issued and outstanding immediately before the effective time of the merger will be automatically converted into the right to receive one share of Citadel common stock. If the closing were to occur on the date of this information statement/prospectus, pre-merger ABC Radio Holdings stockholders would own approximately 57%, and pre-merger Citadel stockholders would own approximately 43%, of the Citadel common stock after the merger. These percentages are determined on a partially diluted basis, as agreed to in the merger agreement, and include some shares of Citadel s common stock that are issuable upon exercise or conversion of other securities, but exclude any shares of Citadel common stock issuable upon conversion of Citadel s convertible notes. See The Transactions Transaction Consideration Determination of Number of ABC Radio Holdings Shares beginning on page 104. Citadel stockholders will not receive any new shares in the merger and will continue to hold their existing shares of Citadel common stock after the merger.

Following the merger, the executive officers and directors of Citadel immediately prior to the merger are expected to remain the executive officers and directors of Citadel, and Citadel s executive headquarters are expected to continue to be located in Las Vegas, Nevada. See Information on Citadel Directors and Officers of Citadel Before and After the Merger beginning on page 41.

The terms and conditions of the merger are set forth in the original merger agreement and the first amendment thereto, which are attached to this information statement/prospectus as Annexes A and A-I and described in detail in The Merger Agreement beginning on page 155. We encourage you to read the merger agreement carefully.

Merger Consideration; Citadel Special Distribution

Pursuant to the merger agreement, each share of ABC Radio Holdings common stock issued and outstanding immediately before the effective time of the merger will be automatically converted into the right to receive one share of Citadel common stock. The exchange, subject to certain adjustments, is designed to provide that immediately after the merger, pre-merger Disney stockholders will own an amount of common stock of Citadel equal to the sum of: (1) that number of shares equal to 52% of the common stock of Citadel (but in no event less than 127,240,887 shares), determined on a partially diluted basis, which includes some shares of Citadel common stock that are issuable upon the exercise or conversion of other securities, plus (2) the fixed price ABC Radio Holdings shares, plus (3) the floating price ABC Radio Holdings shares. On this partially diluted basis, and because the transaction agreements provide that ABC Radio Holdings stockholders will not receive less than a specified number of Citadel shares in the merger and, assuming that Disney elects to exclude all of the shares of common stock issuable upon conversion of Citadel s outstanding convertible notes and based on the number of Citadel shares of common stock currently deemed outstanding for this purpose, the collar mechanism provides that the maximum number of shares of Citadel common stock that Citadel could issue to Disney stockholders in the merger is approximately 151.7 million, if the closing were to occur on the trading date immediately prior to the date of this information statement/prospectus, pre-merger ABC Radio Holdings stockholders would own approximately 57%, and pre-merger Citadel stockholders would own approximately 43%, of the Citadel common stock after the merger. In accordance with the determination mechanisms contained in the merger agreement and separation agreement and described in this information statement/prospectus, and based upon current market prices, we currently expect that Disney stockholders will receive approximately 0.0766 shares of ABC Radio Holdings common stock for each share of Disney common stock that they own as of the record date of the transaction. Disney stockholders will also continue to own their shares of Disney common stock.

Citadel stockholders will not receive any new shares in the merger and will continue to hold their existing shares of Citadel common stock after the merger.

Additionally, immediately prior to the merger and pursuant to the merger agreement, Citadel has agreed to pay a special distribution only to its pre-merger stockholders of record on a date that will not be earlier than two trading days prior to the closing date for the merger. Based on the number of shares that would be deemed outstanding under the merger agreement on the trading date immediately prior to the date of this information statement/prospectus, the amount of the special distribution would be $2.46 per share. In accordance with the collar mechanism contained in the merger and separation agreements, the amount of the special distribution will be subject to upward adjustment if the average closing price on the NYSE of Citadel common stock during the measurement period exceeds $12.68 per share. Under the agreements, the maximum aggregate amount of the upward adjustment is approximately $204 million, which means that the amount of the special distribution will not be adjusted to account for increases in the average closing price on the NYSE of Citadel common stock above $14.52 per share during the measurement period. In accordance with this determination mechanism, if the average closing price of Citadel common stock during the measurement period prior to closing equals $9.05, which was the closing price of Citadel common stock on the NYSE on the trading date immediately prior to the date of this information statement/prospectus, the special distribution will be approximately $2.46 per share. See The Transactions Transaction Consideration Determination of Amount of Special Distribution beginning on page 106 and Risk Factors beginning on page 21.

Treatment of Stock Options and Restricted Stock Units

Each outstanding Disney stock option and restricted stock unit (whether vested or unvested) held by Disney employees who will become Citadel employees following the merger will be assumed by Citadel if the holder of such option or restricted stock unit so agrees. (If the holder of such option or restricted stock unit does not so agree, such holder will be treated under the terms of the applicable Disney equity plan as having terminated his or her employment or other service arrangement with Disney and its subsidiaries on the closing date of the merger and will have such rights, as applicable, under the original terms of the stock option or restricted stock unit in effect at the time of termination.) Each such option previously exercisable for shares of Disney common stock will become exercisable for an adjusted number of Citadel shares at an adjusted exercise price pursuant to a formula set forth in the merger agreement. Each such restricted stock unit previously awarded with respect to shares of Disney common stock will be adjusted to be an award with respect to an adjusted number of shares of Citadel common stock pursuant to a formula set forth in the merger agreement. None of the options to purchase Disney common stock or restricted stock units will become vested or exercisable as a result of the spin-off or the merger.

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Each outstanding Citadel option, restricted share or restricted stock unit will remain outstanding after the effective time of the merger, without adjustment unless, at its election, and in accordance with the terms of Citadel s long-term incentive plan, the Citadel board or its compensation committee determines to adjust the exercise price of each outstanding option to acquire Citadel common stock, whether vested or unvested, to reflect the effects of the special distribution. None of the options to purchase Citadel common stock, restricted shares or restricted stock units will become vested or exercisable as a result of the spin-off or the merger. See The Merger Agreement Treatment of Stock Options and Restricted Stock Units on page 156.

Conditions to Consummation of the Merger

Consummation of the merger is subject to the satisfaction or waiver of closing conditions that are contained in the merger agreement, including:

- Disney and ABC Radio Holdings receipt of IRS rulings on the transactions, of which the Disney IRS ruling was received on May 4, 2007, and each party s receipt of certain opinions from their respective tax counsel;
- the receipt of certain consents to certain transfers of control of radio station licenses and licensees from the FCC, which announced on March 22, 2007 that it had adopted an Order granting the transfers of control and renewal applications, which Order became effective on April 4, 2007;
- the expiration or termination of any required waiting periods under the HSR Act, which periods were terminated effective April 17, 2007;
- the effectiveness of the registration statement on Form S-4, of which this information statement/prospectus is a part;
- the receipt of all other governmental and third party consents, approvals and authorizations;
- the completion of the separation in accordance with the separation agreement;
- the receipt of Citadel stockholder approval, which was received prior to the filing of this information statement/prospectus; and
- each party s compliance in all material respects with its obligations under the merger agreement and the accuracy of each party s representations and warranties contained in the merger agreement.

In addition, Disney s obligation to consummate the merger is subject to the satisfaction (or waiver) of the following conditions: (1) the incurrence of the ABC Radio Holdings debt and (2) the termination of certain of Citadel s stockholder arrangements.

Each of Citadel, Disney or ABC Radio Holdings may waive, at its sole discretion, any of the conditions to its respective obligations to complete the merger. In the event that Citadel, Disney or ABC Radio Holdings elects to waive material conditions to the consummation of the merger and such changes in the terms of the merger render the disclosure in this information statement/prospectus materially misleading, the parties intend to recirculate the information statement/prospectus. See The Merger Agreement Conditions to the Consummation of the Merger beginning on page 164.

Regulatory Approvals

For an acquisition meeting certain size thresholds, such as the merger, the HSR Act requires the parties to file notification and report forms with the Federal Trade Commission, which we refer to as the FTC, and the Antitrust Division of the United States Department of Justice, which we refer to as the DOJ, and to observe specified waiting period requirements before consummating the acquisition. On March 17, 2006, Citadel and

ABC Radio Holdings filed such required notifications with the Antitrust Division of the DOJ and the FTC. The parties received notice of early termination of the waiting period effective March 31, 2006 from the FTC. Because the merger was not consummated prior to March 31, 2007, the parties were required to re-file notification and report forms with the FTC and DOJ and once again observe statutory waiting period

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requirements before consummating the merger. The parties re-filed the required notifications on April 2, 2007 and received from the FTC notice of early termination of the waiting period effective April 17, 2007. Although rarely done once the initial waiting period has been terminated, at any time either prior to or after the completion of the merger, the FTC or the Antitrust Division of the DOJ could take action to challenge the merger if it deems such action necessary to protect the public interest, including seeking to enjoin completion of the merger. The merger is also subject to state antitrust laws and could be the subject of challenges by state attorneys general under those laws or by private parties under federal or state antitrust laws. Citadel and Disney are not aware of any material governmental antitrust approvals or actions that are required for completion of the merger other than as described above.

