LITTELFUSE INC /DE
Form 10-K
February 26, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

þ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the fiscal year ended January 2, 2010

Or

o **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from to .

Commission file number 0-20388

LITTELFUSE, INC.

(Exact name of registrant as specified in its charter)

Delaware	36-3795742
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8755 W. Higgins Road, Suite 500, Chicago, Illinois	60631
(Address of principal executive offices)	(Zip Code)

773/628-1000

(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock, $.01 par value	Nasdaq Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer , accelerated filer and small reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer o	Accelerated filer þ	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company 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 þ

The aggregate market value of 21,734,131 shares of voting stock held by non-affiliates of the registrant was approximately $448,809,805 based on the last reported sale price of the registrant s Common Stock as reported on the Nasdaq Global Select Market on June 27, 2009.

As of February 19, 2010, the registrant had outstanding 21,838,250 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Littelfuse, Inc. Proxy Statement for the 2009 Annual Meeting of Stockholders (the Proxy Statement) are incorporated by reference into Part III of this Form 10-K.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K that are not historical facts are intended to constitute forward-looking statements entitled to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995 (PSRLA). These statements may involve risks and uncertainties, including, but not limited to, risks relating to product demand and market acceptance, economic conditions, the impact of competitive products and pricing, product quality problems or product recalls, capacity and supply difficulties or constraints, coal mining exposures, failure of an indemnification for environmental liability, exchange rate fluctuations, commodity price fluctuations, the effect of our accounting policies, labor disputes, restructuring costs in excess of expectations, pension plan asset returns being less than assumed, integration of acquisitions and other risks that may be detailed in Item 1A. Risk Factors below and in our other Securities and Exchange Commission filings.

PART I

ITEM 1. BUSINESS.

GENERAL

Littelfuse, Inc. and its subsidiaries (the company or Littelfuse) is the world s leading supplier of circuit protection products for the electronics industry, providing the broadest line of circuit protection solutions to worldwide customers. In the electronics market, the company supplies leading manufacturers such as Alcatel-Lucent, Celestica, Delta, Flextronics, Foxconn, Hewlett-Packard, Huawei, IBM, Intel, Jabil, LG, Motorola, Nokia, Panasonic, Quanta, Samsung, Sanmina-SCI, Seagate, Siemens and Sony.

The company is also the leading provider of circuit protection for the automotive industry and the third largest producer of electrical fuses in North America. In the automotive market, the company s end customers include major automotive manufacturers in North America, Europe and Asia such as BMW, Chrysler, Ford Motor Company, General Motors, Hyundai Group, and Volkswagen. The company also supplies wiring harness manufacturers and auto parts suppliers worldwide, including Advance Auto Parts, Continental, Delphi, Lear, Leoni, Pep Boys, Sumitomo, Valeo, Wal-Mart, and Yazaki. In the electrical market, the company supplies representative customers such as Abbott, Acuity Brands, Dow Chemical, DuPont, GE, General Motors, Heinz, International Paper, John Deere, Marconi, Merck, Poland Springs, Procter & Gamble, Rockwell, United Technologies and 3M. Through the company s electrical business, the company supplies industrial ground fault circuit protection in mining and other large industrial operations to customers such as Potash Corporation, Mosaic, Agrium, and Cameco. See Business Environment: Circuit Protection Market .

Net sales by business unit segment for the periods indicated are as follows (in thousands):

	Fiscal Year		
	2009	**2008**	**2007**
Electronics	$ 262,984	$ 342,489	$ 348,957
Automotive	98,530	126,867	135,109
Electrical	68,633	61,513	52,078
Total	$ 430,147	$ 530,869	$ 536,144

The company operates in three geographic territories: the Americas; Europe; and Asia-Pacific. The company manufactures products and sells to customers in all three territories. There has been and continues to be a shift in the company s revenues, and consequently manufacturing, to the Asia-Pacific region.

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Net sales in our three geographic territories, based upon the shipped to destination, are as follows (in thousands):

	Fiscal Year		
	2009	**2008**	**2007**
Americas	$ 166,137	$ 201,771	$ 204,305
Europe	83,449	118,559	118,265
Asia-Pacific	180,561	210,539	213,574
Total	$ 430,147	$ 530,869	$ 536,144

The company s products are sold worldwide through a direct sales force and manufacturers representatives. For the year ended January 2, 2010, approximately 67.5% of the company s net sales were to customers outside the United States (exports and foreign operations), including 20.3% in Hong Kong.

The company manufactures many of its products on fully integrated manufacturing and assembly equipment. The company maintains product quality through a Global Quality Management System with all manufacturing sites certified under ISO 9001:2000. In addition, several of the Littelfuse manufacturing sites are also certified under TS 16949 and ISO 14001.

References herein to 2007 or fiscal 2007 refer to the fiscal year ended December 29, 2007. References herein to 2008 or fiscal 2008 refer to the fiscal year ended December 27, 2008. References herein to 2009 or fiscal 2009 refer to the fiscal year ended January 2, 2010. The company operates on a 4-4-5 fiscal calendar that normally keeps the number of weeks constant during the quarter. As a result of using this convention, fiscal year 2009 contains 53 weeks whereas fiscal 2008 and fiscal 2007 contained 52 weeks.

The company s annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are available free of charge through the Investors section of the company s Internet website (http://www.littelfuse.com), as soon as practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission (the SEC), accessible via a link to the website maintained by the SEC. Except as otherwise provided herein, such information is not incorporated by reference into this Annual Report on Form 10-K.

BUSINESS ENVIRONMENT: CIRCUIT PROTECTION MARKET

Electronic Products

Electronic circuit protection products are used to protect circuits in a multitude of electronic systems. The company s product offering includes a complete line of overcurrent and overvoltage solutions, including (i) fuses and protectors, (ii) positive temperature coefficient (PTC) resettable fuses, (iii) varistors, (iv) polymer electrostatic discharge (ESD) suppressors, (v) discrete transient voltage suppression (TVS) diodes, TVS diode arrays and protection thyristors, (vi) gas discharge tubes, (vii) power switching components and (viii) fuseholders, blocks and related accessories.

Electronic fuses and protectors are devices that contain an element that melts in an overcurrent condition. Electronic miniature and subminiature fuses are designed to provide circuit protection in the limited space requirements of electronic equipment. The company s fuses are used in a wide variety of electronic products, including wireless telephones, consumer electronics, computers, modems and telecommunications equipment. The company markets these products under the trademarked brand names PICO(R) II and NANO2(R) SMF.

Resettable fuses are PTC polymer devices that limit the current when an overcurrent condition exists and then reset themselves once the overcurrent condition has cleared. The company s product line offers both radial leaded and surface mount products.

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Varistors are ceramic-based high-energy absorption devices that provide transient overvoltage and surge suppression for automotive, telecommunication, consumer electronics and industrial applications. The company s product line offers both radial leaded and multilayer surface mount products.

Polymer ESD suppressors are polymer-based devices that protect an electronic system from failure due to rapid transfer of electrostatic charge to the circuit. The company s PulseGuard(R) line of ESD suppressors is used in PC and PC peripherals, digital consumer electronics and wireless applications.

