CITADEL BROADCASTING CORP
Form 10-Q
November 09, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2005

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-31740

CITADEL BROADCASTING CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**51-0405729**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

City Center West, Suite 400
7201 West Lake Mead Blvd.
Las Vegas, Nevada 89128
(Address of principal executive offices and zip code)

(702) 804-5200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant**:** (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes x No o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

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As of October 31, 2005, net of shares held in treasury, there were 116,876,726 shares of common stock, $.01 par value per share, outstanding.

Citadel Broadcasting Corporation

Form 10-Q
September 30, 2005

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FORWARD-LOOKING INFORMATION

Certain matters in this Form 10-Q, including, without limitation, certain matters discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations and in Quantitative and Qualitative Disclosures about Market Risk, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are typically identified by the words "believes," "expects," "anticipates," and similar expressions. In addition, any statements that refer to expectations or other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and that matters referred to in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of Citadel Broadcasting Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the impact of current or pending legislation and regulation, antitrust considerations and other risks and uncertainties, including, but not limited to: changes in economic conditions in the U.S.; fluctuations in interest rates; changes in industry conditions; changes in operating performance; shifts in population and other demographics; changes in the level of competition for advertising dollars, technological changes and innovations; changes in governmental regulations and policies and actions of regulatory bodies; changes in tax rates; changes in capital expenditure requirements; as well as those matters discussed under the captions "Forward-Looking Statements" and "Risk Factors" in Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2004. Citadel Broadcasting Corporation undertakes no obligation to publicly update or revise these forward-looking statements because of new information, future events or

otherwise.

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (unaudited)

CITADEL BROADCASTING CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	September 30, 2005	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,495	$ 948
Accounts receivable, net	77,234	74,908
Prepaid expenses and other current assets (including deferred income tax assets of $23,838 as of September 30, 2005 and December 31, 2004)	26,622	26,369
Total current assets	107,351	102,225
Property and equipment, net	86,610	93,816
FCC licenses	1,460,002	1,438,448
Goodwill	658,984	661,067
Other assets, net	18,923	20,142
Total assets	$ 2,331,870	$ 2,315,698
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, accrued liabilities and other liabilities	$ 38,988	$ 32,295
Long term liabilities:		
Senior debt	333,000	286,000
Convertible subordinated notes	330,000	330,000
Other long-term liabilities	23,710	38,968
Deferred income tax liabilities	285,223	248,052
Total liabilities	1,010,921	935,315
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, $.01 par value – authorized, 200,000,000 shares at September 30, 2005 and December 31, 2004; no shares issued or outstanding at September 30, 2005 and December 31, 2004	-	-
Common stock, $.01 par value – authorized, 500,000,000 shares at September 30, 2005 and December 31, 2004; issued, 133,752,212 and 132,519,969 at September 30, 2005 and December 31, 2004; outstanding, 117,223,626 and 124,869,719 shares at September 30, 2005 and December 31, 2004	1,338	1,325
Treasury stock, at cost, 16,528,586 and 7,650,250 shares at September 30, 2005 and December 31, 2004	(222,413)	(108,235)

Additional paid-in capital		1,662,281		1,645,691
Deferred compensation		(16,371)		(601)
Accumulated deficit		(103,886)		(157,797)
Total shareholders' equity		1,320,949		1,380,383
Total liabilities and shareholders' equity	$	2,331,870	$	2,315,698

See accompanying notes to consolidated condensed financial statements.

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CITADEL BROADCASTING CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Net broadcasting revenue	$ 109,632	$ 107,524	$ 311,580	$ 301,726
Operating Expenses:				
Cost of revenues, exclusive of depreciation and amortization shown separately below	29,995	29,584	85,759	83,500
Selling, general and administrative	29,594	29,617	89,240	90,103
Corporate general and administrative, exclusive of non-cash stock compensation of $279, $863, $879 and $3,463, respectively, shown separately below	2,868	3,094	9,420	8,629
Non-cash stock compensation	279	863	879	3,463
Local marketing agreement fees	369	516	1,402	1,539
Depreciation and amortization	5,530	22,044	16,818	84,408
Non-cash charge related to contract obligations	-	16,449	-	16,449
Other, net	157	(781)	(379)	(953)
Operating expenses	68,792	101,386	203,139	287,138
Operating income	40,840	6,138	108,441	14,588
Non-operating expenses:				
Interest expense, net, including amortization of debt issuance costs of $459, $482, $1,379 and $1,517, respectively	5,677	3,688	15,067	13,406
Write off of deferred financing costs due to extinguishment of debt	-	2,966	-	13,615
Non-operating expenses, net	5,677	6,654	15,067	27,021
Income (loss) before income taxes	35,163	(516)	93,374	(12,433)
Income tax expense (benefit)	14,654	(90,582)	39,463	(73,246)
Net income	$ 20,509	$ 90,066	$ 53,911	$ 60,813

Net income per share - basic	$ 0.17	$ 0.69	$ 0.45	$ 0.47
Net income per share - diluted	$ 0.16	$ 0.62	$ 0.42	$ 0.44
Weighted average common shares outstanding:				
Basic	117,582,093	130,672,414	120,804,344	130,201,684
Diluted	132,268,365	146,473,239	135,552,482	143,758,133

See accompanying notes to consolidated condensed financial statements.

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CITADEL BROADCASTING CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2005	**2004**
Cash flows from operating activities:		
Net income	$ 53,911	$ 60,813
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	16,818	84,408
Write off of deferred financing costs due to extinguishment of debt	-	13,615
Amortization of debt issuance costs	1,379	1,517
Non-cash charge related to contract obligations	-	16,449
Gain on sale of assets	(404)	(953)
Deferred income taxes	37,171	(75,201)
Stock compensation expense	879	3,463
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(2,659)	2,202
Prepaid expenses and other current assets	(566)	(1,479)
Accounts payable, accrued liabilities and other liabilities	(4,726)	(2,125)
Net cash provided by operating activities	101,803	102,709
Cash flows from investing activities:		
Capital expenditures	(6,070)	(6,981)
Cash paid to acquire stations	(44,781)	(157,534)
Proceeds from sale of assets, net	12,388	8,054
Other assets, net	(511)	1,754
Net cash used in investing activities	(38,974)	(154,707)
Cash flows from financing activities:		
Retirement of subordinated debt	-	(500,000)
Issuance of convertible subordinated notes	-	330,000
Debt issuance costs	-	(11,060)
Proceeds from senior debt	110,500	486,500
Principal payments on senior debt	(63,500)	(370,611)
Principal payments on other long-term liabilities	(412)	(428)
Repayment of shareholder notes	51	1,283
Proceeds from public stock offerings, net of costs incurred	-	175,669
Exercise of stock options, net of costs incurred	(13)	142
Net repurchases of unvested shares of common stock	(67)	-
Purchase of shares held in treasury	(106,841)	(59,573)
Net cash (used in) provided by financing activities	(60,282)	51,922
Net increase (decrease) in cash and cash equivalents	2,547	(76)
Cash and cash equivalents, beginning of period	948	3,467

Cash and cash equivalents, end of period	$	3,495	$	3,391

See accompanying notes to consolidated condensed financial statements.

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CITADEL BROADCASTING CORPORATION AND SUBSIDIARIES

Consolidated Condensed Statements of Cash Flows (Continued)
(in thousands)
(unaudited)

	Nine Months Ended September 30,			
		2005		**2004**
Supplemental schedule of investing activities				
The Company completed various radio station acquisitions during the nine months ended September 30, 2005 and 2004. In connection with these acquisitions, certain liabilities were assumed.				
Fair value of assets acquired	$	45,421	$	158,217
Cash paid to acquire stations		(44,781)		(157,534)
Liabilities assumed	$	640	$	683
On July 29, 2004, the Company completed its exchange of radio stations in the Bloomington, IL market for stations in the Harrisburg/Lancaster, PA market and the Erie, PA market, plus a cash payment to the company. The non-cash portion of this transaction is not reflected in the table above.				
Non-cash exchange of assets	$	-	$	39,647
Supplemental schedule of cash flow information				
Cash Payments:				
Interest	$	14,615	$	11,124
Income taxes		2,196		1,292
Barter Transactions:				
Equipment purchases through barter		309		151
Barter Revenue - included in gross broadcasting revenue		6,778		6,779
Barter Expenses - included in cost of revenues		6,622		6,409

See accompanying notes to consolidated condensed financial statements.