Under the Communications Act of 1934, as amended, which we refer to as the Communications Act, the FCC must approve the assignments and transfers of control that may be deemed to occur under the FCC s rules and policies in connection with the separation and the merger of the 22 radio stations licensed for broadcast to entities to be controlled by ABC Radio Holdings and the 225 radio stations licensed for broadcast to a wholly- owned subsidiary of Citadel. Citadel and Disney filed the relevant applications on behalf of their respective subsidiaries with the FCC in late February 2006. On March 22, 2007, the FCC adopted an Order granting the transfers of control and renewal applications, which Order became effective on April 4, 2007. See The Transactions Regulatory Approvals beginning on page 152.

Termination of the Merger Agreement

Under certain circumstances, the merger agreement can be terminated by the parties. Citadel will be required to pay Disney a termination fee in the amount of $81 million if Disney terminates the merger agreement under certain circumstances, including (1) if Citadel is unable to obtain a valid and effective stockholder vote or consent to the merger or (2) if Citadel breaches its obligations under the merger agreement or the merger is not consummated by June 15, 2007 (or August 6, 2007 under certain circumstances), and, in either of the instances described in this clause (2), Citadel or its subsidiaries or affiliates enters into a definitive agreement with respect to, or consummates, a Citadel acquisition proposal within 15 months of such termination. Disney will be required to pay Citadel a termination fee in the amount of $81 million if Citadel terminates the merger agreement under certain circumstances, including if Disney breaches its obligations under the merger agreement or the merger is not consummated by June 15, 2007 (or August 6, 2007 under certain circumstances), and, in either instance, within 15 months of such termination, Disney or any of its subsidiaries or affiliates enters into a definitive agreement with respect to, or consummates, an ABC Radio Holdings acquisition proposal. The circumstances that give rise to the payment of a termination fee are described in more detail in The Merger Agreement Termination of the Merger Agreement beginning on page 165.

Disney will be required to pay Citadel s out-of-pocket costs associated with the merger, not to exceed $15 million, if the agreement is terminated by either party because the merger has not occurred before June 15, 2007 (or August 6, 2007 under certain circumstances) and at the time of such termination, all of the conditions to the merger have been satisfied or waived except for those pertaining to the IRS rulings or the receipt of opinions from tax counsel. In addition, Disney will be required to make such payments to Citadel if the merger agreement is terminated by Disney because Disney cannot obtain any of the IRS rulings and/or opinions of tax counsel or may only obtain them by providing factual statements, representations and/or covenants that differ materially from those described in the merger agreement and the differences in such factual statements, representations and/or covenants would reasonably be expected to result in, individually or in the aggregate, an adverse impact on Disney. See The Merger Agreement Termination of the Merger Agreement beginning on page 165.

Financing of the Spin-Off and the Merger

Prior to the spin-off and the merger, it is expected that ABC Radio Holdings will enter into an initial term loan facility with an aggregate principal amount between approximately $1.1 billion and $1.35 billion of indebtedness. Under the terms of the separation agreement, the precise amount of the ABC Radio Holdings debt will be based on the share price of Citadel common stock in accordance with a collar mechanism that uses the average closing price of Citadel common stock during a period of 10 consecutive trading days ending on the trading day immediately prior to the collar measurement date. Additionally, ABC Radio Holdings may not incur any of this contemplated financing prior to the collar measurement day. The ABC Radio Holdings financing commitment, providing the debt financing described above, provides that the amount of borrowing may not exceed the maximum amount permissible pursuant to the leverage test contained in that commitment. Accordingly, if the leverage test is not satisfied, the amount of debt incurred by ABC Radio Holdings would be reduced below the amount permitted under the merger agreement and separation agreement. That debt commitment is subject to customary closing conditions. In accordance with the collar mechanism, if the average closing price of Citadel common stock during the measurement period prior to closing equals $9.05, which was the closing price of the Citadel common stock on the NYSE on the trading date immediately prior to the date of this information statement/prospectus, the ABC Radio Holdings debt amount is expected to be approximately $1.35 billion.

Disney (or one of its affiliates) will retain the proceeds of the ABC Radio Holdings debt, and the corresponding debt obligation will remain with ABC Radio Holdings. See Financing of the Spin-Off and the Merger beginning on page 175.

Citadel also has entered into a commitment regarding the indebtedness to be incurred by Citadel in connection with the merger. This commitment provides debt financing in connection with the payment of the special distribution, the refinancing of Citadel s existing senior credit facility, the refinancing of the ABC Radio Holdings debt and the completion of the merger. Under the Citadel commitment letter, Citadel is expected to obtain new senior secured bank facilities with a total principal amount of up to $2.650 billion. See Financing of the Spin-Off and the Merger beginning on page 175 and Risk Factors beginning on page 21.

Material United States Federal Income Tax Consequences of the Spin-Off, the Merger and the Special Distribution

Disney has received the Disney IRS ruling and we expect that ABC Radio Holdings will receive the ABC IRS ruling. The ABC IRS ruling is expected to be identical to the Disney IRS ruling in all material respects. In addition, Disney and ABC Radio Holdings have received tax opinions from Dewey Ballantine LLP, and Citadel has received a tax opinion from Kirkland & Ellis LLP, regarding certain aspects of the spin-off, the merger and the special distribution. In the Disney IRS ruling, the IRS has ruled, among other things, that stockholders of Disney generally will not recognize any gain or loss for United States federal income tax purposes upon the receipt of ABC Radio Holdings common stock in the spin-off. The IRS has also ruled, and in the opinions received from Dewey Ballantine LLP and Kirkland & Ellis LLP, counsel has concluded, among other things, that stockholders of ABC Radio Holdings will not recognize gain or loss for United States federal income tax purposes upon the conversion of shares of ABC Radio Holdings common stock into shares of Citadel common stock in the merger, except to the extent of any cash received by an ABC Radio Holdings stockholder instead of a fractional share.

In addition, in the opinion received from Kirkland & Ellis LLP, counsel has concluded that the special distribution that Citadel has agreed to pay, pursuant to the merger agreement, only to pre-merger Citadel stockholders in connection with the transactions (i) will be taxable to pre-merger Citadel stockholders for United States federal income tax purposes as dividend income, to the extent paid out of Citadel s earnings and profits as calculated for United States federal income tax purposes, and (ii) to the extent the amount of the special distribution exceeds Citadel s current and accumulated earnings and profits, the excess will be treated first as a tax-free return of basis and thereafter as gain from the sale of such stock.

The tax consequences described above may not apply to all stockholders. For further information regarding the material United States federal income tax consequences of the transactions to stockholders of Citadel and

Disney and limitations relating to the IRS rulings and counsels opinions, please see The Transactions Material United States Federal Income Tax Consequences of the Spin-Off, the Merger and the Special Distribution beginning on page 148.

Tax matters are very complicated and the consequences of the transactions to any particular stockholder will depend on that stockholder s particular facts and circumstances. Citadel and Disney stockholders are urged to consult their own tax advisors to determine their own tax consequences from the transactions.

Additional Agreements Relating to the Spin-Off and the Merger

In addition to the separation agreement and merger agreement, Citadel, Disney and ABC Radio Holdings have entered into, or they or their respective subsidiaries will enter into at or prior to the closing, various agreements that will govern the separation and the merger and various interim and ongoing commercial and real estate relationships between the parties, including the tax sharing and indemnification agreement. See Additional Agreements beginning on page 186.

Opinions of Citadel s Financial Advisors

In deciding to approve the merger agreement and the merger, the Citadel board of directors considered the opinion delivered to it on February 6, 2006 by J.P. Morgan Securities Inc., its financial advisor, which we refer to herein as JPMorgan, that, as of the date of the opinion, and based upon and subject to the various factors, assumptions, limitations and qualifications set forth in its opinion, the consideration to be paid by Citadel in the transaction pursuant to the original merger agreement was fair, from a financial point of view, to Citadel. The full text of the written opinion of JPMorgan, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken by JPMorgan with respect to the original merger agreement, is attached as Annex C to this information statement/prospectus. The opinion and the analyses performed by JPMorgan in connection with its opinion were based upon financial information, market data and Citadel s forecasts for the ABC Radio Business and Citadel as they existed on or prior to February 6, 2006, the date of JPMorgan s opinion. Citadel did not request, and JPMorgan did not render, an opinion as of the date of, or in connection with, the November 19, 2006 amendments to the original merger agreement as to the fairness to Citadel of the consideration to be paid by Citadel pursuant to the merger agreement, as so amended. Accordingly, neither the opinion nor the analyses summarized in this information statement/prospectus reflect or take into account any developments since February 6, 2006. JPMorgan will receive a fee for its services, in an aggregate amount equal to $15 million, $13 million of which will become payable only if the proposed transaction is consummated, as described in the section The Transactions Opinion and Analysis of JPMorgan as Citadel s Financial Advisor Miscellaneous on page 135. See The Transactions Opinion and Analysis of JPMorgan as Citadel s Financial Advisor beginning on page 125.