Discrete diodes, diode arrays and protection thyristors are fast switching silicon semiconductor structures. Discrete diodes protect a wide variety of applications from overvoltage transients such as ESD, inductive load switching or lightning, while diode arrays are used primarily as ESD suppressors. Protection thyristors are commonly used to protect telecommunications circuits from overvoltage transients such as those resulting from lightning. Applications include telephones, modems, data transmission lines and alarm systems. The company markets these products under the following trademarked brand names: TECCOR(R), SIDACtor(R) and Battrax(R).

Gas discharge tubes are very low capacitance devices designed to suppress any transient voltage event that is greater than the breakover voltage of the device. These devices are primarily used in telecom interface and conversion equipment applications as protection from overvoltage transients such as lightning.

Power switching components are used to regulate energy to various type loads most commonly found in industrial and home equipment. These components are easily activated from simple control circuits or interfaced to computers for more complex load control. Typical applications include heating, cooling, battery chargers and lighting.

In addition to the above products, the company is also a supplier of fuse holders (including OMNI-BLOK(R)), fuse blocks and fuse clips primarily to customers that purchase circuit protection devices from the company.

Automotive Products

Fuses are extensively used in automobiles, trucks, buses and off-road equipment to protect electrical circuits and the wires that supply electrical power to operate lights, heating, air conditioning, radios, windows and other controls. Currently, a typical automobile contains 30 to 100 fuses, depending upon the options installed. The fuse content per vehicle is expected to continue to grow as more electronic features are included in automobiles. The company also supplies fuses for the protection of electric and hybrid vehicles.

The company is a primary supplier of automotive fuses to United States, Asian and European automotive original equipment manufacturers (OEM), automotive component parts manufacturers and automotive parts distributors. The company also sells its fuses in the replacement parts market, with its products being sold through merchandisers, discount stores and service stations, as well as under private label by national firms. The company invented and owns most of the U.S. patents related to the blade-type fuse, which is the standard and most commonly used fuse in the automotive industry. The company s automotive fuse products are marketed under trademarked brand names, including ATO(R), MINI(R), MAXI(TM), MIDI(R), MEGA(TM), MasterFuse(R), JCASE(R) and CablePro(TM).

A majority of the company s automotive fuse sales are made to main-fuse box and wire harness manufacturers that incorporate the fuses into their products. The remaining automotive fuse sales are made directly to automotive manufacturers, retailers who sell automotive parts and accessories and distributors who in turn sell most of their products to wholesalers, service stations and non-automotive OEMs.

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Electrical Products

The company entered the electrical market in 1983 and manufactures and sells a broad range of low-voltage and medium-voltage circuit protection products as well as protection relays to electrical distributors and their customers in the construction, OEM and industrial maintenance, repair and operating supplies (MRO) markets.

Power fuses are used to protect circuits in various types of industrial equipment and in industrial and commercial buildings. They are rated and listed under one of many Underwriters Laboratories fuse classifications. Major applications for power fuses include protection from over-load and short-circuit currents in motor branch circuits, heating and cooling systems, control systems, lighting circuits and electrical distribution networks.

The company s POWR-GARD(R) product line features the Indicator(TM) series power fuse used in both the OEM and MRO markets. The Indicator(TM) technology provides visual blown fuse indication at a glance, reducing maintenance and downtime on production equipment. The Indicator(TM) product offering is widely used in motor protection and industrial control panel applications.

Protection relays are used to protect personnel and equipment in industrial environments and commercial buildings from excessive currents, over voltages and electrical shock hazards called ground-faults. Major applications for protection relays include protection of motor, transformer and power line distribution circuits. Ground fault relays are used to protect personnel and equipment in wet environments such as underground mining or water treatment applications where there is a greater risk for electricity to come in contact with water and create a shock hazard.

PRODUCT DESIGN AND DEVELOPMENT

The company employs scientific, engineering and other personnel to continually improve its existing product lines and to develop new products at its research and engineering facilities in Champaign and Chicago, Illinois, Canada, China, Germany, the Philippines, and Mexico. The Product & Development Technology departments maintain a staff of engineers, chemists, material scientists and technicians whose primary responsibility is to design and develop new products.

Proposals for the development of new products are initiated primarily by sales and marketing personnel with input from customers. The entire product development process usually ranges from a few months to 18 months based on the complexity of development, with continuous efforts to reduce the development cycle. During fiscal years 2009, 2008 and 2007, the company expended $18.1 million, $24.1 million and $21.7 million, respectively, on research, product design and development (R&D). During 2009, the company continued moving R&D operations to lower cost locations closer to its customers. R&D operations are now in Canada, China, Germany, the Philippines, and Mexico as well as the United States.

PATENTS, TRADEMARKS AND OTHER INTELLECTUAL PROPERTY

The company generally relies on patent and trademark laws and license and nondisclosure agreements to protect intellectual property and proprietary products. In cases where it is deemed necessary by management, key employees are required to sign an agreement that they will maintain the confidentiality of the company s proprietary information and trade secrets.

As of January 2, 2010, the company owned 204 patents in North America, 106 patents in the European Union and 59 patents in other foreign countries. The company has also registered trademark protection for certain of its brand names and logos. The 204 North American patents are in the following product categories: 141

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electronics; 45 automotive; and 18 electrical. Patents and licenses are amortized over a period of 4-12 years, with a weighted average life of 11.9 years. Distribution networks are amortized over a period of 4-20 years, with a weighted average life of 14.6 years. Trademarks and tradenames are amortized over a period of 5-20 years, with a weighted average life of 14.7 years. The company recorded amortization expense of $5.0 million, $3.9 million, and $3.3 million in 2009, 2008, and 2007, respectively, related to intangible assets.

New products are continually being developed to replace older products. The company regularly applies for patent protection on such new products. Although, in the aggregate, the company s patents are important in the operation of its businesses, the company believes that the loss by expiration or otherwise of any one patent or group of patents would not materially affect its business.

License royalties amounted to $0.1 million, $0.2 million and $0.3 million for fiscal 2009, 2008 and 2007, respectively, and are included in other expense (income), net on the Consolidated Statements of Income.

MANUFACTURING

The company performs the majority of its own fabrication, stamps some of the metal components used in its fuses, holders and switches from raw metal stock and makes its own contacts and springs. In addition, the company fabricates silicon wafers for certain applications and performs its own plating (silver, nickel, zinc, tin and oxides). All thermoplastic molded component requirements used for such products as the ATO(R), MINI(R) and MAXI(TM) fuse product lines are met through the company s in-house molding capabilities.

After components are stamped, molded, plated and readied for assembly, final assembly is accomplished on fully automatic and semi-automatic assembly machines. Quality assurance and operations personnel, using techniques such as statistical process control, perform tests, checks and measurements during the production process to maintain the highest levels of product quality and customer satisfaction.

The principal raw materials for the company s products include copper and copper alloys, heat resistant plastics, zinc, melamine, glass, silver, raw silicon, solder and various gases. The company uses a sole source for several heat resistant plastics and for zinc, but believes that suitable alternative heat resistant plastics and zinc are available from other sources at comparable prices. All of the other raw materials are purchased from a number of readily available outside sources.

A computer-aided design and manufacturing system (CAD/CAM) expedites product development and machine design and our laboratories test new products, prototype concepts and production run samples. The company participates in just-in-time delivery programs with many of its major suppliers and actively promotes the building of strong cooperative relationships with its suppliers by utilizing early supplier involvement techniques and engaging them in pre-engineering product and process development.