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CITADEL BROADCASTING CORPORATION AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
(unaudited)

1. BASIS OF PRESENTATION

Description of Business

In January 2001, Citadel Broadcasting Corporation, formed by affiliates of Forstmann Little & Co. ("FL&Co."), entered into an agreement with Citadel Communications Corporation ("Citadel Communications") to acquire substantially all of the outstanding common stock of Citadel Communications (the "Acquisition") in a leveraged buyout transaction. Citadel Broadcasting Company ("Citadel Broadcasting") is a wholly-owned subsidiary of Citadel Communications. In July 2004, Citadel Communications was liquidated into Citadel Broadcasting Corporation.

Citadel Broadcasting Corporation was incorporated in Delaware and owns all of the issued and outstanding common stock of Citadel Broadcasting. Citadel Broadcasting owns and operates radio stations and holds Federal Communications Commission ("FCC") licenses in 24 states. Radio stations serving the same geographic area (i.e., principally a city or combination of cities) are referred to as a market. The Company aggregates the markets in which it operates into one reportable segment as defined by Statement of Financial Accounting Standards ("SFAS") No. 131, *Disclosures about Segments of an Enterprise and Related Information*.

Principles of Consolidation and Presentation

The accompanying unaudited consolidated condensed financial statements include Citadel Broadcasting Corporation, Citadel Communications (until it was liquidated into Citadel Broadcasting Corporation in July 2004) and Citadel Broadcasting (collectively, the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying unaudited consolidated condensed financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments necessary for a fair presentation of results of the interim periods have been made, and such adjustments were of a normal and recurring nature. Operating results for the nine months ended September 30, 2005 are not necessarily indicative of the results that may be expected for the year ending December 31, 2005. For further information, refer to the consolidated financial statements and notes thereto included in Citadel Broadcasting Corporation's Annual Report on Form 10-K for the year ended December 31, 2004.

All of the Company's acquisitions have been accounted for using the purchase method of accounting. As such, the accompanying consolidated condensed balance sheets include the acquired assets and liabilities and the accompanying consolidated condensed statements of operations include the results of operations of the acquired entities from their respective dates of acquisition.

Reclassifications

Certain balance sheet reclassifications have been made to prior year amounts to conform them to the current year presentation.

Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities, revenue and expenses and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Allowance for Doubtful Accounts

The Company recognizes an allowance for doubtful accounts based on historical experience of bad debts as a percent of its aged outstanding receivables, adjusted for improvements or deteriorations in current economic conditions. Accounts receivable, net on the accompanying consolidated condensed balance sheets consisted of the following:

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	September 30, 2005	December 31, 2004
	(in thousands)	
Trade receivables	$ 79,984	$ 78,285
Allowance for doubtful accounts	(2,750)	(3,377)
Accounts receivable, net	$ 77,234	$ 74,908

Recent Accounting Pronouncements

In December 2004, the FASB issued Statement No. 123(R), *Share-Based Payment*. FASB 123(R) replaces FASB 123, *Accounting for Stock-Based Compensation*, and supersedes Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*. This Statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognize that cost over the period during which an employee is required to provide service in exchange for the award.

In March 2005, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin Topic 14, *Share-Based Payment* ("SAB 107"). SAB 107 assists registrants in their implementation of FASB Statement No. 123(R), *Share-Based Payment*, and does not change any of the requirements therein. Among other things, SAB 107 describes the SEC staff's expectations in determining the assumptions that underlie the fair value estimates and discusses the interaction of Statement 123(R) with certain existing SEC guidance. On April 14, 2005, the SEC announced the adoption of a rule that defers the required effective date of FASB Statement 123 (revised 2004), *Share-Based Payment*. The SEC rule provides that Statement 123(R) is now effective for the Company beginning January 1, 2006. The Company is currently in the process of evaluating the impact of FASB 123(R).

In March 2005, the FASB issued Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*, as an interpretation of SFAS No. 143. FIN No. 47 clarifies the term "conditional asset retirement obligation" as used in SFAS No. 143 and is effective for the Company no later than December 31, 2005. The Company adopted the provisions of FIN No. 47 in the first quarter of 2005, and the adoption of FIN No. 47 did not have a material impact on the Company's financial position, results of operations or cash flows.

On May 30, 2005, the FASB issued Statement No. 154, *Accounting Changes and Error Corrections*, as a replacement of Accounting Principles Board Opinion No. 20 and FASB Statement No. 3. SFAS No. 154 changes the requirements for the accounting and reporting of a change in accounting principle and applies to all voluntary changes in accounting principle, as well as to changes required by an accounting pronouncement that does not include specific transition provisions. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company does not expect adoption of SFAS No. 154 to have a material impact on the Company's financial position, results of operations or cash flows.

2. STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation in accordance with the requirements of APB Opinion No. 25 *Accounting for Stock Issued to Employees,* and related interpretations. SFAS No. 123, *Accounting for Stock-Based Compensation*, as amended by SFAS No. 148, *Accounting for Stock-Based Compensation - Transition and Disclosure,* requires disclosure of the pro forma effects on net income and net income per share as if the Company had adopted the fair value recognition provisions of SFAS No. 123. Had compensation cost for the Company's stock-based awards to employees been based on the fair value at the grant dates in accordance with the fair value provisions of

SFAS No. 123, the Company's net income and net income per share for the three-month and nine-month periods ended September 30, 2005 and 2004 would have been changed to the pro forma amounts indicated below:

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
	(Amounts in thousands, except per share amounts) (unaudited)			
Net income applicable to common shares, as reported	$ 20,509	$ 90,066	$ 53,911	$ 60,813
Add: Corporate non-cash stock compensation expense	279	863	879	3,463
Deduct: Total stock-based employee compensation expense determined under fair value method	(2,191)	(2,911)	(6,990)	(9,262)
Incremental tax impact	755	4,311	2,414	4,311
Net income applicable to common shares, pro forma	$ 19,352	$ 92,329	$ 50,214	$ 59,325
Basic net income per common share:				
As reported	$ 0.17	$ 0.69	$ 0.45	$ 0.47
Pro forma	$ 0.16	$ 0.71	$ 0.42	$ 0.46
Diluted net income per common share:				
As reported	$ 0.16	$ 0.62	$ 0.42	$ 0.44
Pro forma	$ 0.15	$ 0.64	$ 0.39	$ 0.43

The fair value of the options granted was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions for the three and nine months ended September 30, 2005: risk-free interest rate of approximately 4%; dividend yield of zero; expected life of approximately six years; and volatility of approximately 29%. The fair value of the options granted was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions for the three and nine months ended September 30, 2004: risk-free interest rate of approximately 3%; dividend yield of zero; expected life of five years; and volatility of approximately 30%.

For those awards that result in the recognition of compensation expense under APB Opinion No. 25, the Company records expense for each tranche of the award over the vesting period applicable to such tranche, which results in the accelerated recognition of compensation expense.

The incremental tax impact shown in the table above represents the effect of the additional tax benefit that the Company would have recognized in the current period had compensation expense related to its stock options been recognized utilizing the fair value method. The amount is the same for the three and nine months ended September 30, 2004 since the Company reversed the valuation allowance associated with its deferred tax assets in the third quarter of 2004.

3. INTANGIBLE ASSETS AND GOODWILL

Indefinite-Lived Intangibles and Goodwill

Intangible assets consist primarily of Federal Communications Commission (FCC) broadcast licenses and goodwill, but also include certain other intangible assets acquired in purchase business combinations. Upon the adoption of SFAS No. 142 on January 1, 2002, the Company ceased amortization of goodwill and FCC licenses, which are indefinite-lived intangible assets. Other intangible assets are amortized on a straight-line basis over the contractual lives or estimated lives of the assets.

The Company evaluates its FCC licenses for impairment annually, or more frequently if events or changes in circumstances indicate that the assets might be impaired. FCC licenses are evaluated for impairment at the market level. If the carrying amount of FCC licenses is greater than their estimated fair value in a given market, the carrying amount of FCC licenses in that market is reduced to its estimated fair value. The Company also evaluates goodwill in each of its reporting units (markets) for impairment annually, or more frequently if certain circumstances are present. The New Orleans market sustained damage as a result of Hurricane Katrina ("Katrina") in August 2005 and the subsequent flooding of the area. Since Katrina represented a potential impairment indicator for the affected market, the Company performed its impairment analysis of FCC licenses and goodwill in the New Orleans market. The Company determined that no impairment of intangible assets had occurred as of September 30, 2005. If actual market conditions are less favorable than those projected by the Company, or if an event occurs or circumstances change that would, more likely than not, reduce the fair value of the Company's FCC license or goodwill for the New Orleans market below the amounts reflected in the balance sheet, the Company may be required to recognize impairment charges in future periods.