The Citadel board also considered the opinion delivered to it on February 6, 2006 by Merrill Lynch, Pierce, Fenner & Smith Incorporated, its financial advisor, which we refer to herein as Merrill Lynch, that, as of that date, and based upon and subject to the various factors, assumptions, limitations and qualifications set forth in the written opinion, the Original Consideration was fair, from a financial point of view, to Citadel. For purposes of Merrill Lynch s opinion, the Original Consideration means the shares of Citadel common stock that were to be issued in the merger pursuant to the original merger agreement plus the amount of cash that was expected to be retained by Disney (or one of its affiliates) pursuant to the original separation agreement. The full text of the written opinion of Merrill Lynch, which sets forth the assumptions made, matters considered and qualifications and limitations on the review undertaken by Merrill Lynch, is attached as Annex D to this information statement/prospectus. Citadel did not request, and Merrill Lynch did not render, an opinion as to the fairness to Citadel of the shares of Citadel common stock to be issued by Citadel pursuant to the merger agreement, as amended on

November 19, 2006, and the amount of cash to be retained by Disney pursuant to the separation agreement, as amended on November 19, 2006, as of the date of, or in connection with, Citadel s entering into the November 19, 2006 amendments to the original merger agreement. Accordingly, neither the opinion nor the analyses summarized in this information statement/prospectus reflect or take into account any developments since February 6, 2006. Merrill Lynch received a fee for its services in the amount of $1.0 million, as described in the section The Transactions Opinion and Analysis of Merrill Lynch as Citadel s Financial Advisor Miscellaneous on page 145. See The Transactions Opinion and Analysis of Merrill Lynch as Citadel s Financial Advisor beginning on page 136.

Written Consents of the Principal Citadel Stockholders

On February 6, 2006, pursuant to section 228 of the DGCL and the by-laws of Citadel, the principal Citadel stockholders Forstmann Little & Co. Equity Partnership-VI, L.P., Forstmann Little & Co. Equity Partnership-VII, L.P., Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-VII, L.P. and Forstmann Little & Co. Subordinated Debt and Equity Management Buyout Partnership-VIII, L.P. who collectively held in the aggregate approximately 67% of the outstanding Citadel common stock on that date, took action by written consent to approve the merger agreement and the transactions and other documents contemplated or required thereby, including approving the merger and the issuance of shares of Citadel common stock in connection with the merger. See Written Consents of the Principal Citadel Stockholders beginning on page 184.

As holders of Citadel common stock, the principal Citadel stockholders will receive their pro rata share of any special distribution that Citadel pays to its pre-merger stockholders. Since the amount of the special distribution is not expected to be less than $2.46 per share, we anticipate that the aggregate amount of the special distribution that the principal Citadel stockholders will receive will be at least $187.6 million.

Mr. Theodore J. Forstmann, a member of Citadel s board of directors, is an affiliate of each of the principal Citadel stockholders and has the power to direct the vote and disposition of shares of Citadel common stock held by each of them. Mr. Forstmann participated in the negotiations of the transaction documents and subsequent amendments thereto, as we discuss in The Transactions Background of the Merger beginning on page 107. Mr. Forstmann s brother, J. Anthony Forstmann, also is a Citadel director and affiliate of the principal Citadel stockholders. Three of Citadel s other current directors, Messrs. Miles, Smith and Suleman, are affiliates of the principal Citadel stockholders. Mr. Smith did not join the Citadel board until after the execution of the original merger agreement. As discussed elsewhere in this information statement/prospectus, Mr. Suleman, who is also Citadel s chief executive officer, participated in the negotiations of the transaction documents and subsequent amendments thereto. In addition, a former Citadel director, Ms. Horbach, was an affiliate of the principal Citadel stockholders until her resignation from Forstmann Little & Co. and the Citadel board prior to the board s consideration of the November 19, 2006 amendments to the transaction documents.

No Appraisal or Dissenters Rights

None of Citadel s or Disney s stockholders will be entitled to exercise appraisal or dissenters rights under the DGCL in connection with the transactions. See The Transactions No Appraisal or Dissenters Rights on page 154.

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SUMMARY OF SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA

We are providing the following summary selected consolidated financial data of Citadel and selected consolidated financial data of the ABC Radio Business to help you in your analysis of the financial aspects of the merger and the related transactions. You should read this information in conjunction with the financial information included elsewhere in this information statement/prospectus. We have included page references at various points in this summary to direct you to a more detailed description of the topics presented. In addition, see Where You Can Find More Information; Incorporation by Reference beginning on page 204, Information on Citadel beginning on page 40, Information on the ABC Radio Business beginning on page 45 and Index to Financial Statements of the ABC Radio Group beginning on page F-1.

Summary of Historical Combined Financial Data of the ABC Radio Business

The following table contains summary historical financial data of the combined ABC Radio Business. The operating data for each of the fiscal years ended September 30, 2006, October 1, 2005 and September 30, 2004 and the balance sheet data as of September 30, 2006 and October 1, 2005 are derived from the audited combined financial statements included in this information statement/prospectus. The operating data for the three months ended December 30, 2006 and December 31, 2005 and the balance sheet data as of December 30, 2006 and December 31, 2005 are derived from the unaudited combined financial statements included in this information statement/prospectus. The operating data for the fiscal year ended September 30, 2003 and the balance sheet data as of September 1, 2004 are derived from the audited combined financial statements not included in this information statement/prospectus. The operating data for the fiscal year ended September 30, 2002 and the balance sheet data as of September 30, 2003 and 2002 are derived from the unaudited historical financial data.

The summary historical combined statements of operations data and the summary historical combined balance sheets and cash flows for the three months ended December 30, 2006 and December 31, 2005 and the fiscal year ended September 30, 2002 are unaudited, but include, in the opinion of management, all adjustments, consisting only of normal, recurring adjustments that are necessary for a fair presentation of such data. This information is only a summary and should be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations for the ABC Radio Business and the ABC Radio Business audited combined financial statements and the related notes included elsewhere within this document.

	ABC Radio Business						
	Three Months Ended		Fiscal Year Ended				
	December 30, 2006	December 31, 2005	September 30, 2006	October 1, 2005	2004	September 30, 2003	2002
				(in thousands)			
Operating Data:							
Net revenues	$ 144,121	$ 141,420	$ 538,721	$ 571,890	$ 571,111	$ 584,328	$ 559,583
Income before cumulative effect of accounting change	25,267	21,088	78,281	101,942	109,619	118,008	113,667
Net income	25,267	21,088	78,281	100,651	109,619	118,008	113,667
Other Data:							
Cash flow provided by (used by):							
Operating activities	$ 20,342	$ 31,928	$ 99,299	$ 113,808	$ 128,024	$ 111,680	$ 115,700
Investing activities	(67)	(645)	(8,432)	(8,576)	(6,038)	(2,048)	(4,464)
Financing activities	(19,703)	(31,279)	(91,203)	(106,079)	(127,928)	(103,387)	(117,943)

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	December 30, 2006	September 30, 2006	ABC Radio Business As of October 1, 2005	2004	September 30, 2003	2002
			(in thousands)			
Balance Sheet Data:						
Total assets	$ 1,576,064	$ 1,569,080	$ 1,583,958	$ 1,587,200	$ 1,609,714	$ 1,603,450
Group equity	1,390,701	1,385,137	1,398,059	1,403,487	1,421,796	1,409,398

The following table represents certain unaudited combined quarterly information for the ABC Radio Business for the quarter ended December 30, 2006 and for each of the quarters in the fiscal years ended September 30, 2006 and October 1, 2005. This information includes, in the opinion of management, all adjustments consisting of normal, recurring adjustments that are necessary for a fair presentation of the unaudited quarterly results of operations set forth herein.