MARKETING

The company s domestic sales and marketing staff of over 35 people maintain relationships with major OEMs and distributors. The company s sales, marketing and engineering personnel interact directly with OEM engineers to ensure appropriate circuit protection and reliability within the parameters of the OEM s circuit design. Internationally, the company maintains a sales and marketing staff of over 100 people with sales offices in the Netherlands, the U.K., Germany, Spain, Italy, Singapore, Taiwan, Japan, Brazil, Hong Kong, Korea, China and India. The company also markets its products indirectly through a worldwide organization of over 60 manufacturers representatives and distributes through an extensive network of electronics, automotive and electrical distributors.

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Electronics

The company uses manufacturers representatives to sell its electronics products domestically and to call on major domestic and international OEMs and distributors. The company sells approximately 20 percent of its domestic products directly to OEMs, with the remainder sold through distributors nationwide.

In the Asia-Pacific region, the company maintains a direct sales staff and utilizes distributors in Japan, Singapore, Korea, Taiwan, China, Malaysia, Thailand, Hong Kong, India, Indonesia, Philippines, New Zealand and Australia. In Europe, the company maintains a direct sales force and utilizes manufacturers representatives and distributors to support a wide array of customers.

Automotive

The company maintains a direct sales force to service all the major automotive OEMs and system suppliers domestically. Approximately 23 manufacturers representatives sell the company s products to aftermarket fuse retailers such as O Reilly Auto Parts and Pep Boys. In Europe, the company uses both a direct sales force and manufacturers representatives to distribute its products to OEMs, major system suppliers and aftermarket distributors. In the Asia-Pacific region, the company uses both a direct sales force and distributors to supply to major OEMs and system suppliers.

Electrical

The company markets and sells its power fuses and protection relays through approximately 42 manufacturers representatives across North America. These representatives sell power fuse products through an electrical and industrial distribution network comprised of approximately 2,500 distributor buying locations. These distributors have customers that include electrical contractors, municipalities, utilities and factories (including both MRO and OEM). The company s field sales force (including regional sales managers and application engineers) and manufacturers representatives call on both distributors and end-users (consulting engineers, municipalities, utilities and OEMs) in an effort to educate these customers on the capabilities and characteristics of the company s products.

BUSINESS SEGMENT INFORMATION

The company has three operating business unit segments: Electronics; Automotive; and Electrical. For information with respect to the company s operations in its three reportable business unit segments for the fiscal year ended January 2, 2010, see Business Unit Segment Information included as part of Item 8. Financial Statements and Supplementary Data , which is incorporated herein by reference.

CUSTOMERS

The company sells to approximately 4,000 direct customers worldwide. No single customer accounted for more than 10% of net sales during the last three years. During fiscal 2009, 2008 and 2007, net sales to customers outside the United States (exports and foreign operations) accounted for approximately 67.5%, 62.0% and 61.9%, respectively, of the company s total net sales.

COMPETITION

The company s products compete with similar products of other manufacturers, some of which have substantially greater financial resources than the company. In the electronics market, the company s competitors include AVX, Bel Fuse, Bourns, Cooper Industries, EPCOS, On Semiconductor, STMicroelectronics and Tyco Electronics. In the automotive market, the company s competitors include Cooper Industries, Pacific

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Engineering (a private company in Japan) and MTA (a private company in Italy). In the electrical market, the company s major competitors include Cooper Industries and Ferraz Shawmut. The company believes that it competes on the basis of innovative products, the breadth of its product line, the quality and design of its products and the responsiveness of its customer service in addition to price.

BACKLOG

The backlog of unfilled orders at January 2, 2010, was approximately $59.0 million, compared to $53.9 million at December 27, 2008. Substantially all of the orders currently in backlog are scheduled for delivery in 2010.

EMPLOYEES

As of January 2, 2010, the company employed approximately 5,500 employees. Approximately 810 employees in Mexico and 65 employees in Germany are covered by collective bargaining agreements. The Mexico agreements consist of two separate collective bargaining agreements one for approximately 160 employees in Matamoros and one covering approximately 650 in Piedras Negras. The Matamoros agreement expires February 28, 2012. The Piedras Negras agreement expires January 31, 2012.

In Germany the company has two separate collective bargaining agreements, one for 61 associates in Dünsen, expiring Dec 31, 2010, and the second for 4 associates in Essen, expiring March 31, 2012.

Previously in 2009 a collective bargaining agreement covered approximately 30 employees at the company s Des Plaines facility. These expired on March 31, 2009 and currently no U.S. based employees are subject to a collective bargaining agreement.

Overall, the company has historically maintained satisfactory employee relations, and many of its employees have long service with the company.

ENVIRONMENTAL REGULATION

The company is subject to numerous foreign, federal, state and local regulations relating to air and water quality, the disposal of hazardous waste materials, safety and health. Compliance with applicable environmental regulations has not significantly changed the company s competitive position, capital spending or earnings in the past and the company does not presently anticipate that compliance with such regulations will change its competitive position, capital spending or earnings for the foreseeable future.

The company employs an environmental engineer to monitor regulatory matters and believes that it is currently in compliance in all material respects with applicable environmental laws and regulations, except with respect to its facilities located in Ireland and Irving, Texas. The Ireland facility was acquired in October 1999 in connection with the acquisition from Harris Corporation of its suppression products division. Certain containment actions have been ongoing and full disclosure with appropriate agencies in Ireland has been initiated. The company received an indemnity from Harris Corporation with respect to these matters. The Irving, Texas facility lease was assumed in July 2003 in connection with the acquisition of Teccor Electronics, Inc. The company is taking the appropriate measures to bring this facility into compliance with Texas environmental laws, and the company also received an indemnity from Invensys plc with respect to this matter.

Littelfuse GmbH, which was acquired by the company in May 2004, is responsible for maintaining closed coal mines from legacy acquisitions. The company is compliant with German regulations pertaining to the maintenance of the mines and has an accrual related to certain of these coal mine shafts based on an engineering study estimating the cost of remediating the dangers (such as a shaft collapse) of certain of these closed coal

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mine shafts in Germany. The reserve is calculated based upon the cost of remediating the shafts that the study deems most risky. Further information regarding the coal mine liability reserve is provided in Note 10 of the Notes to Consolidated Financial Statements included in this report.

ITEM 1A. RISK FACTORS.

Our business, financial condition and results of operations are subject to various risks and uncertainties, including the risk factors we have identified below. These factors are not necessarily listed in order of importance. We may amend or supplement the risk factors from time to time by other reports that we file with the SEC in the future.

Our industry is subject to intense competitive pressures.

We operate in markets that are highly competitive. We compete on the basis of price, quality, service and/or brand name across the industries and markets we serve. Competitive pressures could affect the prices we are able to charge our customers or the demand for our products.

We may not always be able to compete on price, particularly when compared to manufacturers with lower cost structures. Some of our competitors have substantially greater sales, financial and manufacturing resources and may have greater access to capital than Littelfuse. As other companies enter our markets or develop new products, competition may intensify further. Our failure to compete effectively could materially adversely affect our business, financial condition and results of operations.

We may be unable to manufacture and deliver products in a manner that is responsive to our customers needs.