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Although the full extent of the damage to the Company's stations from Katrina is still under evaluation, the Company believes that it is insured for certain losses resulting from Katrina. The Company believes recovery of insurance proceeds under its relevant policies is probable. The Company expects to file claims for such damage and has recorded as operating expenses the amount of its anticipated deductible of $0.3 million in Other, net in the accompanying consolidated condensed statements of operations. Additionally, the Company recorded $0.1 million of estimated uncollectible accounts receivable due to the impact of Katrina on local customers. One of the Company's stations in the New Orleans market was unable to broadcast for an extended period of time as a result of Katrina and the general disruption of the local economy, which negatively impacted revenues in the quarter ended September 30, 2005. The Company maintains business interruption insurance and expects to be reimbursed for a portion of lost net income as a result of Katrina. Any business interruption proceeds will generally be recognized upon receipt.

The changes in the carrying amounts of FCC licenses and goodwill for the period from January 1, 2005 through September 30, 2005 are as follows:

	FCC Licenses	Goodwill
	(in thousands)	
Balance, January 1, 2005	$ 1,438,448	$ 661,067
Station acquisitions	41,792	978
Station dispositions and other deletions	(20,238)	(3,061)
Balance, September 30, 2005	$ 1,460,002	$ 658,984

Station dispositions and other deletions for the nine months ended September 30, 2005 include $12.0 million related to a local marketing agreement for a radio station in Knoxville, TN where the owner had the option to require the Company to purchase all of the assets of the station for $12.0 million. Accordingly, the entity had been included in the Company's consolidated financial statements since August 2003. During the second quarter of 2005, the agreement was renegotiated to terminate the put option. Accordingly, as of September 30, 2005, the $12.0 million FCC asset and related long-term obligation are no longer reflected in the accompanying consolidated condensed balance sheet.

Definite-Lived Intangibles

The amount of amortization expense for definite-lived intangible assets was $0.6 million and $17.2 million for the three months ended September 30, 2005 and 2004, respectively, and $1.7 million and $69.5 million for the nine months ended September 30, 2005 and 2004, respectively. As of September 30, 2005, $4.7 million in unamortized definite-lived assets is included in other assets, net in the accompanying consolidated condensed balance sheet. The Company estimates the following amount of amortization expense over the next five years related to definite-lived intangible assets: approximately $0.6 million in the remainder of 2005, approximately $0.8 million in 2006, and approximately $0.2 million in each of the three following years. As acquisitions and dispositions occur in the future and as purchase price allocations are finalized, amortization expense may vary from these amounts.

Amortization expense for the three and nine month periods ended September 30, 2005 was lower than in the prior year periods due to amortization expense related to the Company's advertiser base asset, which was substantially fully amortized as of December 31, 2004.

4. ACQUISITIONS AND DISPOSITIONS

Completed Acquisitions

During the nine months ended September 30, 2005, the Company completed the following acquisitions:

- Two radio stations in the Providence, RI market for an aggregate cash purchase price of approximately $14.7 million.
- Six radio stations in the Tuscaloosa, AL market and one radio station in the Birmingham, AL market, all of which had been operating under a local marketing agreement since March 1, 2005, for an aggregate cash purchase price of approximately $29.5 million.

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All of the Company's acquisitions have been accounted for using the purchase method of accounting. As such, the accompanying consolidated condensed balance sheets include the acquired assets and liabilities and the accompanying consolidated condensed statements of operations include the results of operations of the acquired entities from their respective dates of acquisition.

Below is a table that details the preliminary purchase price allocations for all significant acquisitions completed in the first nine months of 2005. The purchase price allocations were based upon information available as of September 30, 2005. The Company is awaiting information to finalize its valuation of FCC licenses, property and equipment, other intangible assets, and certain other acquired assets and assumed liabilities. The final determination of the fair market value of assets acquired and liabilities assumed and final allocation of the purchase price may differ significantly from the amounts included in these financial statements. Adjustments to the purchase price allocation are expected to be finalized in 2006 and will be reflected in future filings. There can be no assurance that such adjustments will not be material.

Asset Description	Acquisition of Tuscaloosa/ Birmingham Radio Stations	Other Radio Station Acquisitions	Total	Asset lives
		(in thousands)		
Property and equipment, net	$ 1,230	$ 199	$ 1,429	3-10 years
FCC licenses	26,784	15,008	41,792	non-amortizing
Goodwill	903	75	978	non-amortizing
Other intangibles, net	592	630	1,222	6 to 84 months
Liabilities assumed	(5)	(635)	(640)	
Total aggregate purchase price	$ 29,504	$ 15,277	$ 44,781	

The following summarized unaudited pro forma results of operations for the three and nine months ended September 30, 2005 and 2004 assume that all significant radio station acquisitions and dispositions occurred as of January 1 of each period presented. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had the significant radio station acquisitions and dispositions occurred as of January 1 of each period presented, or the results of operations which may occur in the future.

	Pro Forma Three Months Ended September 30,		Pro Forma Nine Months Ended September 30,	
	2005	2004	2005	2004
Net broadcasting revenue	$ 109,632	$ 108,351	$ 311,936	$ 308,169
Net income	20,484	89,561	53,391	58,265
Basic net income per common share	0.17	0.69	0.44	0.45
Diluted net income per common share	0.16	0.62	0.41	0.42

Completed Dispositions

During the nine months ended September 30, 2005, the Company sold five radio stations for an aggregate price of approximately $12.5 million, including one of the stations that had been acquired in the Providence, RI market.

Pending Acquisitions and Dispositions

As of September 30, 2005, the Company has agreements to acquire radio stations for an aggregate purchase price of approximately $21.9 million.

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Additionally, on November 5, 2002, the Company entered into an agreement in the form of an option, exercisable through December 31, 2006, to purchase a radio station in the Oklahoma City, OK market for an aggregate cash purchase price of the greater of $15.0 million or 85% of the fair market value of the radio station, as determined by an independent appraisal. Under a local marketing agreement, the Company operates the station during the option period.

5. OTHER LONG-TERM LIABILITIES

In the third quarter of 2004, the Company reached a settlement with its previous national representation firm and entered into a long-term agreement with a new representation firm. Under the terms of the settlement, the Company's new representation firm paid the old representation firm approximately $24 million. Accordingly, the Company recorded a non-cash charge of approximately $16 million, net of approximately $8 million that the Company had previously accrued at the time of the Acquisition. The deferred amount related to this settlement is included in other long-term liabilities in the accompanying consolidated condensed balance sheets and is being amortized over the life of the new contract, which expires on September 30, 2011.

6. SENIOR DEBT

Below is a table that sets forth the rates and the amounts borrowed under the Company's senior debt as of September 30, 2005 and December 31, 2004:

	September 30, 2005		December 31, 2004	
Type of Borrowing	**Amount of Borrowing** (in thousands)	**Interest Rate**	**Amount of Borrowing** (in thousands)	**Interest Rate**
Revolving Loan	$ 333,000	2.76 to 4.72%	$ 286,000	2.35 to 3.05%

The amount available under the Company's Senior Credit Facility at September 30, 2005 was $264.0 million in the form of revolving credit commitments. This excludes approximately $3.0 million in letters of credit outstanding as of September 30, 2005. The Company's ability to borrow under its Senior Credit Facility is limited by its ability to comply with several financial covenants as well as a requirement that it make various representations and warranties at the time of borrowing.

At the Company's election, interest on any outstanding principal accrues at a rate based on either: (a) the greater of (1) the Prime Rate in effect; or (2) the Federal Funds Rate plus 0.5%, in each case, plus a spread that ranges from 0.00% to 0.375%, depending on the Company's leverage ratio; or (b) the Eurodollar rate (grossed-up for reserve requirements) plus a spread that ranges from 0.625% to 1.375%, depending on the Company's leverage ratio.

The Company's operating subsidiary, Citadel Broadcasting Company, is the primary borrower under this Senior Credit Facility. The Company has guaranteed the performance of Citadel Broadcasting Company under its Senior Credit Facility. The Company has also pledged to its lenders all of the equity interests in and intercompany notes issued by Citadel Broadcasting Company.

The Company's Senior Credit Facility contains customary restrictive non-financial covenants, which, among other things, and with certain exceptions, limit its ability to incur additional indebtedness, liens and contingent obligations, enter into transactions with affiliates, make acquisitions, declare or pay dividends, redeem or repurchase capital stock, enter into sale and leaseback transactions, consolidate, merge or effect asset sales, make investments or loans, enter into derivative contracts, or change the nature of its business. The Senior Credit Facility also contains covenants related to the satisfaction of financial ratios and compliance with financial tests, including ratios with respect to maximum leverage, minimum interest coverage and minimum fixed charge coverage. At September 30, 2005, the

Company was in compliance with all non-financial and financial covenants under its Senior Credit Facility.