	Three Months Ended December 30 (in thousands)
Fiscal 2007	
Net revenues	$ 144,121
Income before cumulative effect of accounting change	25,267
Net income	25,267

	Three Months Ended			
	December 31	April 1	July 1	September 30
	(in thousands)			
Fiscal 2006				
Net revenues	$ 141,420	$ 119,163	$ 145,694	$ 132,444
Income before cumulative effect of accounting change	21,088	9,832	28,094	19,267
Net income	21,088	9,832	28,094	19,267

	Three Months Ended			
	January 1	April 2	July 2	October 1
	(in thousands)			
Fiscal 2005				
Net revenues	$ 143,244	$ 130,692	$ 155,135	$ 142,819
Income before cumulative effect of accounting change	24,162	18,692	31,801	27,287
Net income	24,162	18,692	31,801	25,996

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Summary of Historical Consolidated Financial Data of Citadel

The following table sets forth summary historical consolidated financial data of Citadel Broadcasting Corporation. The statement of operations data and other data for the fiscal years ended December 31, 2006, 2005 and 2004 and balance sheet data as of December 31, 2006 and December 31, 2005 are derived from the audited consolidated financial statements incorporated by reference in this document. See Where You Can Find More Information; Incorporation by Reference beginning on page 204. You should read the following data in conjunction with those consolidated financial statements and related notes, and in conjunction with Management s Discussion and Analysis of the Financial Condition and Results of Operations of Citadel Broadcasting Corporation contained in those consolidated financial statements. The historical results are not necessarily indicative of results to be expected in any future period. See Selected Historical and Pro Forma Financial Data Selected Historical Consolidated Financial Data of Citadel beginning on page 71.

	Citadel Fiscal Year Ended December 31, (in thousands, except per share data)		
	2006	2005	2004
Operating Data:			
Net broadcasting revenue	$ 432,930	$ 419,907	$ 411,495
Operating expenses:			
Cost of revenues, exclusive of depreciation and amortization shown separately below	124,189	118,949	116,579
Selling, general and administrative	122,639	118,489	118,611
Corporate general and administrative(1)	30,287	15,363	15,566
Local marketing agreement fees	1,268	1,723	2,081
Asset impairment(2)	174,049		
Depreciation and amortization(3)	16,740	22,346	101,270
Non cash charge related to contractual obligations(4)			16,449
Other, net	(1,026)	(353)	(776)
Total operating expenses	468,146	276,517	369,780
Operating (loss) income	(35,216)	143,390	41,715
Interest expense, net	32,911	21,137	17,345
Write off of deferred financing costs due to extinguishment of debt(5)			13,615
(Loss) income before income tax (benefit) expense	(68,127)	122,253	10,755
Income tax expense (benefit)(6)	(20,113)	52,496	(63,813)
Net (loss) income	$ (48,014)	$ 69,757	$ 74,568
Net (loss) income per share:			
Basic	$ (0.43)	$ 0.59	$ 0.58
Diluted	$ (0.43)	$ 0.55	$ 0.54
Weighted average common shares outstanding:			
Basic	111,453	119,234	129,191
Diluted	111,453	134,534	143,379
Dividends declared per common share	$ 0.54	$ 0.18	$
Other Data:			

Cash flow provided by (used in):			
Operating activities	$ 136,277	$ 140,773	$ 147,146
Investing activities	(41,516)	(45,535)	(156,383)
Financing activities	(95,234)	(91,966)	6,718
Capital expenditures	11,790	8,112	8,948
Current tax expense	2,491	2,861	2,556
Deferred tax (benefit) expense	(22,604)	49,635	(66,369)

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	Citadel As of December 31, 2006 (in thousands)	Citadel As of December 31, 2005 (in thousands)
Balance Sheet Data:		
Cash and cash equivalents	$ 3,747	$ 4,220
Working capital	50,438	21,995
Intangible assets, net	1,967,204	2,125,794
Total assets	2,173,696	2,333,325
Long-term debt and other liabilities (including current portion)	751,021	675,055
Shareholders equity	1,124,308	1,274,699

Notes to Summary of Historical Consolidated Financial Data of Citadel:

(1) Certain reclassifications have been made to prior year amounts to conform them to the current year presentation. Non-cash stock-based compensation has been reclassified.

(2) In accordance with SFAS No. 142, Citadel conducted an interim impairment test during the quarter ended June 30, 2006 and its annual impairment test of indefinite-lived intangible assets as of the October 1 annual testing date. The analyses resulted in a non-cash impairment charge of $174.0 on a pre-tax basis to reduce the carrying amount of FCC licenses and goodwill.

(3) Citadel adopted SFAS No. 142 on January 1, 2002. See Note 2 to the Consolidated Financial Statements on Form 10-K for the year ended December 31, 2006 filed with the Securities and Exchange Commission, which has been incorporated by reference in this document.

(4) Operating income for 2004 reflects a non-cash charge of approximately $16.4 million primarily due to Citadel s settlement with its previous national representation firm. Under the terms of the settlement, Citadel s new representation firm settled Citadel s obligations under the settlement agreement with its previous representation firm and entered into a new long term contract with Citadel.

(5) Citadel s initial public offering registration statement with the Securities and Exchange Commission was declared effective on July 31, 2003, and Citadel used substantially all of the net proceeds of the initial public offering to repay amounts outstanding under its senior debt. In connection with the repayment, Citadel wrote off deferred financing costs of $8.2 million. Effective December 10, 2003, Citadel Broadcasting Company amended its credit facility, and in connection with the amendment, wrote off deferred financing costs of $1.2 million in the fourth quarter of 2003. On February 18, 2004, Citadel sold 9,630,000 shares of common stock at $19.00 per share and concurrently sold $330.0 million principal amount of convertible subordinated notes. Citadel used all of the net proceeds from these transactions to retire $500.0 million of 6% Subordinated Debentures, and in connection with this repayment, wrote off deferred financing costs of approximately $10.6 million. In August 2004, Citadel Broadcasting Company entered into a new senior credit facility that provides for $600.0 million in revolving loans through January 15, 2010. In connection therewith, Citadel Broadcasting Company repaid amounts outstanding under the previous credit facility and wrote off approximately $3.0 million in deferred financing costs.

(6) For the year ended December 31, 2003, the income tax expense of $28.0 million was primarily due to the amortization of indefinite lived intangibles for income tax purposes, for which no benefit can be recognized in the financial statements until the assets are disposed of. Income tax benefit for the year ended December 31, 2004 was primarily due to the reversal of Citadel s valuation allowance associated with its deferred tax assets, the most significant of which was Citadel s net operating loss carryforward. For the year ended December 31, 2006, the income tax benefit was driven by the deferred tax benefit related to the non-cash asset impairment.

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Summary of Unaudited Pro Forma Combined Condensed Financial Data of Citadel

The following table sets forth certain unaudited pro forma combined condensed financial data of Citadel. The data has been derived from and should be read together with the unaudited pro forma combined condensed financial statements of Citadel in this information statement/prospectus beginning on page 83.

	Fiscal Year Ended or As of December 31, 2006 (in thousands, except per share data)	
Operating Data:		
Net revenues	$	985,752
Operating income		100,680
Interest expense, net		162,635
Net loss		(44,542)
Net loss per share-basic and diluted	$	(0.17)
Weighted average common shares outstanding:		
Basic and diluted		263,160
Balance Sheet Data:		
Working capital	$	168,933
Total assets		5,432,752
Long term debt and other liabilities		2,464,115
Shareholders equity		1,944,464

WE ARE PROVIDING THIS SUMMARY UNAUDITED COMBINED PRO FORMA FINANCIAL DATA FOR ILLUSTRATIVE PURPOSES ONLY, AND THIS INFORMATION SHOULD NOT BE RELIED UPON FOR PURPOSES OF MAKING ANY INVESTMENT OR OTHER DECISIONS. CITADEL AND THE ABC RADIO BUSINESS MAY HAVE PERFORMED DIFFERENTLY HAD THEY BEEN COMBINED DURING THE PERIOD PRESENTED. YOU SHOULD NOT RELY ON THE UNAUDITED COMBINED PRO FORMA FINANCIAL DATA AS BEING INDICATIVE OF THE RESULTS THAT WOULD HAVE BEEN ACHIEVED HAD CITADEL AND THE ABC RADIO BUSINESS BEEN COMBINED DURING THE PERIOD PRESENTED OR OF THE FUTURE RESULTS OF THE COMBINED COMPANY.

Comparative Historical and Pro Forma Per Share Data

The following table sets forth certain historical and pro forma per share data for Citadel. The data has been derived from and should be read together with the audited consolidated financial statements of Citadel and related notes thereto contained in Citadel s Form 10-K for the fiscal year ended December 31, 2006, which are incorporated by reference into this information statement/prospectus and the audited and unaudited financial statements of the ABC Radio Business and related notes contained thereto, which are included elsewhere in this information statement/prospectus, and in the documents incorporated by reference herein that are described under the section entitled Where You Can Find More Information; Incorporation by Reference beginning on page 204.