The end markets for our products are characterized by technological change, frequent new product introductions and enhancements, changes in customer requirements and emerging industry standards. The introduction of products embodying new technologies and the emergence of new industry standards could render our existing products obsolete and unmarketable before we can recover any or all of our research, development and commercialization expenses on capital investments. Furthermore, the life cycles of our products may change and are difficult to estimate. Our future success will depend upon our ability to manufacture and deliver products in a manner that is responsive to our customers needs. We will need to develop and introduce new products and product enhancements on a timely basis that keep pace with technological developments and emerging industry standards and address increasingly sophisticated requirements of our customers. We invest heavily in research and development without knowing that we will recover these costs. Our competitors may develop products or technologies that will render our products non-competitive or obsolete. If we cannot develop and market new products or product enhancements in a timely and cost-effective manner, our business, financial condition and results of operations could be materially adversely affected.

Our business may be interrupted by labor disputes or other interruptions of supplies.

A work stoppage could occur at certain of our facilities, most likely as a result of disputes under collective bargaining agreements or in connection with negotiations of new collective bargaining agreements. In addition, we may experience a shortage of supplies for various reasons, such as financial distress, work stoppages, natural disasters or production difficulties that may affect one of our suppliers. A significant work stoppage, or an interruption or shortage of supplies for any reason, if protracted, could substantially adversely affect our business, financial condition and results of operations. The transfer of our manufacturing operations and changes in our distribution model could disrupt operations for a limited time.

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Our revenues may vary significantly from period to period.

Our revenues may vary significantly from one accounting period to another due to a variety of factors including:

- changes in our customers buying decisions;
- changes in demand for our products;
- our product mix;
- our effectiveness in managing manufacturing processes;
- costs and timing of our component purchases;
- the effectiveness of our inventory control;
- the degree to which we are able to utilize our available manufacturing capacity;
- our ability to meet delivery schedules;
- general economic and industry conditions; and
- local conditions and events that may affect our production volumes, such as labor conditions and political instability.

The bankruptcy or insolvency of a major customer could adversely affect us.

Certain of our major customers, such as those in the automotive industry and to a lesser extent the electronics industry, are suffering financial hardships due to current economic conditions. The bankruptcy or insolvency of a major customer could result in lower sales revenue and cause a material adverse effect on our business, financial condition and results of operations. In addition, the bankruptcy or insolvency of a major U.S. auto manufacturer or significant supplier likely could lead to substantial disruptions in the automotive supply base, resulting in lower demand for our products, which likely would cause a decrease in sales revenue and have a substantial adverse impact on our business, financial condition and results of operations.

Our ability to manage currency or commodity price fluctuations or shortages is limited.

As a resource-intensive manufacturing operation, we are exposed to a variety of market and asset risks, including the effects of changes in foreign currency exchange rates, commodity prices and interest rates. We have multiple sources of supply for the majority of our commodity requirements. However, significant shortages that disrupt the supply of raw materials or result in price increases could affect prices we charge our customers, our product costs, and the competitive position of our products and services. We monitor and manage these exposures as an integral part of our overall risk management program, which recognizes the unpredictability of markets and seeks to reduce the potentially adverse effects on our results. Nevertheless, changes in currency exchange rates, commodity prices and interest rates cannot always be predicted. In addition, because of intense price competition and our high level of fixed costs, we may not be able to address such changes even if they are foreseeable. Substantial changes in these rates and prices could have a material adverse effect on our results of operations and financial condition. For additional discussion of interest rate, currency or commodity price risk, see Item 7A. Quantitative and Qualitative Disclosures about Market Risks .

Operations and supply sources located outside the United States, particularly in emerging markets, are subject to greater risks.

Our operating activities outside the United States contribute significantly to our revenues and earnings. Serving a global customer base and remaining competitive in the global market place required the company to place our production in countries outside the United States, including emerging markets, to capitalize on market opportunities and maintain a cost-efficient structure. In addition, we source a significant amount of raw materials and other components from third-party suppliers in low-cost countries. Our international operating

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activities are subject to a number of risks generally associated with international operations, including risks relating to the following:

- general economic conditions;
- currency fluctuations and exchange restrictions;
- import and export duties and restrictions;
- the imposition of tariffs and other import or export barriers;
- compliance with regulations governing import and export activities;
- current and changing regulatory requirements;
- political and economic instability;
- potentially adverse income tax consequences;
- transportation delays and interruptions;
- labor unrest;
- natural disasters;
- terrorist activities;
- public health concerns;
- difficulties in staffing and managing multi-national operations; and
- limitations on our ability to enforce legal rights and remedies.

Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

<u>We are in the process of relocating our manufacturing operations and changing our distribution and customer service model.</u>

We are a company that, from time to time, seeks to optimize its manufacturing capabilities and efficiencies through restructurings, consolidations, plant closings or asset sales. We may make further specific determinations to consolidate, close or sell additional facilities. Possible adverse consequences related to such actions may include various charges for such items as idle capacity, disposition costs, severance costs, impairments of goodwill and possibly an immediate loss of revenues, in addition to normal or attendant risks and uncertainties. We may be unsuccessful in any of our current or future efforts to restructure or consolidate our business. Our plans to minimize or eliminate any loss of revenues during restructuring or consolidation may not be achieved. These activities may have a material adverse effect upon our business, financial condition or results of operations.

<u>We engage in acquisitions and may encounter difficulties in integrating these businesses.</u>

We are a company that, from time to time, seeks to grow through strategic acquisitions. We have in the past acquired a number of businesses or companies and additional product lines and assets. We intend to continue to expand and diversify our operations with additional acquisitions. The success of these transactions depends on our ability to integrate the assets and personnel acquired in these acquisitions. We may encounter difficulties in integrating acquisitions with our operations and may not realize the degree or timing of the benefits that we anticipated from an acquisition.

Environmental liabilities could adversely impact our financial position.

Federal, state and local laws and regulations impose various restrictions and controls on the discharge of materials, chemicals and gases used in our manufacturing processes or in our finished goods. These environmental regulations have required us to expend a portion of our resources and capital on relevant compliance programs. Under these laws and regulations, we could be held financially responsible for remedial measures if our current or former properties are contaminated or if we send waste to a landfill or recycling facility that becomes contaminated, even if we did not cause the contamination. We may be subject to additional common law claims if we release substances that damage or harm third parties. In addition, future changes in environmental laws or regulations may require additional investments in capital equipment or the implementation of additional compliance programs. Any failure to comply with new or existing environmental laws or regulations could subject us to significant liabilities and could have material adverse effects on our business, financial condition or results of operations.

In the conduct of our manufacturing operations, we have handled and do handle materials that are considered hazardous, toxic or volatile under federal, state and local laws. The risk of accidental release of such materials cannot be completely eliminated. In addition, we operate or own facilities located on or near real property that was formerly owned and operated by others. Certain of these properties were used in ways that involved hazardous materials. Contaminants may migrate from, within or through these properties. These releases or migrations may give rise to claims. Where third parties are responsible for contamination, the third parties may not have funds, or not make funds available when needed, to pay remediation costs imposed upon us under environmental laws and regulations.

We derive a substantial portion of our revenues from customers in the automotive, consumer electronics and communications industries, and we are susceptible to trends and factors affecting those industries as well as the success of our customers products.