7. SUBORDINATED DEBT AND CONVERTIBLE SUBORDINATED NOTES

On February 18, 2004, the Company sold 9,630,000 shares of the Company's common stock at $19.00 per share and concurrently sold $330.0 million principal amount of convertible subordinated notes, before underwriting discounts of approximately $6.6 million. The Company used all of the net proceeds from these transactions to retire the $500.0 million of 6% Subordinated Debentures ("6% Debentures"). In connection with the repayment of the 6% Debentures, the Company wrote off deferred financing costs of approximately $10.6 million, which is presented as write off of deferred financing costs due to extinguishment of debt on the accompanying consolidated condensed statements of operations. The convertible subordinated notes are due February of 2011 and were issued in a private placement to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A. The notes bear interest at a rate of 1.875% per annum, payable February 15 and August 15 each year. Holders may convert these notes into common stock at a conversion rate of 39.2157 shares of common stock per $1,000 principal amount of notes, equal to a conversion price of $25.50 per share. The Company may redeem the notes at any time prior to maturity if the closing price of the Company's common stock has exceeded 150% of the conversion price then in effect for at least 20 trading days within a period of 30 consecutive trading days. Upon such a redemption, an additional payment would be due to the holders. Holders may require the Company to repurchase all or part of their notes at par plus accrued interest upon the occurrence of a fundamental change (as defined in the indenture governing the terms of the convertible subordinated notes). On May 13, 2004, the Company's shelf registration covering resales of its convertible subordinated notes became effective with the Securities and Exchange Commission.

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8. SHAREHOLDERS' EQUITY

On February 18, 2004, the Company sold 9,630,000 shares, and certain shareholders sold 20,000,000 shares, of the Company's common stock at $19.00 per share, before underwriting discount of $0.66 per share. The proceeds of the shares of common stock sold by the Company were utilized as partial repayment of the Company's 6% Debentures (see Note 7).

On June 29, 2004 and November 3, 2004 the Company's board of directors authorized the Company to repurchase up to $100.0 million and $300.0 million, respectively, of its outstanding common stock. As of September 30, 2005, the Company had repurchased approximately 16.6 million shares of common stock for an aggregate amount of approximately $223.3 million under these repurchase programs. As of September 30, 2005, net of shares held in treasury, the Company had 117,223,626 shares of common stock outstanding. During the period from October 1, 2005 through October 31, 2005, the Company repurchased approximately 0.3 million shares of its common stock for an aggregate amount of approximately $4.9 million under its repurchase programs.

Long-Term Incentive Plan

In October 2002, the Company adopted the Citadel Broadcasting Corporation 2002 Long-Term Incentive Plan (the "Plan") pursuant to which the Company's board of directors can grant options and other equity awards to officers, employees, directors and independent contractors. At December 31, 2004, the total number of shares of common stock that remain authorized, reserved and available for issuance under the Plan was 1,347,125, not including shares underlying outstanding grants.

In May 2005, the Company amended and restated the Plan to (1) increase the number of shares of common stock available for issuance under the plan by 5,000,000 shares, (2) limit the availability of certain types of awards so as to comply with new Internal Revenue Code Section 409A, which provides new rules for the taxation of deferred compensation and (3) make certain technical changes to the plan to bring the plan into compliance with Section 409A.

During the nine months ended September 30, 2005, certain options were cancelled due to employee terminations and became available for future grants. Also during the first nine months of 2005, the Company granted 1,815,420 options to the Company's employees and directors, including 450,000 options granted to the Company's chief executive officer. The options were granted with an exercise price equal to the common stock's fair market value at the date of grant. The stock options granted vest ratably over a four-year period commencing one year after the date of grant and expire on the earlier of 10 years from the date of grant or termination of employment.

Effective September 20, 2005, the Company granted to its Chief Executive Officer 1,250,000 restricted shares of common stock that vest in one-third installments annually, beginning on September 20, 2006, pursuant to the Plan. Deferred compensation of approximately $16.7 million was recorded and is being recorded as compensation expense over the vesting period of the shares. During the quarter ended September 30, 2005, such expense was approximately $0.3 million.

As of September 30, 2005, the total number of shares of common stock that remain authorized, reserved, and available for issuance under the plan was 3,561,980, not including shares underlying outstanding grants.

9. INCOME TAXES

The effective tax rate of approximately 42.3% for the nine months ended September 30, 2005 differs from the federal tax rate of 35% primarily due to state taxes and non-deductible expenses. Income tax benefit for the three and nine months ended September 30, 2004 was primarily due to the reversal of the Company's valuation allowance associated

with its deferred tax assets, the most significant of which was the Company's net operating loss carryforward. The Company believes the net operating loss will be utilized within the carryforward period. This determination is based on management's estimates of future taxable income; to the extent that actual results differ materially from management's estimates, a valuation allowance could be required.

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10. NET INCOME PER SHARE

Net income per share is calculated in accordance with SFAS No. 128, *Earnings Per Share,* which requires presentation of basic and diluted net income per share. Basic net income per share excludes dilution, and for the three and nine months ended September 30, 2005 and 2004 is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. During the three and nine months ended September 30, 2005 and 2004, diluted net income per share is computed in the same manner as basic net income per share after assuming issuance of common stock for all potentially dilutive equivalent shares, which includes (1) stock options (using the treasury stock method), and (2) the conversion of the Company's convertible subordinated notes after eliminating from net income the interest expense incurred on the convertible subordinated notes. Anti-dilutive instruments are not considered in this calculation.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations for the three and nine months ended September 30, 2005 and 2004:

	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
NUMERATOR:	(in thousands, except per share data)			
Income available to common shareholders	$ 20,509	$ 90,066	$ 53,911	$ 60,813
Effect of dilutive securities:				
Convertible subordinated notes	936	944	2,808	2,328
Numerator for net income per common share - diluted	$ 21,445	$ 91,010	$ 56,719	$ 63,141
DENOMINATOR:				
Weighted average common shares	117,582	130,672	120,804	130,202
Effect of dilutive securities:				
Options	1,745	2,860	1,807	2,882
Convertible subordinated notes	12,941	12,941	12,941	10,674
Denominator for net income per common share - diluted	132,268	146,473	135,552	143,758
Net income per common share:				
Net income - Basic	$ 0.17	$ 0.69	$ 0.45	$ 0.47
Net income - Diluted	$ 0.16	$ 0.62	$ 0.42	$ 0.44

Options to purchase 5,106,270 and 4,542,916 shares of common stock for the three and nine months ended September 30, 2005, respectively, and 3,635,375 and 2,294,332 shares of common stock for the same periods in 2004 were not included in the computation of diluted earnings per share because their effect would have been antidilutive.

11. COMMITMENTS AND CONTINGENCIES

In August 2005, the Company's agreement to guarantee up to $10.0 million of the seller's other financing in connection with a previous acquisition was extended to November 30, 2005, and the guarantee was reduced to $9.7 million.

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, or other sources are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably

estimated.

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Litigation

In a complaint filed on June 5, 2003 with the United States District Court for the District of Connecticut, the Company was named as one of numerous defendants in litigation seeking monetary damages arising from the injuries and deaths of certain concertgoers at a Rhode Island nightclub. The complaint contains multiple causes of action, only a small number of which are brought against the Company. The Company's involvement was to advertise the concert on one of its stations and to distribute promotional tickets provided by the organizers. The complaint alleges, among other things, that the organizers and sponsors of the concert failed to control crowd size, failed to obtain pyrotechnic permits, failed to inspect fireproofing at the club and failed to maintain emergency exits in workable condition, which contributed to the injuries and deaths of plaintiffs when pyrotechnic devices on the stage ignited soundproofing materials adjacent to the stage during the concert. The complaint alleges that the Company was a co-sponsor of the concert and asserts claims against the Company based on theories of joint venture liability and negligence. On October 3, 2003, the action was transferred to the United States District Court, District of Rhode Island, where it subsequently was consolidated with other nightclub-related litigations for the purposes of pre-trial discovery and motion practice. Since the action was filed, plaintiffs twice have amended their complaint, though the claims against the Company remain substantively the same. On January 27, 2005, the Company filed an Answer to the complaint, substantially denying plaintiffs' allegations against the Company. On February 18, 2005, an identical suit was filed on behalf of one additional concertgoer (Kolasa v. American Foam Corp., et al., C.A. No. 05-070-L). The Company believes that plaintiffs' claims against the Company are without merit and intends to defend these claims vigorously.