The unaudited pro forma net income per share is presented as if the spin-off and merger had occurred (and assumes that approximately 151.7 million shares of ABC Radio Holdings common stock have been distributed in the spin-off and subsequently converted into approximately 151.7 million shares of Citadel common stock) as of the date presented. The unaudited pro forma combined per share data presented below for the year ended December 31, 2006 combines certain per share financial data of the ABC Radio Business and Citadel. The unaudited pro forma and equivalent pro forma book value per share data is presented as if the spin-off and merger had occurred (and assumes that approximately 151.7 million shares of ABC Radio Holdings common stock have been distributed in the spin-off and subsequently converted into approximately 151.7 million shares of Citadel common stock) as of the date presented.

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The pro forma amounts in the table below are presented for illustrative purposes only and do not indicate what the financial position or the results of operations of Citadel would have been had the merger occurred as of the date or for the period presented. The pro forma amounts also do not indicate what the financial position or future results of operations of the combined company will be. You should not rely on the pro forma information as being indicative of the historical results that would have occurred or the future results that Citadel will experience after the spin-off and the merger. No adjustment has been included in the pro forma amounts for any anticipated cost savings or other synergies as a result of the merger or for any potential inefficiencies or loss of synergies that may result from the separation of the ABC Radio Business from Disney. The pro forma amounts are preliminary and subject to change.

Because Citadel stockholders will own one share of Citadel common stock for each share of Citadel common stock they owned prior to the merger, the Citadel unaudited pro forma equivalent data will be the same as the corresponding unaudited pro forma combined data. See Selected Historical and Pro Forma Financial Comparative Historical and Pro Forma Per Share Data beginning on page 98.

	Year Ended or As of December 31, 2006
Citadel Historical	
Basic and diluted loss per common share from continuing operations	$ (0.43)
Distributions per share	$ 0.54
Book value per share	$ 10.09
Citadel Pro Forma Combined	
Basic and diluted loss per common share from continuing operations	$ (0.17)
Distributions per share(1)	$ 0.54
Book value per share	$ 7.39

(1) The amount of pro forma distributions per share does not include the special distribution expected to be paid to pre-merger Citadel stockholders as further discussed at The Transactions Transaction Consideration Determination of Amount of Special Distribution beginning on page 106.

WE ARE PROVIDING THIS SUMMARY COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA FOR ILLUSTRATIVE PURPOSES ONLY. CITADEL AND THE ABC RADIO BUSINESS MAY HAVE PERFORMED DIFFERENTLY HAD THE TRANSACTIONS OCCURRED PRIOR TO THE PERIOD PRESENTED. YOU SHOULD NOT RELY ON THE PRO FORMA PER SHARE DATA PRESENTED ABOVE AS BEING INDICATIVE OF THE RESULTS THAT WOULD HAVE BEEN ACHIEVED HAD THE TRANSACTIONS OCCURRED PRIOR TO THE PERIOD PRESENTED OR OF THE FUTURE RESULTS OF THE COMBINED COMPANY.

ABC Radio Holdings Common Stock Market Price

Market price data for shares of ABC Radio Holdings common stock has not been presented as shares of ABC Radio Holdings common stock do not trade separately from shares of Disney common stock.

Citadel Common Stock Market Price

Citadel common stock is currently traded on the NYSE under the symbol CDL. On February 6, 2006, the last trading day before the announcement of the execution of the merger agreement, the last sale price of Citadel common stock reported by the NYSE was $12.00. On May 7, 2007, the last practicable trading day prior to the date of this information statement/prospectus, the last sale price of Citadel common stock reported by the NYSE was $9.05. The following table sets forth the high and low sales prices of Citadel common stock for the periods indicated. The quotations are as reported in published financial sources. For current price information, Citadel stockholders are urged to consult publicly available sources. See Selected Historical and Pro Forma Financial Data Citadel Common Stock Market Price on page 99.

	Citadel Common Stock	
	High	Low
Fiscal Year Ended December 31, 2005		
First Quarter	$ 16.11	$ 13.44
Second Quarter	$ 14.09	$ 11.28
Third Quarter	$ 13.89	$ 11.09
Fourth Quarter	$ 14.74	$ 12.80
Fiscal Year Ended December 31, 2006		
First Quarter	$ 13.64	$ 10.72
Second Quarter	$ 11.20	$ 8.62
Third Quarter	$ 9.73	$ 8.00
Fourth Quarter	$ 10.75	$ 9.08

Citadel Dividend Policy

In October 2005, Citadel began paying a quarterly dividend in the amount of $0.18 per share on its common stock. Dividends were paid to holders of record on November 30, 2005, March 30, 2006, June 30, 2006, October 5, 2006 and February 12, 2007. Citadel s board of directors is free to change its dividend practices from time to time and to decrease or increase or otherwise change the amount and form of the dividend paid, or to not pay a dividend, on its common stock on the basis of restrictions imposed by applicable law, contractual limitations and financial limitations, including on the basis of results of operations, financial condition, cash requirements and future prospects and other factors deemed relevant by the board of directors. There can be no assurance of future cash flows from Citadel s wholly-owned subsidiary, Citadel Broadcasting Company, which Citadel historically has used to pay the dividend or from ABC Radio Holdings, after the merger. As a result, Citadel s quarterly dividend may be reduced, or may be discontinued entirely, after the merger. See Selected Historical and Pro Forma Financial Data Citadel Dividend Policy beginning on page 99.

Repurchases of Citadel Common Stock

Citadel s board of directors has authorized Citadel to repurchase shares of its outstanding common stock on two occasions. The first was on June 29, 2004, when the Citadel board authorized the expenditure of up to $100 million, and the second was on November 3, 2004, when the Citadel board authorized the expenditure of up to $300 million. As of February 28, 2007, Citadel had repurchased over 25 million shares of its common stock for an aggregate amount of approximately $331.4 million under these repurchase programs. There can be no assurance of future cash flows from Citadel s wholly-owned subsidiary, Citadel Broadcasting Company, which Citadel historically has used to repurchase shares of its common stock or from ABC Radio Holdings, after the merger. Citadel s subsidiaries current ability to transfer funds to Citadel that may be used to repurchase shares of Citadel common stock is, and future ability to do so is expected to be, subject to applicable law, financial and contractual limitations. In addition, after the merger Citadel will be restricted in its ability to repurchase shares of common stock under the tax sharing and indemnification agreement. As a result, the continued repurchase of shares of Citadel common stock will not take place, absent Disney s consent, during the two-year period provided in the tax sharing and indemnification agreement and may or may not continue thereafter. See Selected Historical and Pro Forma Financial Data Repurchases of Citadel Common Stock on page 100.

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RISK FACTORS

For enterprises like Citadel and the ABC Radio Business, a wide range of factors could materially affect future developments and performance. In addition to the other information included or incorporated by reference in this document, including the matters addressed in Special Note Regarding Forward-Looking Statements beginning on page 38, risks described in Citadel s most recent annual report on Form 10-K and quarterly reports on Form 10-Q, you should carefully consider the matters described below, which are considered to be the most significant. The risk factors have been separated into two groups:

- risks that relate to the separation and the merger; and
- risks that otherwise relate to Citadel, the ABC Radio Business or the combined company.

After the spin-off and merger, the risks described below apply to the combined company. In addition, the risks described below and elsewhere in this information statement/prospectus are not the only ones that Citadel and/or the ABC Radio Business are facing or that the combined company will face or that relate to the separation and merger. The risks described below are considered to be the most material. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the events described below were to occur, the business, prospects, financial condition, results of operations and/or cash flows of Citadel, the ABC Radio Business and/or the combined company could be materially adversely affected. In any such case, the price of shares of Citadel common stock before or after the merger could decline, and you could lose all or part of your investment in Citadel.

Risks that Relate to the Separation and the Merger

Citadel may not realize the expected cost savings and other benefits from the merger.

Citadel expects that it will realize cost savings and other financial and operating benefits as a result of the merger. However, Citadel cannot predict with certainty if or when these cost savings and benefits will occur, or the extent to which they actually will be achieved. Realization of any benefits and savings could be affected by the factors described in the other risk factors and a number of factors beyond Citadel s control, including, without limitation, general economic conditions, increased operating costs, the response of competitors and regulatory developments.

The combined company s substantial indebtedness could adversely affect its operations and financial condition.

Under Citadel s and ABC Radio Holdings financing commitments, as described in Financing of the Spin-Off and the Merger beginning on page 175, Citadel and its subsidiaries (including ABC Radio Holdings after the merger) could incur up to $2.65 billion of indebtedness in connection with the separation, the merger and related financing transactions. As of December 31, 2006, Citadel had outstanding indebtedness of approximately $731 million, consisting of $330 million of convertible subordinated notes outstanding and $401 million outstanding under Citadel Broadcasting Company s senior credit facility. As of December 31, 2006, on a pro forma basis after giving effect to the spin-off, the merger and the financings contemplated by the existing commitments, Citadel would have had a total of approximately $2.44 billion of indebtedness.