Net sales to the automotive, consumer electronics and communications industries represent a substantial portion of our revenues. Factors negatively affecting these industries and the demand for products also negatively affect our business, financial condition or results of operations. Any adverse occurrence, including industry slowdown, recession, political instability, costly or constraining regulations, armed hostilities, terrorism, excessive inflation, prolonged disruptions in one or more of our customers production schedules or labor disturbances, that results in significant decline in the volume of sales in these industries, or in an overall downturn in the business and operations of our customers in these industries, could materially adversely affect our business, financial condition or results of operations. For example, the automotive industry as well as the consumer electronics market is highly cyclical in nature and sensitive to changes in general economic conditions, consumer preferences and interest rates. In addition, the global automotive and electronic industries have overall manufacturing capacity far exceeding demand. To the extent that demand for certain of our customers products declines, the demand for our products may decline. Reduced demand relating to general economic conditions, consumer preferences, interest rates or industry over-capacity may have a material adverse effect upon our business, financial condition or results of operations.

The inability to maintain access to capital markets may adversely affect our business and financial results.

Our ability to invest in our businesses, make strategic acquisitions and refinance maturing debt obligations may require access to the capital markets and sufficient bank credit lines to support short-term borrowings. If we are unable to access the capital markets or bank credit facilities, we could experience a material adverse affect on our business, financial condition and results of operations.

Fixed costs may reduce operating results if our sales fall below expectations.

Our expense levels are based, in part, on our expectations for future sales. Many of our expenses, particularly those relating to capital equipment and manufacturing overhead, are relatively fixed. We might be unable to reduce spending quickly enough to compensate for reductions in sales. Accordingly, shortfalls in sales could materially and adversely affect our operating results.

The volatility of our stock price could affect the value of an investment in our stock and our future financial position.

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The market price of our stock has fluctuated widely. Between December 28, 2008 and January 2, 2010, the closing sale price of our common stock ranged between a low of $8.87 and a high of $32.94, experiencing greater volatility over that time than the broader markets. The volatility of our stock price may be related to any number of factors, such as general economic conditions, industry conditions, analysts expectations concerning our results of operations, or the volatility of our revenues as discussed above under Our Revenues May Vary Significantly from Period to Period. The historic market price of our common stock may not be indicative of future market prices. We may not be able to sustain or increase the value of our common stock. Declines in the market price of our stock could adversely affect our ability to retain personnel with stock incentives, to acquire businesses or assets in exchange for stock and/or to conduct future financing activities with or involving our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

LITTELFUSE FACILITIES

The company s operations are located in 33 owned or leased facilities worldwide, representing an aggregate of 2,002,468 square feet. The U.S. corporate headquarters was relocated to Chicago, Illinois in 2009. Formerly it was located in Des Plaines, Illinois along with the company s largest manufacturing facility, which was closed in 2009. The company also has North American manufacturing facilities in Saskatoon, Canada, Irving, Texas Piedras Negras, Mexico and Matamoros, Mexico. The European headquarters and primary European distribution center is in the Netherlands, along with a manufacturing plant in Dünsen, Germany. As previously announced, the manufacturing facilities in Irivng, Texas, Matamoros, Mexico and Dünsen, Germany are expected to close in 2010. The Netherlands distribution center is expected to be sold in 2010. The company is currently marketing for sale its Des Plaines, Illinois, Elk Grove Village, Illinois and Dundalk, Ireland facilities, which closed on or before January 2, 2010. Asia-Pacific operations include sales and distribution centers located in Singapore, Taiwan, Japan, China and Korea, with manufacturing plants in China, Taiwan and the Philippines. The company does not believe that it will encounter any difficulty in renewing its existing leases upon the expiration of their current terms. Management believes that the company s facilities are adequate to meet its requirements for the foreseeable future.

The following table provides certain information concerning the company s facilities at January 2, 2010 and the use of these facilities during fiscal 2009:

Location	Use	Size (sq. ft.)	Lease/Own	Lease Expiration Date	Primary Product
Des Plaines, Illinois	Manufacturing	340,000	Owned		Auto, Electronics and Electrical
Chicago, Illinois	Administrative, Engineering, Research and Testing	54,838	Leased	2024	Auto, Electronics and Electrical
Elk Grove Village, Illinois	Engineering and Research	5,000	Leased	2010	Auto and Electronics
Champaign, Illinois	Research and Development	13,503	Leased	2025	Auto and Electronics
Campbell, California	Engineering	1,710	Leased	2011	Electronics

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Location	Use	Size (sq. ft.)	Lease/Own	Lease Expiration Date	Primary Product
Irving, Texas	Engineering, Manufacturing, Research and Testing	101,000	Leased	2010	Electronics
Birmingham, Michigan	Sales	2,076	Leased	2011	Auto
Matamoros, Mexico	Manufacturing	114,558	Leased	2010	Electronics
Arcola, Illinois	Administrative	5,000	Leased	2010	Electrical
Piedras Negras, Mexico	Administrative / Manufacturing	98,822	Leased	2015	Auto
Piedras Negras, Mexico	Manufacturing	68,088	Leased	2012	Electrical
Piedras Negras, Mexico	Manufacturing	22,381	Leased	2012	Electrical
Piedras Negras, Mexico	Manufacturing	164,785	Owned		Auto
Eagle Pass, Texas	Distribution	7,800	Leased	2011	Auto, Electronics and Electrical
Swindon, U.K.	Administrative, Marketing and Sales	5,000	Leased	2012	Electronics
Utrecht, the Netherlands	Administrative, Distribution and Sales	34,642	Owned		Auto and Electronics
Essen, Germany	Administrative	8,374	Leased	2011	Electronics and Auto
Essen, Germany	Leased to third party	37,244	Owned		
Dünsen, Germany	Manufacturing and Sales	43,966	Owned		Auto
Singapore	Sales and Distribution	1,550	Leased	2012	Electronics
Taipei, Taiwan	Sales	4,000	Leased	2010	Electronics
Seoul, Korea	Sales	3,643	Leased	2010	Electronics and Auto
Lipa City, Philippines	Manufacturing	116,046	Owned		Electronics
Lipa City, Philippines	Manufacturing	22,733	Leased	2010	Electronics
Dongguan, China	Manufacturing	124,600	Leased	2013	Electronics
Suzhou, China	Manufacturing	143,458	Owned		Electronics
Yang-Mei, Taiwan	Administrative /Manufacturing, Sales, and Distribution	40,080	Owned		Electronics

Wuxi, China	Manufacturing	220,068	Owned		Electronics
Hong Kong, China	Sales	2,478	Leased	2012	Electronics
Yokohama, Japan	Sales	6,726	Leased	2010	Electronics
Sao Paulo, Brazil	Sales	800	Leased	2010	Electronics and Auto
Dundalk, Ireland	Manufacturing	120,000	Owned		Electronic and Auto
Saskatoon, Canada	Manufacturing	67,500	Owned		Electrical

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Properties with lease expirations in 2010 renew at various times throughout the year. The company does not anticipate any material impact as a result of such expirations.

ITEM 3. LEGAL PROCEEDINGS.

The company is not a party to any legal proceedings that it believes will have a material adverse effect upon the conduct of its business or its financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There were no matters submitted to the company s stockholders during the fourth quarter of fiscal 2009.

PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Shares of the company s common stock are traded under the symbol LFUS on the Nasdaq Global Select Market. As of February 19, 2010, there were 136 holders of record of the company s common stock.