On or about January 6, 2005, plaintiffs in three other actions related to the February 20, 2003 fire at The Station—Guindon et al. v. American Foam Corp. et al. (C.A. No. 03-335-L), Roderiques v. American Foam Corp. et al. (C.A. No. 04-26-L) and Sweet v. American Foam Corp. et al. (C.A. No. 04-56-L)—adopted wholesale all of the claims asserted in the action described in the paragraph above, including those against the Company. Plaintiffs' inclusion of the Company as a defendant in these actions was inadvertent and, on or about January 28, 2005, the Guindon plaintiffs and the Company entered into a stipulation whereby plaintiffs dismissed that action as to the Company. On or about February 3, 2005, the Company and plaintiffs in both Roderiques and Sweet entered into stipulations whereby plaintiffs dismissed their respective actions as to the Company. The Company does not believe that the outcome of this litigation will have a material adverse impact on its financial position, results of operations or cash flows.

In February 2005, the Company received a subpoena from the Office of Attorney General of the State of New York, as have some of the other radio broadcasting companies operating in the State of New York. The subpoenas were issued in connection with the New York Attorney General's investigation of record company promotional practices. The Company is cooperating with this investigation. At this time, it is not possible to determine the outcome of this investigation.

The Company is involved in certain other legal actions and claims that arose in the ordinary course of the Company's business. Management believes that such litigation and claims will be resolved without a material effect on the Company's financial position, results of operations, or cash flows.

12. SUBSEQUENT EVENT

On October 6, 2005, the Company announced that its Board of Directors had approved the commencement of paying a regular quarterly dividend of $0.18 per share on its common stock. The first quarterly dividend will be paid on January 18, 2006 to shareholders of record on November 30, 2005.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Certain matters in this Form 10-Q, including, without limitation, certain matters discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations and in Quantitative and Qualitative Disclosures about Market Risk, constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements include statements regarding the intent, belief or current expectations of Citadel Broadcasting Corporation and its subsidiaries (collectively the "Company"), its directors or its officers with respect to, among other things, future events and financial trends affecting the Company.

Forward-looking statements are typically identified by the words "believes," "expects," "anticipates," and similar expressions. In addition, any statements that refer to expectations or other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and that matters referred to in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the impact of current or pending legislation and regulation, antitrust considerations and other risks and uncertainties, including, but not limited to: changes in economic conditions in the U.S.; fluctuations in interest rates; changes in industry conditions; changes in operating performance; shifts in population and other demographics; changes in the level of competition for advertising dollars, technological changes and innovations; changes in governmental regulations and policies and actions of regulatory bodies; changes in tax rates; changes in capital expenditure requirements; as well as those matters discussed under the captions "Forward-Looking Statements" and "Risk Factors" in Citadel Broadcasting Corporation's Annual Report on Form 10-K for the year ended December 31, 2004. The Company undertakes no obligation to publicly update or revise these forward-looking statements because of new information, future events or otherwise.

Introduction

Citadel Broadcasting Corporation owns all of the issued and outstanding common stock of Citadel Broadcasting Company. Citadel Broadcasting Company owns and operates radio stations and holds Federal Communications Commission ("FCC") licenses in 24 states. Radio stations serving the same geographic area (i.e., principally a city or combination of cities) are referred to as a market.

Sources of Revenue

Our net broadcasting revenue is primarily derived from the sale of broadcasting time to local, regional and national advertisers. Net broadcasting revenue is gross revenue less agency commissions. Local revenue is comprised of advertising sales made within a station's local market or region either directly with the advertiser or through the advertiser's agency. National revenue represents sales made to advertisers/agencies who are purchasing advertising for multiple markets. These sales are typically facilitated by our national representation firm, which serves as our sales agent in these transactions. Our revenue is affected primarily by the advertising rates our radio stations charge as well as the overall demand for radio advertising time in a market. Advertising rates are based primarily on four factors:

- a radio station's audience share in the demographic groups targeted by advertisers, as measured principally by quarterly reports issued by The Arbitron Ratings Company, or Arbitron;
- the number of radio stations, as well as other forms of media, in the market competing for the same demographic groups;
- the supply of and demand for radio advertising time; and
- the size of the market.

In the radio broadcasting industry, seasonal revenue fluctuations are common and are due primarily to variations in advertising expenditures by local and national advertisers. Typically, revenue is lowest in the first calendar quarter of the year and highest in the second and fourth calendar quarters of the year.

Components of Expenses

Our most significant expenses are (1) sales and promotional costs, (2) programming expenses, and (3) administrative and technical expenses. We strive to control these expenses by working closely with local management and centralizing functions such as finance, accounting, legal, human resources and management information systems. We also use our multiple stations, market presence and purchasing power to negotiate favorable rates with vendors.

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Depreciation and amortization of tangible and intangible assets associated with the acquisition of radio stations and interest carrying charges historically have been significant factors in determining our overall profitability. Based on intangible assets currently held by us and the preliminary allocation of the aggregate purchase price of acquisitions completed during the nine months ended September 30, 2005, we expect the total amortization expense incurred in future periods will remain relatively consistent with the current period.

Results of Operations

Our results of operations represent the operations of the radio stations owned or operated by us, or for which we provide sales and marketing services, during the applicable periods. The following discussion should be read in conjunction with the accompanying consolidated condensed financial statements and the related notes included in this report.

Historically, we have managed our portfolio of radio stations through selected acquisitions, dispositions and exchanges, as well as through the use of local marketing agreements, or LMAs, and joint sales agreements, or JSAs. Under an LMA or a JSA, the company operating a station provides programming or sales and marketing or a combination of such services on behalf of the owner of a station. The broadcast revenue and operating expenses of stations operated by us under LMAs and JSAs have been included in our results of operations since the respective effective dates of such agreements.

Additionally, as opportunities arise, we may, on a selective basis, change or modify a station’s format due to changes in listeners’ tastes or changes in a competitor’s format. This could have an immediate negative impact on a station’s ratings, and there are no guarantees that the modification or change to a station’s format will be beneficial at some future time. Our management is continually focused on these opportunities as well as the risks and uncertainties associated with any change to a station’s format. We believe that the diversification of formats on our stations helps to insulate us from the effects of changes in the musical tastes of the public with respect to any particular format. We strive to develop strong listener loyalty as audience ratings in local markets are crucial to our stations’ financial success.

Three Months Ended September 30, 2005 Compared to Three Months Ended September 30, 2004

Net Broadcasting Revenue

	September 30, 2005	September 30, 2004	$ Change	% Change
	(Amounts in millions)			
Net revenues:				
Local	$ 95.0	$ 92.1	$ 2.9	3.1%
National	14.6	15.4	(0.8)	-5.2%
Net broadcasting revenue	$ 109.6	$ 107.5	$ 2.1	2.0%

The increase in net broadcasting revenue of approximately $2.1 million, or 2.0%, was primarily due to higher revenues from certain of our existing stations, including stations in Buffalo, NY, Modesto, CA and Baton Rouge, LA, primarily due to higher spot rates for local revenue and generation of new national revenue, partially offset by lower revenues in Lansing, MI, Reno, NV and Colorado Springs, CO. Most of the increase from 2004 to 2005 was in local revenues, which increased by $2.9 million, or 3.1%, while national revenue was down $0.8 million.

Net revenues in the third quarter of 2005 were affected by damage sustained at our stations in the New Orleans market as a result of Hurricane Katrina in August 2005. Excluding the New Orleans market, consolidated net revenues increased approximately 2.8% for the 2005 third quarter. The Company has insurance coverage, including business

interruption insurance, which is expected to mitigate near-term financial impacts related to Hurricane Katrina, and the Company is working aggressively with its insurance broker on the claim.

Cost of Revenues

	September 30, 2005	**September 30, 2004**	**$ Change**	**% Change**
		(Amounts in millions)		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	$ 30.0	$ 29.6	$ 0.4	1.4%

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Cost of revenues for the three months ended September 30, 2005 were up $0.4 million, or 1.4%, from the prior year quarter primarily due to costs associated with significant 2005 acquisitions of $0.2 million and higher technical, advertising and promotion expenses, partially offset by decreased programming expense and lower cost of revenues in our New Orleans market due to the impact of Hurricane Katrina in August 2005.

Selling, General and Administrative

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Selling, general and administrative expenses	$ 29.6	$ 29.6	$ -	0.0%

Selling, general and administrative expenses for the three months ended September 30, 2005 were substantially unchanged from the three months ended September 30, 2004 as lower general and administrative costs and decreased expenses in our New Orleans market were offset by higher sales costs and the impact of significant acquisitions in 2005.

