

Spin-off of ABC Radio and Merger with Citadel Disney Stockholder Indicative Tax Basis Calculations

The information in this document is for general information purposes only and does not constitute tax advice. It does not purport to be complete or to describe the consequences that apply to particular categories of stockholders (e.g., it does not address stockholders who did not hold their shares of Disney common stock continuously from the close of business June 6, 2007 until the time of the spin-off, who sold Citadel common stock in the “when issued” trading market or who acquired blocks of Disney common stock at different times and prices). Your tax consequences may vary depending on your particular circumstances. Each Disney stockholder is urged to consult with an independent tax advisor to determine the tax consequences of the spin-off and merger in light of that stockholder’s own tax position.

On June 12, 2007, The Walt Disney Company (“Disney”), distributed in a spin-off to its stockholders all of the issued and outstanding shares of common stock of Disney’s wholly-owned subsidiary ABC Radio Holdings, Inc. (“ABC Radio”). Each Disney stockholder received approximately 0.0768 of a share of ABC Radio common stock for each share of Disney common stock owned as of the close of business on June 6, 2007 (the “Record Date”). Immediately thereafter, a wholly-owned subsidiary of Citadel Broadcasting Corporation (“Citadel”) merged with and into ABC Radio and each share of ABC Radio common stock was converted into the right to receive one share of Citadel common stock. As a result, each Disney stockholder received approximately 0.0768 of a share of Citadel common stock for each share of Disney common stock held by the stockholder on the Record Date. In the spin-off, the distribution agent aggregated all fractional shares of ABC Radio common stock, exchanged the resulting whole shares for shares of Citadel common stock in the merger, sold those shares on the open market and distributed to Disney stockholders otherwise entitled to the fractional shares their portion of the cash proceeds from those sales.

We advise each Disney stockholder to discuss the tax consequences of the spin-off and merger, including the allocation of such stockholder’s tax basis in his or her Disney common stock, with an independent tax advisor.

U.S. federal income tax law requires a Disney stockholder to allocate the aggregate tax basis in his or her shares of Disney common stock prior to the spin-off between those Disney shares and the Citadel common stock (including any fractional shares of Citadel for which the Disney stockholder receives cash in lieu thereof). If you acquired shares of Disney common stock at different times, you will need to make separate basis calculations for each group of Disney shares. This allocation is based on the relative fair market values of Disney and Citadel common stock immediately after the merger. U.S. Federal income tax law does not specify how to determine these fair market values. We believe that one possible approach to determining the fair market value of the Disney common stock and the Citadel common stock is to utilize the New York Stock Exchange market closing price immediately before the merger for Disney common stock (\$33.56) adjusted to reflect the distribution valued at \$0.45, or \$33.11 per share, and the New York Stock Exchange market opening price on the morning after the merger for Citadel common stock, which was \$5.90 per share. Based on that approach and the assumptions set forth on the following page, 98.65% of a Disney stockholder’s aggregate tax basis in his or her shares of Disney common stock prior to the spin off would be allocated to such stockholder’s shares of Disney common stock and 1.35% would be allocated to such stockholder’s shares of Citadel common stock (including any fractional share of Citadel common stock for which the Disney stockholder received cash in lieu thereof). You are not bound by this approach and may, in consultation with your tax advisor, use another approach in determining fair market values for Disney and Citadel common stock.

²Opening market price of Citadel common stock on 6/13/2007.