Stock Performance Graph

The following stock performance graph and related information shall not be deemed soliciting material or filed with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filings under the Securities Act of 1933 or Securities Act of 1934, each as amended, except to the extent that the company specifically incorporates it by reference into such filing.

The following stock performance graph compares the five-year cumulative total return on Littelfuse common stock to the five-year cumulative total returns on the Russell 2000 Index and the Dow Jones Electrical Components and Equipment Industry Group Index. The company believes that the Russell 2000 Index and the Dow Jones Electrical Components and Equipment Industry Group Index represent a broad market index and peer industry group for total return performance comparison. The stock performance shown on the graph below represents historical stock performance and is not necessarily indicative of future stock price performance.

The Dow Jones Electrical Components and Equipment Industry Group Index includes the common stock of American Superconductor Corp.; Amphenol Corp.; Anaren Microwave, Inc.; Arrow Electronics, Inc.; Avnet, Inc.; AVX Corp.; Benchmark Electronics, Inc.; C&D Technologies, Inc.; Capstone Turbine Corp.; Commscope, Inc.; CTS Corp.; Emerson; Fuelcell Energy, Inc.; General Cable Corp.; Hubbell Inc. Class B; Jabil Circuit, Inc.; KEMET Corp.; Littelfuse, Inc.; Methode Electronics, Inc.; Molex, Inc. and Molex, Inc. Class A; Park Electrochemical Corp.; Plexus Corp.; Plug Power, Inc.; Power-One, Inc.; Powerwave Technologies, Inc.; Regal-Beloit Corp.; Sanmina Corp.; SPX Corp.; Technitrol, Inc.; Thomas & Betts Corp.; Three-Five Systems, Inc.; Valence Technology, Inc.; Vicor Corp.; and Vishay Intertechnology, Inc.

In the case of the Russell 2000 Index and the Dow Jones Electrical Components and Equipment Industry Group Index, a $100 investment made on December 31, 2004 and reinvestment of all dividends is assumed. In the case of the company, a $100 investment made on December 31, 2004 is assumed (the company paid no dividends in 2005, 2006, 2007, 2008, or 2009). Returns are at December 31 of each year, with the exception of 2006, 2007, 2008 and 2009 for the company, which are at December 30, 2006, December 29, 2007, December 27, 2008 and January 2, 2010, respectively, which in each case was the last day of the company s respective fiscal year.

The company has not paid any cash dividends in its history. Future dividend policy will be determined by the Board of Directors based upon its evaluation of earnings, cash availability and general business prospects. Currently, there are restrictions on the payment of dividends contained in the company s credit agreements that relate to the maintenance of a minimum net worth and certain financial ratios.

The company s Board of Directors authorized the repurchase of up to 1,000,000 shares of the company s common stock under a program for the period May 1, 2009 to April 30, 2010. The company did not repurchase any shares of its common stock during the fourth quarter of fiscal 2009.

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The table below provides information with respect to the company s quarterly stock prices during fiscal 2009 and 2008:

	2009				2008			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
High	$33.19	$28.79	$20.74	$18.11	$31.98	$37.55	$39.21	$34.29
Low	24.37	19.63	10.30	8.82	11.48	29.28	32.89	26.90
Quarter close	32.15	26.71	20.65	10.60	15.54	33.91	32.89	33.58

ITEM 6. SELECTED FINANCIAL DATA.

The information presented below provides selected financial data of the company during the past five fiscal years and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the Consolidated Financial Statements and Notes to Consolidated Financial Sty.

Mr. Miles is a special limited partner of Forstmann Little & Co.

The Board of Directors has determined that the relationship discussed above does not affect the independence of Mr. Siegel because his duties and relationship as a director of IMG Worldwide, Inc., a majority of the stock of which is controlled by certain affiliated partnerships of Forstmann Little & Co., is not contingent upon nor does it conflict with his duties or interests as a member of the nominating/corporate governance committee.

The Board of Directors has determined that the relationships discussed above do not affect the independence of Mr. Miles because he has not made any commitment to the affiliated partnerships of Forstmann Little & Co. and none of the rights of an advisory board member or a special limited partner of Forstmann Little & Co. are contingent in any way on or affected by his continued service as a director or member of our nominating/corporate governance committee nor do his duties as an advisory board member and special limited partner of Forstmann Little & Co. conflict with his duties as a member of the nominating/corporate governance committee.

The Board of Directors is not aware of any other relationships involving the nominating/corporate governance committee and the Company that required an assessment of materiality by the Board of Directors. The nominating/corporate governance committee met two times during the year ended December 31, 2008, and each director who is a member of the nominating/corporate governance committee attended both meetings.

The Audit Committee

The Company has a separately-designated standing audit committee. The Board of Directors has adopted a written Audit Committee Charter. The charter is available on the Company s website at www.citadelbroadcasting.com or upon the request of the stockholder by writing to the Company s Secretary at 7201 West Lake Mead Boulevard, Suite 400, Las Vegas, NV 89128.

The audit committee provides assistance to the Company s Board of Directors in fulfilling its legal and fiduciary obligations in matters involving the Company s accounting, auditing, financial reporting, internal control and legal compliance functions. The audit committee also oversees the audit efforts of the Company s independent registered public accountants and takes those actions it deems necessary to satisfy itself that the accountants are independent of management.

The audit committee is primarily responsible for oversight of the integrity of the financial reporting process and financial statements of the Company. In general, the audit committee is responsible for oversight of the financial statements and disclosure matters, oversight of the Company s relationship with the independent accountants, oversight of the Company s internal audit function and oversight of compliance responsibilities. As part of these responsibilities, the audit committee, among other things:

- appoints, retains and replaces the independent registered public accountants for the Company;
- reviews the compensation of and services performed by the independent registered public accountants, including non-audit services (if any);

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reviews and discusses the preparation of quarterly and annual financial reports with the Company s management and its independent registered public accountants;

discusses with its independent registered public accountants the matters required by Statement on Auditing Standards No. 61, *Codification of Standards on Auditing Standards* (SAS 61), as amended, and evaluating the independence of the accountants in accordance with Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*;

reviews and discusses major issues regarding the Company s accounting principles, financial statement presentations, and the adequacy of the Company s internal controls with management and the independent registered public accountants;

reviews and discusses the initial adoption of, and all significant changes to, critical accounting policies and practices used by the Company with the independent registered public accountants;

evaluates the qualifications, performance and independence of the independent registered public accountants;

reviews the significant reports to management prepared by the internal auditing department and any management responses; and

reviews reports and disclosures of insider and affiliated party transactions.

The members of the audit committee during 2008 were Michael J. Regan (chairperson), Wayne T. Smith, Thomas V. Reifenheiser, and Michael A. Miles. Mr. Miles resigned from the audit committee effective March 1, 2008 and was replaced effective the same day by Thomas V. Reifenheiser.

The Board of Directors has considered the independence of each of the members of the audit committee and determined that each of them qualifies as independent under rules of the SEC and, though no longer applicable, the NYSE. The Board of Directors made this determination after considering the following relationships and assessing the potential effect of these relationships on the independence of the named director:

Mr. Miles is a member of the Forstmann Little advisory board and an investor in certain affiliated partnerships of Forstmann Little & Co., which give him an economic interest in certain portfolio investments, including the Company.