Corporate General and Administrative

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Corporate general and administrative expenses	$ 2.9	$ 3.1	$ (0.2)	-6.5%

Corporate general and administrative expenses were essentially unchanged in the 2005 third quarter compared to the 2004 third quarter.

Depreciation and Amortization

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Depreciation and amortization:				
Depreciation	$ 4.9	$ 4.9	$ -	0.0%
Amortizaton	0.6	17.1	(16.5)	-96.5%
Total depreciation and amortization	$ 5.5	$ 22.0	$ (16.5)	-75.0%

Amortization expense related to our advertiser base asset decreased by approximately $15.9 million as the asset was substantially fully amortized as of December 31, 2004.

Operating Income

Operating income increased by $34.7 million, from $6.1 million for the three months ended September 30, 2004 to $40.8 million for the three months ended September 30, 2005. The increase was primarily due to higher revenues and a decrease in depreciation and amortization expense. Also, the third quarter operating income for 2004 reflected a non-cash charge of approximately $16.4 million primarily related to our settlement with our previous national representation firm. Under the terms of the settlement, our new national representation firm settled our obligations under the settlement agreement with the prior national representation firm and entered into a new long term contract with us. Excluding this non-cash charge, operating income in the third quarter of 2004 was $22.5 million compared to

$40.8 million in the same period for 2005, resulting in an improvement in the 2005 third quarter of $18.3 million.

Interest Expense, Net

	September 30, 2005	September 30, 2004	$ Change	% Change
	(Amounts in millions)			
Interest expense, net	$ 5.7	$ 3.7	$ 2.0	54.1%

The increase in net interest expense was primarily due to increases in both average outstanding borrowings under the Senior Credit Facility and higher overall interest rates for the quarter ended September 30, 2005 as compared to the quarter ended September 30, 2004.

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Write Off of Deferred Financing Costs Due to Extinguishment of Debt

In connection with the repayment of our previous senior debt, we wrote off deferred financing costs of approximately $3.0 million during the three months ended September 30, 2004.

Income Tax Expense (Benefit)

	September 30, 2005	September 30, 2004	$ Change
	(Amounts in millions)		
Income tax expense (benefit)	$ 14.7	$ (90.6)	$ 105.3

The effective tax rate of approximately 41.7% for the three months ended September 30, 2005 differs from the federal tax rate of 35% primarily due to state taxes and non-deductible expenses. On an annual basis, we expect our effective tax rate to be approximately 42%. Income tax benefit for the three months ended September 30, 2004 was primarily due to the reversal of our valuation allowance associated with our deferred tax assets, the most significant of which was our net operating loss carryforward. We believe the net operating loss will be utilized within the carryforward period.

Net Income

Net income decreased by approximately $69.6 million to $20.5 million for the three months ended September 30, 2005 compared to $90.1 million for the three months ended September 30, 2004. The decrease in net income for the three months ended September 30, 2005 compared to the prior year period was primarily due to the income tax benefit of $90.6 million, which was recorded in the third quarter of 2004.

Net Income Per Share

Basic and diluted income per share decreased by approximately $0.52 and $0.46, respectively, from $0.69 and $0.62 basic and diluted income per share, respectively, for the 2004 third quarter to $0.17 and $0.16 basic and diluted income per share, respectively, for the 2005 third quarter. During the three months ended September 30, 2005 and 2004, basic net income per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding. During the same quarters, diluted net income per share is computed in the same manner as basic net income after assuming issuance of common stock for all potentially dilutive equivalent shares. The diluted shares outstanding for the quarters ended September 30, 2005 and 2004 include additional shares due to outstanding stock options and approximately 12.9 million shares related to our convertible notes, as the computation of diluted shares assumes the notes are converted into shares as of the beginning of the period.

Nine Months Ended September 30, 2005 Compared to Nine Months Ended September 30, 2004

Net Broadcasting Revenue

	September 30, 2005	September 30, 2004	$ Change	% Change
	(Amounts in millions)			
Net revenues:				
Local	$ 268.5	$ 258.0	$ 10.5	4.1%
National	43.1	43.7	(0.6)	-1.4%
Net broadcasting revenue	$ 311.6	$ 301.7	$ 9.9	3.3%

The increase in net broadcasting revenue of approximately $9.9 million, or 3.3%, was due to higher revenues from certain of our existing stations as well as the benefit of the inclusion of stations in Springfield, MA, which were acquired in the first half of 2004, and stations in Tuscaloosa, AL, which were acquired in the third quarter of 2005 and were operated under an LMA agreement since March of 2005, partially offset by stations sold, as well as lower revenues associated with certain programming terminated at the beginning of the year. Certain markets had higher growth, including the Buffalo, NY, Oklahoma City, OK, and Modesto, CA markets, primarily due to higher spot rates for local revenue and generation of new national revenue, offset by lower revenues in Lansing, MI, Portland, ME and Syracuse, NY. Most of the increase from 2004 to 2005 was in local revenues, which increased by $10.5 million, or 4.1%, while national revenue was down $0.6 million.

The New Orleans market sustained damage as a result of Hurricane Katrina in August 2005. The Company has insurance coverage, including business interruption insurance, which is expected to mitigate near-term financial impacts related to Hurricane Katrina, and the Company is working aggressively with its insurance broker on the claim.

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Cost of Revenues

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	$ 85.8	$ 83.5	$ 2.3	2.8%

Cost of revenues for the nine months ended September 30, 2005 increased approximately $2.3 million, or 2.8%, of which $1.8 million was related to significant radio stations we acquired in 2004 and 2005. The remaining increase in cost of revenues was primarily due to increases in programming costs primarily related to sports broadcasting rights agreements, as well as increases in programming salaries.

Selling, General and Administrative

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Selling, general and administrative expenses	$ 89.2	$ 90.1	$ (0.9)	-1.0%

Selling, general and administrative expenses for the nine months ended September 30, 2005 decreased approximately $0.9 million, or 1.0%, compared to the nine months ended September 30, 2004 due to lower commission expenses and additional amortization of the liability established for the settlement with our previous national representation firm, which were partially offset by increased costs related to radio station acquisitions in 2004 and 2005 of approximately $1.3 million.

Corporate General and Administrative

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Corporate general and administrative expenses	$ 9.4	$ 8.6	$ 0.8	9.3%

The increase in corporate general and administrative expenses was primarily due to an increase of $0.6 million in legal and other professional fees for the nine months ended September 30, 2005 as compared to the same period in 2004.

Depreciation and Amortization

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Depreciation and amortization:				
Depreciation	$ 15.1	$ 14.9	$ 0.2	1.3%
Amortizaton	1.7	69.5	(67.8)	-97.6%
Total depreciation and amortization	$ 16.8	$ 84.4	$ (67.6)	-80.1%

Amortization expense related to our advertiser base asset decreased by approximately $64.6 million to approximately $0.3 million for the nine months ended September 30, 2005 from $64.9 million for the nine months ended September

30, 2004 as the asset was substantially fully amortized as of December 31, 2004.

Operating Income

Operating income increased by $93.8 million, from $14.6 million for the nine months ended September 30, 2004 to $108.4 million for the nine months ended September 30, 2005. Operating income for the nine months ended September 30, 2004 reflects a non-cash charge of approximately $16.4 million primarily related to our settlement with our previous national representation firm. Under the terms of the settlement, our new national representation firm settled our obligations under the settlement agreement with the prior national representation firm and entered into a new long term contract with us. Excluding this non-cash charge, operating income for the nine months in 2004 was $31.0 million compared to $108.4 million in the same period for 2005, resulting in an improvement in the 2005 period of $77.4 million. The remaining increase was primarily due to higher revenues and decreases in depreciation and amortization expense and non-cash stock compensation expense, partially offset by higher operating expenses.

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Interest Expense, Net

	September 30, 2005	September 30, 2004	$ Change	% Change
	(Amounts in millions)			
Interest expense, net	$ 15.1	$ 13.4	$ 1.7	12.7%

The increase in net interest expense was primarily due to increases in both average outstanding borrowings under the Senior Credit Facility and higher overall interest rates for the nine months ended September 30, 2005 as compared to the nine months ended September 30, 2004, partially offset by the net effect of the repayment of $500.0 million of 6% Debentures on February 18, 2004 and the concurrent issuance of $330.0 million of 1.875% convertible notes.

Write Off of Deferred Financing Costs Due to Extinguishment of Debt

During the nine months ended September 30, 2004, we wrote off $3.0 million of deferred financing costs due to our repayment of our previous senior debt and $10.6 million of deferred financing costs as a result of the repayment of our $500.0 million 6% Debentures.