After the merger, Citadel s and its subsidiaries (including ABC Radio Holdings) indebtedness could have important consequences to the company, including but not limited to:

- limiting its operational flexibility due to the covenants contained in its debt agreements;
- limiting its ability to invest operating cash flow in its business due to debt service requirements;

limiting its ability to pay quarterly dividends or to repurchase shares;

limiting its ability to obtain additional financing;

- causing certain valuable tax attributes to expire unused;
- requiring the combined company to dispose of significant assets;
- limiting its ability to compete with companies that are not as highly leveraged and that may be better positioned to withstand economic downturns;
- increasing its vulnerability to economic downturns, changing market conditions and changes in the radio broadcast industry;
- limiting its flexibility in planning for, or reacting to, changes in its business or industry; and
- to the extent that the combined company s debt is subject to floating interest rates, increasing its vulnerability to fluctuations in market interest rates.

The ABC Radio Business experienced a decline in results of operations during fiscal year 2006. See Management s Discussion and Analysis of Financial Condition and Results of Operations for the ABC Radio Business beginning on page 56. The continuation or worsening of that decline in results of operations could have adverse effects on the ABC Radio Business and/or the combined company, some of which may be material. If that decline in results of operations continues or worsens, it is possible that, among other things, ABC Radio Holdings may be unable to borrow the full amount of indebtedness permitted by the merger agreement and separation agreement. In addition, the continuation or worsening of the decline in results of operations of the ABC Radio Business could make it necessary for Citadel to secure a material modification to its financing commitment or obtain a new commitment. In that event, the effects described above may be more severe, and there can be no assurance that financing can be obtained on acceptable terms or that Citadel will be able to pay the special distribution or refinance Citadel Broadcasting Company s senior credit facility or the ABC Radio Holdings debt.

After the merger, Citadel intends to obtain the funds needed to pay its expenses and to pay the principal and interest on its outstanding debt from its operations. The combined company s ability to meet its expenses and debt service obligations will depend on the factors described above, as well as its future performance, which will be affected by financial, business, economic and other factors, including potential changes in consumer preferences, the success of product and marketing innovation and pressure from competitors. If the combined company does not generate enough cash to pay its debt service obligations, it may be required to refinance all or part of its existing debt, sell its assets, borrow more money or raise equity. We cannot assure you that Citadel will be able to, at any given time, refinance its debt, sell its assets, borrow more money or raise equity on terms acceptable to it or at all.

The combined company will be subject to restrictive debt covenants, which may restrict its operational flexibility.

After the merger, the credit facilities of Citadel and its subsidiaries (including ABC Radio Holdings) are expected to impose many restrictions on Citadel and its subsidiaries. These restrictions are expected to include covenants that restrict Citadel s and its subsidiaries ability to incur additional indebtedness, pay dividends on and repurchase common stock, make other restricted payments, including dividends and investments, sell their assets, transfer all or substantially all of their assets and enter into consolidations or mergers. If one or both of the financing commitments are modified in a manner adverse to ABC Radio Holdings and/or Citadel, it is reasonably likely that these covenants will be more restrictive.

The new credit facilities will also require Citadel to maintain specified financial ratios and satisfy financial condition tests. The combined company s ability to meet those financial ratios and tests may be affected by events beyond its control and we cannot assure you that it will meet those ratios and tests. A breach of any of these covenants, ratios, tests or restrictions could result in an event of default under the new credit facilities, in which case the lenders could elect to declare all amounts outstanding under the facilities to be immediately due and payable. If the lenders under the new credit facilities accelerate the payment of the indebtedness, we cannot

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assure you that the combined company s assets would be sufficient to repay in full that indebtedness and any other indebtedness that would become due as a result of any acceleration. See Financing of the Spin-Off and the Merger beginning on page 175.

If Citadel does not successfully integrate its existing business with the ABC Radio Business, Citadel may not realize the expected benefits of the merger.

There is a significant degree of difficulty inherent in the process of integrating the ABC Radio Business with Citadel. These difficulties include the challenges of:

- integrating the ABC Radio Business with Citadel while carrying on the ongoing operations of each business;
- integrating sales and business development operations;
- coordinating geographically separate organizations;
- creating uniform standards, controls, procedures, policies and information systems;
- retaining existing customers and other constituents of each company;
- retaining key officers and personnel of both companies;
- integrating personnel with diverse business backgrounds;
- integrating the business cultures of each company, which may prove to be incompatible; and
- avoiding management distraction from the ABC Radio Business and Citadel s business while engaged in the integration.

We cannot assure you that the ABC Radio Business will be successfully or cost-effectively integrated into Citadel. The failure to do so would have a material adverse effect on Citadel s business, financial condition and results of operation after the merger.

Citadel after the merger will have significantly more sales, assets, employees and market capitalization than it did before the merger. In addition, Citadel s range of programs, stations, advertisers, listeners and competitors is expected to be significantly expanded from its range before the merger. The integration process will require Citadel to significantly expand the scope of its operational and financial systems, which will increase its operating complexity. Implementation of uniform controls, systems and procedures may be costly and time-consuming.

In connection with the transactions, Citadel may be unable to provide benefits and services or access to equivalent financial strength and resources to the ABC Radio Business that historically have been provided by Disney.

The ABC Radio Business currently is a fully integrated business unit of, and as such receives benefits and services from, Disney, which either will be modified or need to be replaced following the completion of the separation. Citadel and Disney have agreements for some interim and ongoing commercial and real estate relationships as discussed in Additional Agreements beginning on page 186. We cannot assure you, however, that, at the end of the periods of these agreements, with respect to the agreements under which Disney will provide licenses to programming content to Citadel, Citadel will be able to obtain these or comparable licenses to programming content from third parties on favorable terms or at all. We also cannot assure you that, with respect to the agreement under which Citadel will provide services or licenses to programming content to Disney, if desirable, Citadel will be able to find an alternative third party to whom to provide such services or licenses to programming content, or that any such third party arrangement will be at rates or prices at least as favorable to Citadel as under the arrangements with Disney. Disney s failure to provide these or comparable licenses to programming content or Citadel s failure to obtain these or comparable licenses from or provide these services or licenses to programming content to a third party on favorable terms or at all could have a material adverse effect on Citadel s business, financial condition and results of operation after the merger.

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Moreover, under the merger agreement and the other transaction agreements, neither Citadel nor ABC Radio Holdings has arrangements with Disney for ABC Radio Holdings to receive certain corporate services from Disney on an interim basis following the merger, including but not limited to, payroll, legal services, accounting, insurance, tax services and human resource services. Citadel will need to provide, or arrange for third parties to provide, to ABC Radio Holdings and its subsidiaries and affiliates such corporate services that will no longer be provided by Disney after the merger.

Furthermore, while it has been an indirect, wholly-owned subsidiary of Disney, ABC Radio Holdings has been able to benefit from Disney s financial strength and extensive network of business relationships. After the spin-off and merger, ABC Radio Holdings will become a subsidiary of Citadel and will no longer be able to benefit from Disney s resources. In addition, in the event that the ABC Radio Holdings debt is not refinanced, ABC Radio Holdings is expected to be significantly leveraged. This leverage could adversely affect its operations and financial condition and limit ABC Radio Holdings ability to secure capital and other resources it needs for its full development.

We expect that Citadel will incur significant costs related to the merger that could have a material adverse effect on its operating results and cash flows after the merger.

We anticipate that Citadel will incur significant costs and expenses in connection with the merger and integration of the ABC Radio Business and Citadel. Particularly, we anticipate that Citadel will incur a charge to earnings in connection with the integration of operations after the merger. We will not be able to quantify the amount of this charge or the time at which it will be incurred until after the merger is completed. The amount of the charge may be significant, and the charge may have a material adverse effect on the results of operations of the combined company in the period or year in which it is recorded. These costs and expenses may have a material adverse effect on the operating results of Citadel or ABC Radio Holdings, before or after the merger, or their operating results and cash flows in the period or year in which they are incurred or recorded. We cannot assure you that any benefits or cost-savings Citadel expects to realize as a result of the merger will offset these costs and expenses.

The combined company may not be able to take advantage of Citadel s existing net operating losses.