Mr. Miles is a special limited partner of Forstmann Little & Co.

Mr. Smith is a limited partner in two of the partnerships of Forstmann Little & Co., which gives him an economic interest in certain portfolio investments, including the Company.

Mr. Smith is a director of 24 Hour Fitness Worldwide, Inc., a majority of the stock of which is controlled by certain affiliated partnerships of Forstmann Little & Co.

The Board of Directors has determined that the relationships discussed above do not affect the independence of Mr. Miles because he has not made any commitment to the affiliated partnerships of Forstmann Little & Co. and none of the rights of an advisory board member or a special limited partner of Forstmann Little & Co. are contingent in any way on or affected by his continued service as a director or member of our audit committee nor do his duties as an advisory board member and special limited partner of Forstmann Little & Co. conflict with his duties as a member of the audit committee.

The Board of Directors has determined that the relationships discussed above do not affect the independence of Mr. Smith because none of the rights of a limited partner of the affiliated partnerships of Forstmann Little & Co. or his duties as a director of 24 Hour Fitness Worldwide, Inc. are contingent in any way on or affected by his continued service as a director or member of our audit committee or conflict with his duties as a director or member of the audit committee.

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The Board of Directors is not aware of any other relationships involving the audit committee and the Company that required an assessment of materiality by the Board. The Board, in its business judgment, has determined that each of the audit committee members is financially literate. In addition, the Board of Directors has determined that Mr. Miles and Mr. Regan qualify as audit committee financial experts as defined under the applicable rules of the SEC. Effective March 1, 2008, Michael A. Miles resigned from the audit committee, and Thomas V. Reifenheiser was appointed to serve on the committee.

During 2008, the audit committee held five meetings, including four meetings to review quarterly results with the independent registered public accountants. Mr. Regan attended all of the meetings of the audit committee held in 2008. Mr. Smith attended four of the five meetings of the audit committee held in 2008. Mr. Reifenheiser attended all of the audit committee meetings held in 2008 after his appointment to the committee, and Mr. Miles attended all of the meetings held in 2008 while he was a member of the audit committee.

Report of the Audit Committee

The audit committee reviewed and discussed with both management and its independent registered public accountants all financial statements, including any significant transactions or issues, prior to their filing with the SEC. In connection with the December 31, 2008 financial statements, the audit committee (1) reviewed and discussed the audited financial statements with management, including any significant transactions or issues; and (2) discussed with the independent registered public accountants the matters required by SAS 61, as amended. The audit committee also discussed with Deloitte & Touche LLP (D&T) their independence, including a consideration of the compatibility of non-audit services with such independence, and the letter from D&T required by Public Company Accounting Oversight Board Rule 3526, *Communication with Audit Committees Concerning Independence*. Based upon these reviews and discussions, the audit committee has recommended that the Board of Directors include the audited financial statements in the Company s Annual Report filed with the SEC on Form 10-K for the fiscal year ended December 31, 2008.

This report is respectfully submitted by the audit committee of the Board of Directors.

Michael J. Regan, *Chairperson*

Thomas V. Reifenheiser

Wayne T. Smith

The Compensation Committee

The Board of Directors established a compensation committee on February 24, 2005. The compensation committee has a written Compensation Committee Charter that is available to the public on the Company s website at www.citadelbroadcasting.com or upon request of the stockholder by writing to the Company s Secretary at 7201 West Lake Mead Boulevard, Suite 400, Las Vegas, NV 89128.

The compensation committee is responsible for discharging the Board s duties and responsibilities relating to compensation of the Company s directors and executive officers and overseeing the Company s various employee welfare and benefits plans. These duties include discussing, reviewing and determining the compensation of the Company s Chief Executive Officer and other senior executives, reviewing and recommending compensation plans for the Company, modifying existing compensation plans, making awards under such plans and performing such other functions as are designated in the Compensation Committee Charter or commonly performed by compensation committees. The role of the compensation committee and the Company s processes and procedures relative to the determination of executive compensation is discussed further under Compensation Discussion and Analysis below.

The members of the compensation committee in 2008 were Michael A. Miles (chairperson), Herbert J. Siegel and Wayne T. Smith.

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The Board has considered the independence of each of the members of the compensation committee and determined that Messrs. Miles, Siegel and Smith qualify as independent directors under the rules of the SEC and, though no longer applicable, the NYSE. The Board of Directors has made the determination after considering the following relationships and assessing the potential effect of these relationships on the independence of the named director:

Mr. Miles is a member of the Forstmann Little advisory board and an investor in certain affiliated partnerships of Forstmann Little & Co., which give him an economic interest in certain portfolio investments, including the Company.

Mr. Miles is a special limited partner of Forstmann Little & Co.

Mr. Siegel serves as a director of IMG Worldwide, Inc., a majority of the stock of which is controlled by certain affiliated partnerships of Forstmann Little & Co.

Mr. Smith is a limited partner in two of the partnerships of Forstmann Little & Co., which gives him an economic interest in certain portfolio investments, including the Company.

Mr. Smith is a director of 24 Hour Fitness Worldwide, Inc., a majority of the stock of which is controlled by certain affiliated partnerships of Forstmann Little & Co.

The Board of Directors has determined that the relationships discussed above do not affect the independence of Mr. Miles because he has not made any commitment to the affiliated partnerships of Forstmann Little & Co. and none of the rights of an advisory board member or a special limited partner of Forstmann Little & Co. are contingent in any way on or affected by his continued service as a director or member of our compensation committee nor do his duties as an advisory board member and special limited partner of Forstmann Little & Co. conflict with his duties as a member of the compensation committee.

The Board of Directors has determined that the relationships discussed above do not affect the independence of Mr. Siegel because his duties and relationship as a director of IMG Worldwide, Inc., a majority of the stock of which is controlled by certain affiliated partnerships of Forstmann Little & Co., is not contingent upon nor does it conflict with his duties or interests as a member of the compensation committee.

The Board of Directors has determined that the relationships discussed above do not affect the independence of Mr. Smith because none of the rights of a limited partner of the affiliated partnerships of Forstmann Little & Co. or his duties as a director of 24 Hour Fitness Worldwide, Inc. are contingent in any way on or affected by his continued service as a director or member of our compensation committee or conflict with his duties as a director or member of the compensation committee.

The Board of Directors is not aware of any other relationships involving the compensation committee and the Company that required an assessment of materiality by the Board. The compensation committee met four times during the year ended December 31, 2008. Messrs. Siegel and Miles attended all of the meetings of the compensation committee, and Mr. Smith attended three out of four of the compensation committee meetings held in 2008.

The compensation committee has retained an independent third party firm, Towers Perrin, as its compensation consultant to provide advice that will assist in the continual development and evaluation of compensation policies and the compensation committee s determinations of compensation awards. The role of the outside consultant is to provide independent, third-party advice and expertise in executive compensation issues. The outside consultant, however, is not consulted by the compensation committee on all executive compensation issues, but is used as the compensation committee deems appropriate.