Income Tax Expense (Benefit)

	September 30, 2005	September 30, 2004	$ Change
	(Amounts in millions)		
Income tax expense (benefit)	$ 39.5	$ (73.2)	$ 112.7

The effective tax rate of approximately 42.3% for the nine months ended September 30, 2005 differs from the federal tax rate of 35% primarily due to state taxes and non-deductible expenses. On an annual basis, we expect our effective tax rate to be approximately 42%. Income tax benefit for the nine months ended September 30, 2004 was primarily due to the reversal of our valuation allowance associated with our deferred tax assets, the most significant of which was our net operating loss carryforward. We believe the net operating loss will be utilized within the carryforward period.

Net Income

Net income decreased by approximately $6.9 million to net income of $53.9 million for the nine months ended September 30, 2005 compared to a net income of $60.8 million for the nine months ended September 30, 2004. The decline in net income for the nine months ended September 30, 2005 compared to the prior year period was primarily due to the income tax benefit of $73.2 million discussed above.

Net Income Per Share

Basic and diluted income per share decreased by approximately $0.02, from $0.47 and $0.44 basic and diluted income per share, respectively, for the nine-month period in 2004 to $0.45 and $0.42 basic and diluted income per share, respectively, for the nine-month period in 2005. During the nine months ended September 30, 2005 and 2004, basic net income per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding. During the nine months ended September 30, 2005, diluted net income per share is computed in the same manner as basic net income after assuming issuance of common stock for all potentially dilutive equivalent shares. The diluted shares outstanding for the nine months ended September 30, 2005 and 2004 include additional shares due to outstanding stock options and approximately 12.9 million shares and 10.7 million shares, respectively, related to our convertible notes, as the computation of diluted shares assumes the notes are converted into shares as of the beginning of the period.

Liquidity and Capital Resources

Our primary sources of liquidity are cash provided by operations, undrawn commitments available under our Senior Credit Facility and proceeds generated from the sale of our debt and equity securities.

Stock and Convertible Notes Offerings. On February 18, 2004, we completed a public offering of 29,630,000 shares of our common stock at $19.00 per share, including 9,630,000 primary shares sold by us and 20,000,000 shares sold by certain of our shareholders. On the same date, we completed a private placement of $330.0 million of convertible notes due 2011. We used the approximately $500.0 million of net proceeds we received from these two offerings to redeem all of our outstanding 6% Debentures. On May 13, 2004, the shelf registration covering resales of our convertible subordinated notes became effective with the Securities and Exchange Commission.

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Operating Activities

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Net cash provided by operating activities	$ 101.8	$ 102.7	$ (0.9)	-0.9%

The decrease was primarily due to increases in cost of revenues of $2.3 million and corporate general and administrative expense of $0.8 million, as well as changes in operating assets and liabilities of $8.0 million, partially offset by the increase in net broadcasting revenues of $9.9 million and a decrease in selling, general and administrative expenses of $0.9 million.

Investing Activities

	September 30, 2005	September 30, 2004	$ Change	% Change
		(Amounts in millions)		
Net cash used in investing activities	$ (39.0)	$ (154.7)	$ 115.7	-74.8%

During the first nine months of 2005, approximately $50.9 million was used for acquisitions of radio stations and capital expenditures, which includes buildings, studio equipment, towers and transmitters, vehicles and other assets utilized in the operation of our stations, offset by proceeds from the sale of assets of $12.4 million, compared to $164.5 million for similar costs in the first nine months of 2004, offset by proceeds from the sale of assets of $8.1 million.

Financing Activities

	September 30, 2005	September 30, 2004	$ Change
		(Amounts in millions)	
Net cash (used in) provided by financing activities	$ (60.3)	$ 51.9	$ (112.2)

During the nine months ended September 30, 2005, we increased our net borrowings under our senior debt by $47.0 million primarily to complete the acquisition of radio stations. For the nine months ended September 30, 2004, the net cash provided by financing activities included proceeds from the issuance of our common stock of $175.7 million, net of underwriting commissions and other stock issuance costs, and the concurrent sale of $330.0 million principal amount of convertible subordinated notes, before underwriting discount and other debt issuance costs of approximately $7.4 million. The Company used all of the net proceeds from these transactions to retire the $500.0 million of 6% Debentures. Additionally, during the first nine months of 2004, the Company increased its net borrowings under its senior debt by $115.9 million primarily to complete the acquisition of radio stations in Memphis, TN and Springfield, MA. In August 2004, we entered into a new Senior Credit Facility that provides for $600.0 million in revolving loans through January 15, 2010. In connection therewith, we paid approximately $3.2 million in debt issuance costs.

During the nine months ended September 30, 2005, we completed the acquisition of two radio stations in the Providence, RI market for a cash purchase price of approximately $14.7 million and six radio stations in the Tuscaloosa, AL market and one radio station in the Birmingham, AL market, all of which had been operating under a local marketing agreement since March 1, 2005, for an aggregate cash purchase price of approximately $29.5 million. We funded these acquisitions through cash flows from operating activities and borrowings under our revolving credit

facility.

In addition to debt service, our principal liquidity requirements are for working capital and general corporate purposes, capital expenditures and acquisitions of additional radio stations. Our capital expenditures totaled $6.1 million during the nine months ended September 30, 2005, as compared to $7.0 million during the nine months ended September 30, 2004. For the fiscal year ending December 31, 2005, we estimate that capital expenditures necessary for our facilities will be approximately $10.0 million. We believe that cash flows from operating activities, together with availability under our revolving credit facility, should be sufficient for us to fund our current operations for at least the next 12 months.

On June 29, 2004 and November 3, 2004**,** our board of directors authorized us to repurchase up to $100.0 million and $300.0 million, respectively, of our outstanding common stock. During the first nine months of 2005, we repurchased approximately 8.3 million shares of our common stock for an aggregate amount of approximately $106.8 million. During the first nine months of 2004, we repurchased approximately 4.3 shares of our common stock for an aggregate amount of approximately $59.6 million. As of October 31, 2005, we had repurchased a total of approximately 16.8 million shares of our common stock for an aggregate amount of approximately $225.6 million under these repurchase programs.

To the extent we require additional capital to fund our capital expenditures, pending or future acquisitions, stock repurchases, or any of our other contractual or commercial commitments, we intend to seek additional funding in the credit or capital markets and there can be no assurance that we will be able to obtain financing on terms acceptable to us.

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Senior Debt

In August 2004, we entered into a new Senior Credit Facility that provides for $600.0 million in revolving loans through January 15, 2010. As of September 30, 2005, our Senior Credit Facility consisted of the following:

	Commitment	Balance Outstanding (as of September 30, 2005)
	(in thousands)	
Revolving credit facility	$ 600,000	$ 333,000

Availability. The amount available under our Senior Credit Facility at September 30, 2005 was $264.0 million in the form of revolving credit commitments. This excludes approximately $3.0 million in letters of credit outstanding as of September 30, 2005. Our ability to borrow under our Senior Credit Facility is limited by our ability to comply with several financial covenants as well as a requirement that we make various representations and warranties at the time of borrowing.

Interest. At our election, interest on any outstanding principal accrues at a rate based on either: (a) the greater of (1) the Prime Rate in effect; or (2) the Federal Funds Rate plus 0.5%, in each case, plus a spread that ranges from 0.00% to 0.375%, depending on our leverage ratio; or (b) the Eurodollar rate (grossed-up for reserve requirements) plus a spread that ranges from 0.625% to 1.375%, depending on our leverage ratio.

Maturity and Amortization. The revolving loans are due in full on January 15, 2010.

Security and Guarantees. Our operating subsidiary, Citadel Broadcasting Company, is the primary borrower under this Senior Credit Facility. We have guaranteed the performance of Citadel Broadcasting Company under our Senior Credit Facility. We have pledged to our lenders all of the equity interests in and intercompany notes issued by Citadel Broadcasting Company.

Non-Financial Covenants. Our Senior Credit Facility contains customary restrictive non-financial covenants, which, among other things, and with certain exceptions, limit our ability to incur additional indebtedness, liens and contingent obligations, enter into transactions with affiliates, make acquisitions, declare or pay dividends, redeem or repurchase capital stock, enter into sale and leaseback transactions, consolidate, merge or effect asset sales, make investments, loans, enter into derivative contracts, or change the nature of our business. At September 30, 2005, we were in compliance with all non-financial covenants under our Senior Credit Facility.