As of December 31, 2006, Citadel has net operating loss carryforwards for United States federal income tax purposes of approximately $117.7 million, which will expire in the years 2020 through 2022. Citadel has approximately $52.5 million in net operating loss carryforwards for state income tax purposes that will expire in 2007 through 2021. To the extent that the combined company is able to take advantage of the net operating loss carryforwards, these tax attributes will improve its cash flow and will inure to the benefit of its stockholders following the merger. However, Citadel will undergo an ownership change in connection with the merger, within the meaning of section 382 of the Internal Revenue Code. As a result, Citadel will be subject to an annual limitation on its use of the pre-transaction net operating losses of Citadel. This limitation may reduce the benefit that would inure to Citadel and could cause significant tax attributes to expire unused.

Citadel s financial results after the merger could be negatively impacted by any impairment of goodwill or other intangible assets required by SFAS 142.

In accordance with SFAS 142, *Goodwill and Other Intangible Assets*, Citadel and the ABC Radio Business test FCC licenses on an annual basis and between annual tests should factors or indicators become apparent that would require an interim test, including if events occur or circumstances change that would, more likely than not, reduce the fair value of goodwill below the amount reflected in the balance sheet. If the fair value for any reporting unit is less than the amount reflected in the balance sheet, an indication exists that the amount of goodwill attributed to a reporting unit may be impaired, and SFAS No. 142 then requires the performance of a second step of the impairment test. In the second step, a company compares the implied fair value of the reporting unit s goodwill to the amount reflected in the balance sheet and if lower, records an impairment charge.

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FCC licenses and goodwill are expected to represent a substantial portion of the combined company s total assets, and the fair value of FCC licenses and goodwill is primarily dependent on the future cash flows expected to be generated by the Citadel stations and the ABC Radio Business. If the recent decline in the results of operations of the ABC Radio Business continues or worsens, the purchase price multiple implicit in the merger transaction may increase. In such event, if market conditions and operational performance for the respective reporting units underlying the ABC Radio Holdings intangible assets do not recover to at least levels initially projected by the industry or Citadel, or if events occur or circumstances change that would, more likely than not, reduce the fair value of the combined company s FCC licenses and goodwill for the respective reporting unit below amounts reflected in the unaudited combined pro forma balance sheet, the combined company may be required to recognize non-cash impairment charges in future periods, which could have a material impact on the combined company s financial condition or results of operations. See Unaudited Pro Forma Combined Condensed Financial Statements of Citadel beginning on page 83.

The historical combined financial information of the ABC Radio Business may not be representative of its results if it had been operated independently of Disney and as a result, may not be a reliable indicator of the ABC Radio Business historical or future results.

The ABC Radio Business is currently a fully integrated business unit of Disney, and as such receives certain benefits and services, and will be separated and consolidated under ABC Radio Holdings prior to the spin-off and the closing of the merger. Consequently the financial information of the ABC Radio Business included in this document has been derived from the consolidated financial statements and accounting records of Disney and reflects assumptions and allocations made by Disney. The financial position, results of operations and cash flows of the ABC Radio Business presented may be different from those that would have resulted had the ABC Radio Business been operated independently and had such services and benefits not been provided. As a result, the historical financial information of the ABC Radio Business may not be a reliable indicator of future results.

ABC Radio Holdings may not have adequate funds to perform its indemnity obligations to Disney under the separation agreement.

ABC Radio Holdings has agreed to indemnify Disney from all liabilities relating to the liabilities assumed (or retained) by ABC Radio Holdings under the separation agreement, and any liabilities (including third party claims) imposed on, sustained, incurred or suffered by Disney that relate to, arise out of or result from the ABC Radio Business, the ABC Radio Business assets to be transferred under the separation agreement or the failure of ABC Radio Holdings to pay, perform or otherwise promptly discharge a liability to be transferred to the ABC Radio Business under the separation agreement. Disney has agreed to indemnify ABC Radio Holdings from all liabilities arising from Disney s retained (or assumed) liabilities, and any of the liabilities (including third party claims) imposed on, sustained, incurred or suffered by ABC Radio Holdings that relate to, arise out of or result from Disney s retained businesses, its retained assets or the failure of Disney to pay, perform or otherwise promptly discharge a retained liability. In the event that ABC Radio Holdings becomes obligated to pay Disney pursuant to its indemnification obligations, we cannot assure you that ABC Radio Holdings, or the combined company, will have sufficient liquidity to meet such payment obligation. It is also possible that any such payment would result in an event of default under credit facilities of Citadel or its subsidiaries (including ABC Radio Holdings).

If the transactions included in the separation do not qualify as tax-free transactions or the merger does not qualify as a tax-free reorganization for United States federal income tax purposes, then Disney and/or Disney stockholders may be responsible for the payment of United States federal income and other taxes.

Disney and ABC Radio Holdings obligations to complete the merger are conditioned on their receipt of certain IRS rulings and opinions of their tax counsel, Dewey Ballantine LLP, to the effect that the spin-off will qualify as a nonrecognition transaction to Disney and its stockholders under section 355(a) of the Internal Revenue Code and that Disney stockholders will not recognize gain or loss for United States federal income tax purposes upon receipt of ABC Radio Holdings common stock in the spin-off. The completion of the transactions is further conditioned on the receipt by Disney and ABC Radio Holdings, on the one hand, and Citadel, on the other hand, of tax opinions from their respective tax counsel, Dewey Ballantine LLP and Kirkland & Ellis LLP, respectively, to the effect that the merger will qualify as a reorganization within the meaning of section 368(a) of the Internal Revenue Code and ABC Radio Holdings stockholders will not recognize gain or loss for United States federal income tax purposes upon the conversion of shares of ABC Radio Holdings common stock in the merger, except to the extent of any cash received by an ABC Radio Holdings stockholder instead of a fractional share.

Although an IRS ruling generally is binding on the IRS, Disney and ABC Radio Holdings will not be able to rely on the rulings if the factual representations made to the IRS in connection with the rulings are untrue or incomplete in any material respect or if undertakings made to the IRS in connection with the rulings are not complied with. Further, the IRS will not rule on whether the spin-off satisfies certain of the requirements necessary to obtain nonrecognition treatment under section 355 of the Internal Revenue Code. With regard to satisfaction of these requirements, Disney and ABC Radio Holdings will receive certain tax opinions from their tax counsel, Dewey Ballantine LLP. The opinion of counsel with regard to satisfaction of these requirements will be based on, among other things, current law and certain representations by Disney, ABC Radio Holdings and Citadel. The opinions of counsel with regard to the United States federal income tax consequences of the merger will be based on, among other things, the IRS rulings, current law and certain representations by Disney, ABC Radio Holdings and Citadel. Any change in currently applicable law, which may be retroactive, the failure of any representation to be true, correct and complete in all material respects, or, in the case of the IRS rulings related to the merger, the failure of the IRS rulings to be able to be relied upon could adversely affect the conclusions reached by counsel in the opinions. Moreover, the opinions will not be binding on the IRS or the courts, and the IRS or the courts may not agree with the conclusions reached in the opinions. See The Transactions Material United States Federal Income Tax Consequences of the Spin-Off, the Merger and the Special Distribution beginning on page 148 and Additional Agreements Tax Sharing and Indemnification Agreement beginning on page 186.

Even if the spin-off otherwise qualifies as a tax-free transaction for United States federal income tax purposes, the spin-off will be taxable to Disney (but not to Disney stockholders) pursuant to section 355(e) of the Internal Revenue Code if 50% or more of the stock of either Disney or ABC Radio Holdings (including stock of Citadel after the merger, as the parent of ABC Radio Holdings) is acquired, directly or indirectly, as part of a plan or series of related transactions that includes the spin-off. Because Disney stockholders will own more than 50% of the common stock of Citadel following the merger, the merger standing alone will not cause the spin-off to be taxable to Disney under section 355(e). However, if the IRS were to determine that other acquisitions of Disney common stock or Citadel common stock, either before or after the spin-off, are part of a plan or series of related transactions that includes the spin-off, such determination could result in the recognition of gain by Disney (but not by Disney stockholders) under section 355(e).

If, for any reason, all or a portion of Disney s internal restructuring does not qualify as a tax-free transaction, Disney might recognize substantial gain for United States federal income tax purposes. If, for any reason, the spin-off does not qualify as a tax-free transaction, Disney will recognize gain on the spin-off for United States federal income tax purposes, which gain likely would be very substantial. In either case, under the consolidated return rules, each member of Disney s consolidated group, including ABC Radio Holdings, will be liable for the resulting United States federal income tax liability. Moreover, in certain circumstances, Citadel may be required under the tax sharing and indemnification agreement to indemnify Disney with respect to such taxes and other costs. See Citadel may be required to indemnify Disney for taxes resulting from acts prohibited by the tax sharing and indemnification agreement beginning on page 27 and Additional Agreements Tax Sharing and Indemnification Agreement beginning on page 186.

If either the merger or, in certain circumstances, the spin-off, does not qualify as a tax-free transaction, Disney stockholders may recognize income or gain for United States federal income tax purposes. For a discussion of the material United States federal income tax consequences of the spin-off and the merger to Disney stockholders, see The Transactions Material United States Federal Income Tax Consequences of the Spin-Off, the Merger and the Special Distribution beginning on page 148.

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Citadel will be affected by significant restrictions following the merger with respect to certain actions that could jeopardize the tax-free status of the separation.

The tax sharing and indemnification agreement will restrict Citadel and its affiliates from taking certain actions that could cause Disney s internal restructuring or the spin-off to be taxable or that could otherwise jeopardize the tax-free status of the internal restructuring or the spin-off, including:

- for two years after the completion of the spin-off, entering into any agreement, understanding or arrangement or engaging in any substantial negotiations with respect to any transaction involving the acquisition of Citadel stock or the issuance of shares of Citadel stock, or options to acquire or other rights in respect of such stock, unless, generally, the shares are issued to qualifying Citadel employees or retirement plans, each in accordance with certain safe harbors under applicable regulations under section 355 of the Internal Revenue Code;

- for two years after the completion of the spin-off, entering into any joint venture that includes assets of ABC Radio Holdings or any of its subsidiaries;

- for two years after the completion of the spin-off, permitting certain subsidiaries of ABC Radio Holdings at the time of the spin-off to cease to own directly and to operate the radio station or radio network business conducted by those subsidiaries immediately prior to the spin-off; or, generally, entering into any transaction that would alter the ownership structure of those subsidiaries at the time of the spin-off; and

- generally, for two years after the completion of the spin-off, taking any action that might be a restructuring tainting act or a distribution tainting act without receiving the prior written consent of Disney.

For this purpose, under the tax sharing and indemnification agreement, affiliates of Citadel include (i) subsidiaries of Citadel (including ABC Radio Holdings and its subsidiaries for periods after the merger), (ii) Farid Suleman, (iii) any of the principal Citadel stockholders and (iv) any other controlling stockholder of Citadel, or person that is a member of a coordinating group with a controlling stockholder of Citadel, in each case within the meaning of the applicable regulations under section 355 of the Internal Revenue Code.

Because of these restrictions, Citadel may be limited in the amount of stock that it can issue to make acquisitions or raise additional capital in the two years subsequent to the completion of the spin-off and the merger, which could have a materially adverse effect on Citadel s liquidity and financial condition. Also, Citadel s indemnity obligation to Disney might discourage, delay or prevent a change of control that stockholders of Citadel may consider favorable. See Citadel may be required to indemnify Disney for taxes resulting from acts prohibited by the tax sharing and indemnification agreement beginning on page 27 and Additional Agreements Tax Sharing and Indemnification Agreement beginning on page 186.

Citadel may be required to indemnify Disney for taxes resulting from acts prohibited by the tax sharing and indemnification agreement.

In certain circumstances, under the tax sharing and indemnification agreement, Citadel will be required to indemnify Disney against taxes and related costs and liabilities of Disney and its affiliates that arise in connection with the separation as a result of any restructuring tainting acts or distribution tainting acts by Citadel and/or one or more of its affiliates. See Citadel will be affected by significant restrictions following the merger with respect to certain actions that could jeopardize the tax-free status of the separation on page 27. For this purpose, affiliates of Citadel include (i) subsidiaries of Citadel (including ABC Radio Holdings and its subsidiaries for periods after the merger), (ii) any of the principal Citadel stockholders, (iii) Farid Suleman and (iv) any other controlling stockholder of Citadel, or person that is a member of a coordinating group with a controlling stockholder of Citadel, in each case within the meaning of applicable regulations under section 355 of the Internal Revenue Code. If Disney recognizes gain on the separation for reasons not related to a restructuring tainting act or distribution tainting act by Citadel or its affiliates, Disney would not be entitled to be indemnified by Citadel under the tax sharing and indemnification agreement. See Additional Agreements Tax

Sharing and Indemnification Agreement beginning on page 186. Citadel s indemnity obligation might discourage, delay or prevent a change of control that stockholders of Citadel may consider favorable. In the event that Citadel becomes obligated to pay Disney pursuant to its indemnification obligations, there can be no assurance it will have sufficient liquidity to meet such payment obligations. It is also possible that any such payment would result in an event of default under credit facilities of Citadel or its subsidiaries (including ABC Radio Holdings).

Change of control provisions and other restrictions in contracts of Citadel or the ABC Radio Business could adversely impact the combined company.

Under the terms of some contracts of the parties, including certain talent agreements, the transfers of assets or stock in the separation and merger may constitute an assignment by, or be considered a change of control of, the entity that is party to such agreement. The failure to obtain consents under a material number of these contracts may adversely affect the financial performance or results of operations of the combined company following the merger. In addition, Citadel has filed a complaint against certain of the holders of Citadel s convertible subordinated notes, who have claimed that the merger does or will constitute a fundamental change under the indenture governing the convertible subordinated notes. See Financing of the Spin-Off and the Merger Existing Citadel Debt beginning on page 180. If the convertible subordinated notes or Citadel Broadcasting Company s senior credit facility were to become due and payable in connection with this dispute, Citadel could owe up to $330 million in principal under the convertible subordinated notes, plus any accrued and unpaid interest at a rate of 1.875% per annum, and, based on amounts outstanding as of December 31, 2006, up to $401 million in principal and $2.2 million in interest under the senior credit facility. In addition, Citadel would seek other sources of funding in the credit or capital markets, and there can be no assurance that Citadel will be able to obtain financing on terms acceptable to Citadel. In addition, if Citadel s existing senior credit facility is not refinanced at or prior to closing, the debt under that facility could accelerate as a result of the merger. Accordingly, if financing is unavailable to Citadel in connection with the merger, Citadel may be unable to pay the special distribution or refinance its existing debt (upon such acceleration or otherwise) or refinance the ABC Radio Holdings debt. Even if such financing is available, the terms may be significantly less favorable to Citadel than the terms of the Citadel commitment letter.

The transaction structure may discourage other companies from trying to acquire Citadel before or for a period of time following completion of the merger.

The principal Citadel stockholders, which held approximately 67% of Citadel s outstanding common stock as of February 6, 2006, the date of the original merger agreement, have taken action by written consent to vote their shares in favor of the merger agreement, the merger, the issuance of shares in connection therewith and any other actions necessary or desirable in furtherance of the merger. In addition, the no solicitation provisions in the merger agreement prohibit Citadel from soliciting any acquisition proposal. If Citadel or Disney terminates the merger agreement in circumstances that obligate Citadel to pay a termination fee of $81 million to Disney, Citadel s financial condition will be adversely affected as a result of the payment of the termination fee, which might deter third parties from proposing alternative business combination proposals. These features of the transaction structure may discourage third parties from submitting business combination proposals to Citadel that might result in greater value to Citadel stockholders than the merger. In addition, certain provisions of the tax sharing and indemnification agreement, which are intended to preserve the tax-free status of the separation for United States federal income tax purposes, may discourage business combination proposals for a period of time following the merger.

The merger is not expected to close until the second calendar quarter of 2007, more than a year after the parties signed the original merger agreement, which may diminish the anticipated benefits of the merger.

Completion of the merger is conditioned upon the receipt of all material governmental consents, approvals, orders and authorizations, including the receipt by Disney and ABC Radio Holdings of an IRS ruling regarding the tax-free nature of the separation, the expiration or termination of any waiting period under the HSR Act and the consent of the FCC to the transfers of control of radio station licenses and licensees resulting from the merger. The requirement to receive these approvals before the merger could delay the completion of the merger. In addition, these governmental agencies may attempt to condition their approval of the merger on the imposition of conditions that could have a material adverse effect on Citadel, including but not limited to its operating results or the value of Citadel common stock. See The Transactions Regulatory Approvals beginning on page 152 for a description of the regulatory approvals necessary in connection with the merger. Furthermore, even if regulatory approvals are obtained sooner, the parties have agreed to close the transaction no earlier than May 31, 2007, unless Citadel elects to close on an earlier date, and under applicable securities regulations, the merger may not be completed until 20 business days after the date of the mailing of this information statement/prospectus to Citadel stockholders.

Any delay in the completion of the merger could diminish the anticipated benefits of the merger or result in additional transaction costs, loss of revenue or other effects associated with uncertainty about the transaction. Any uncertainty over the ability of the companies to complete the merger could make it more difficult for Citadel and ABC Radio Holdings to retain key employees or to pursue business strategies. In addition, until the merger is completed, the attention of Citadel and ABC Radio Holdings management may be diverted from ongoing business concerns and regular business responsibilities to the extent management is focused on matters relating to the transaction, such as obtaining regulatory approvals.