Financial Covenants. Our Senior Credit Facility contains covenants related to the satisfaction of financial ratios and compliance with financial tests, including ratios with respect to maximum leverage, minimum interest coverage and minimum fixed charge coverage. At September 30, 2005, we were in compliance with all financial covenants under our Senior Credit Facility.

Subordinated Debt and Convertible Subordinated Notes

On February 18, 2004, we sold 9,630,000 shares of our common stock at $19.00 per share, before underwriting discount of $0.66 per share. Additionally, we concurrently sold $330.0 million principal amount of convertible subordinated notes, before underwriting discount of approximately $6.6 million. We used all of the net proceeds from these transactions to retire the $500.0 million of 6% Debentures. In connection with the repayment of the 6%

Debentures, we wrote off deferred financing costs of approximately $10.6 million. The convertible subordinated notes are due 2011 and were issued in a private placement to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A. The notes bear interest at a rate of 1.875% per annum, payable February 15 and August 15 each year. Holders may convert these notes into common stock at a conversion rate of 39.2157 shares of common stock per $1,000 principal amount of notes, equal to a conversion price of $25.50 per share. We may redeem the notes at any time prior to maturity if the closing price of our common stock has exceeded 150% of the conversion price then in effect for at least 20 trading days within a period of 30 consecutive trading days. Upon such a redemption, an additional payment would be due to the holder. Holders may require us to repurchase all or part of their notes at par plus accrued interest upon the occurrence of a fundamental change (as defined in the indenture governing the terms of the notes). On May 13, 2004, the shelf registration covering resales of our convertible subordinated notes became effective with the Securities and Exchange Commission.

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Recent Accounting Pronouncements

In December 2004, the FASB issued Statement No. 123(R), *Share-Based Payment*. FASB 123(R) replaces FASB 123, *Accounting for Stock-Based Compensation*, and supersedes Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees*. This Statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and recognize that cost over the period during which an employee is required to provide service in exchange for the award.

In March 2005, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin Topic 14, *Share-Based Payment* ("SAB 107"). SAB 107 assists registrants in their implementation of FASB Statement No. 123(R), *Share-Based Payment*, and does not change any of the requirements therein. Among other things, SAB 107 describes the SEC staff's expectations in determining the assumptions that underlie the fair value estimates and discusses the interaction of Statement 123(R) with certain existing SEC guidance. On April 14, 2005, the SEC announced the adoption of a rule that defers the required effective date of FASB Statement 123 (revised 2004), *Share-Based Payment*. The SEC rule provides that Statement 123(R) is now effective for us beginning January 1, 2006. We are currently in the process of evaluating the impact of FASB 123(R).

In March 2005, the FASB issued Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*, as an interpretation of SFAS No. 143. FIN No. 47 clarifies the term "conditional asset retirement obligation" as used in SFAS No. 143 and is effective for us no later than December 31, 2005. We adopted the provisions of FIN No. 47 in the first quarter of 2005, and the adoption of FIN No. 47 did not have a material impact on our financial position, results of operations or cash flows.

On May 30, 2005, the FASB issued Statement No. 154, *Accounting Changes and Error Corrections*, as a replacement of Accounting Principles Board Opinion No. 20 and FASB Statement No. 3. SFAS No. 154 changes the requirements for the accounting and reporting of a change in accounting principle and applies to all voluntary changes in accounting principle, as well as to changes required by an accounting pronouncement that does not include specific transition provisions. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We do not expect adoption of SFAS No. 154 to have a material impact on our financial position, results of operations or cash flows.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, which require us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable judgments. Actual results could differ from these estimates under different assumptions and conditions. In Management's Discussion and Analysis contained in our Annual Report on Form 10-K for the year ended December 31, 2004, we summarized the policies and estimates that we believe to be most critical in understanding the judgments involved in preparing our financial statements and the uncertainties that could affect our results of operations, financial condition and cash flows. There have been no material changes in such policies or estimates since we filed our Annual Report on Form 10-K for the year ended December 31, 2004.

Contractual and Commercial Commitments

In August 2004, we entered into a new Senior Credit Facility that provides for $600.0 million in revolving loans through January 15, 2010. As of September 30, 2005 and December 31, 2004, we had $333.0 million and $286.0 million, respectively, outstanding under the revolving portion of our senior debt. Also, at September 30, 2005 and

December 31, 2004, we had $330.0 million outstanding under our convertible notes.

During the nine months ended September 30, 2005, the Company completed the following acquisitions:

- Two radio stations in the Providence, RI market for an aggregate cash purchase price of approximately $14.7 million.
- Six radio stations in the Tuscaloosa, AL market and one radio station in the Birmingham, AL market, all of which had been operating under a local marketing agreement since March 1, 2005, for an aggregate cash purchase price of approximately $29.5 million.

As of September 30, 2005, we had agreements pending to acquire radio stations for an aggregate price of approximately $21.9 million.

There have been no other significant changes in our contractual and commercial commitments as of September 30, 2005 as compared to amounts disclosed in our Annual Report on Form 10-K for the year ended December 31, 2004.

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Off-Balance Sheet Arrangements

In August 2005, our agreement to guarantee up to $10.0 million of the seller's other financing in connection with a previous acquisition was extended to November 30, 2005, and the guarantee was reduced to $9.7 million.

We have no other material off-balance sheet arrangements or transactions.

Impact of Inflation

We do not believe inflation has a significant impact on our operations. However, there can be no assurance that future inflation would not have an adverse impact on our operating results and financial condition.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a number of financial market risks in the ordinary course of business. We believe our primary financial market risk exposure pertains to interest rate changes, primarily as a result of our credit agreement, which bears interest based on variable rates. We have not taken any action to cover interest rate market risk, and are not a party to any interest rate market risk management activities. We have performed a sensitivity analysis assuming a hypothetical increase in interest rates of 100 basis points applied to the $333.0 million of variable rate debt that was outstanding as of September 30, 2005. Based on this analysis, the impact on future earnings for the following twelve months would be approximately $3.3 million of increased interest expense. This potential increase is based on certain simplifying assumptions, including a constant level of variable rate debt and a constant interest rate based on the variable rates in place as of September 30, 2005.

We believe our receivables do not represent a significant concentration of credit risk due to the wide variety of customers and markets in which we operate.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information relating to the Company is made known to the officers who certify the Company's financial reports and to other members of senior management and the board of directors.

Based on their evaluation as of September 30, 2005, the principal executive officer and principal financial officer of the Company have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

Changes in Internal Controls over Financial Reporting

As of September 30, 2005, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in certain legal actions and claims that arose in the ordinary course of our business. Management believes that such litigation and claims will be resolved without a material effect on our financial position, results of operations or cash flows.

For information regarding specific legal actions and claims brought against us, see Note 11 in the Notes to Consolidated Condensed Financial Statements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On June 29, 2004 and November 3, 2004, our Board of Directors authorized us to repurchase up to $100.0 million and $300.0 million, respectively, of our outstanding common stock. We expect such repurchases to be effected from time to time, in the open market, in private transactions or otherwise, subject to market conditions. No assurance can be given as to the time period over which the shares will be repurchased or as to whether and to what extent the share repurchase will be consummated. The table below summarizes stock repurchase information for the quarter ended September 30, 2005.

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REGISTRANT PURCHASES OF EQUITY SECURITIES (1)

Period	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan		Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plan
July 1, 2005 through July 31, 2005	2,739,500	$	11.79	2,739,500	$	200,175,728
August 1, 2005 through August 31, 2005	873,200		13.00	873,200		188,820,884
September 1, 2005 through September 30, 2005	886,200		13.19	886,200		177,134,554
Total	4,498,900		12.30	4,498,900		

Notes:
1) On June 29, 2004 and November 3, 2004, the Company's board of directors authorized the Company to repurchase up to $100.0 million and $300.0 million, respectively, of its outstanding common stock. No assurance can be given as to the time period over which the shares will be repurchased or as to whether and to what extent the share repurchase will be consummated.

ITEM 6. EXHIBITS

Exhibits

The following exhibits are furnished or filed herewith:

Exhibit Number	Exhibit Description
10.1	The Registrant’s Form of Restricted Stock Agreement under the Amended and Restated 2002 Long-Term Incentive Plan (incorporated by reference to Exhibit 99.1 to the Registrant’s Form 8-K filed on October 27, 2005).
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities and Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities and Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CITADEL BROADCASTING CORPORATION

Date: November 9, 2005

By: /s/ FARID SULEMAN

Farid Suleman
Chief Executive Officer
(Principal Executive Officer)

Date: November 9, 2005

By: /s/ PATRICIA STRATFORD

Patricia Stratford
Acting Chief Financial Officer
(Principal Financial and Accounting Officer)

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