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Compensation Committee Interlocks and Insider Participation

During the last completed fiscal year, which ended on December 31, 2008, the compensation committee was comprised of Michael A. Miles, Herbert J. Siegel and Wayne T. Smith. None of those members is or has been an officer or employee of the Company, and no executive officer of the Company served on the compensation committee or board of any entity that employed any member of the Company s compensation committee or Board of Directors. The Certain Relationships and Related Transactions section within this Proxy Statement includes a description of the relationships of Messrs. Miles, Siegel and Smith to Forstmann Little & Co., and of Forstmann Little & Co. to the Company.

Report of the Compensation Committee

We have reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on our review and discussion with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement accompanying the Company s Annual Report on Form 10-K for the year ended December 31, 2008.

Submitted by:	Michael A. Miles, *Chairperson*
	Herbert J. Siegel
	Wayne T. Smith

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COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation Discussion and Analysis

The Company s compensation committee (for purposes of this analysis, the Committee) is appointed by the Board and has responsibility for establishing, implementing and monitoring adherence with the Company s compensation philosophy. The Committee strives to ensure that the total compensation paid to the Company s executive officers is fair, reasonable and competitive.

Throughout this Proxy Statement, we refer to the individuals who served during calendar year 2008 as the Company s Chief Executive Officer (CEO), Chief Operating Officer (COO) and Chief Financial Officer (CFO), or in a similar capacity, as well as the other individuals included in the *Summary Compensation Table* as the Company s named executive officers.

Executive Compensation Program s Philosophy and Objectives

The Company s executive compensation program seeks to closely align compensation paid to our named executive officers with the performance of the Company on both a short-term and long-term basis and to use compensation to assist the Company in attracting and retaining key executives critical to our long-term success. To that end, our executive compensation program strives to attract, motivate and retain high-quality executives by providing total compensation that, in the Committee s view, is performance-based and competitive with the various labor markets and industries in which the Company competes for talent.

What the Executive Compensation Program Is Designed to Reward

The Company s compensation program seeks to align named executive officers incentives with stockholder value creation by rewarding the achievement of measurable corporate and individual performance objectives through annual and long-term cash and stock incentives.

How the Company Structures a Named Executive Officer s Total Compensation

Role of the Committee, Named Executive Officers and Outside Advisors

The Committee is appointed by the Board to discharge the Board s duties and responsibilities relating to compensation of the Company s directors and executive officers and oversee the Company s various employee welfare and benefits plans, including to discuss, review and determine the compensation of the CEO and other senior executives, to review and recommend compensation plans for the Company, to modify existing compensation plans, to make awards under such plans and to perform such other functions as are designated in the Compensation Committee Charter or commonly performed by compensation committees. Under its charter, the Committee meets at such times as it deems necessary to fulfill its responsibilities, has the resources and authority necessary and appropriate to discharge its responsibilities, including the authority to retain compensation consultants and other experts, and has the sole authority to approve the fees and other terms of retention of such consultants or other experts. Additionally, the Committee may delegate authority to act upon specific matters within determined parameters to a subcommittee consisting of one or more members of the Committee, consistent with the bylaws and certificate of incorporation of the Company and applicable law, and any such subcommittee must report any action to the full Committee at its next meeting.

The Committee independently approves all compensation and awards to our named executive officers. Generally, on its own initiative, the Committee reviews the performance and compensation of the CEO, COO and CFO and, following discussions of those individuals and on the recommendation of the CEO (except in the case of his own compensation), and, where it deems appropriate, with an outside advisor, establishes their compensation levels. For the remaining named executive officers, the CEO makes recommendations to the Committee that the Committee will generally approve, with minor adjustments, after it conducts its own independent review.

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The Committee has retained an independent third party firm, Towers Perrin, as its compensation consultant to provide advice that will assist in the continual development and evaluation of compensation policies and the Committee s determinations of compensation awards. The role of the outside consultant is to provide independent, third-party advice and expertise in executive compensation issues. The outside consultant, however, is not consulted by the Committee on all executive compensation issues, but is used as the Committee deems appropriate.

Total Compensation

The Committee s goal is to award compensation that is reasonable and consistent with the Company s philosophy and objectives regarding executive compensation when all elements of potential compensation are considered, while remaining competitive so as to be able to retain high level talent. In making decisions with respect to any element of a named executive officer s compensation, the Committee considers the total compensation that may be awarded to the named executive officer, including annual base salary, annual incentive bonus, the amount of which is dependent on the Company and individual performance during the prior calendar year, and long-term incentive compensation, currently in the form of stock options and shares of restricted stock, that are awarded based on the Company s prior year performance, forward-looking incentives and other factors described below. These compensation components, each of which is discussed in more detail below, are designed to align named executive officers interests with those of stockholders by rewarding outstanding performance and providing long-term incentives.

In addition, in reviewing and approving compensation arrangements and/or employment agreements for named executive officers, the Committee considers the other benefits that the Company grants to the named executive officer and/or to which the named executive officer is entitled by the agreement, including welfare benefits and compensation payable upon termination of employment with the Company under a variety of circumstances.

Peer Group Analyses

In making compensation decisions with respect to the total compensation opportunity provided to the Company s named executive officers, the Committee considers the competitive market for these executives and compensation levels provided by comparable companies to similarly situated executives and seeks to provide compensation that is in the competitive range of compensation observed in the marketplace. From time to time the Committee reviews the compensation practices at companies with which it competes for talent, including businesses engaged in activities similar to those of the Company, specifically major radio broadcasting and communications companies, as well as publicly held businesses with revenue, market capitalization, number of employees and employee census data comparable to the Company. For example, to assess the competitiveness of our CEO s compensation, the Committee may review market data selected and assembled by an outside consultant from the most recent proxy filing for many of the Company s peers, such as Entercom Communications Corp., Cox Radio, CBS Corporation, Cumulus Media, Inc. and Clear Channel Communications. The major compensation elements that may be examined in that proxy analysis could include: base salary; actual total cash compensation (base salary plus annual bonus); and total direct compensation (base salary plus annual bonus plus the expected value of long-term incentives).

The Committee does not attempt to benchmark or set each compensation element for its named executive officers within a particular range related to levels provided by industry peers. Rather, the Committee uses market comparisons as one factor in making compensation decisions.

Other Factors

Other factors considered when making individual compensation decisions for named executive officers include individual contribution and performance, reporting structure, complexity and importance of the executive s role and responsibilities, leadership and growth potential. In the case of our named executive officers

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who have served the Company for more than a year, the Committee also considers (a) the performance of the Company during the year(s) during which he or she has held his or her position and (b) the anticipated level of difficulty of replacing him or her with someone of comparable experience and skill.

Policy Regarding Tax Deduction for the Company

When consistent with the compensation philosophy discussed above, the Committee seeks to structure its compensation programs such that compensation paid thereunder will be tax deductible by the Company to the maximum extent possible. Section 162(m) of the Internal Revenue Code (Section 162(m)) generally disallows a tax deduction to public corporations for compensation over $1 million paid for any calendar year to the corporation s CEO and four other most highly compensated executive officers as of the end of the calendar year. However, the statute exempts qualifying performance-based compensation from the deduction limit if certain requirements are met, including if the compensation is paid pursuant to qualified performance-based compensation plans approved by the Company s stockholders. The Committee designs certain components of named executive officer compensation to permit full deductibility. To this end, in March 2007, the Committee approved the Company s 2007 Senior Executive Annual Bonus Plan and such plan received stockholder approval at the 2007 annual meeting of stockholders. In order for the bonuses to be paid to those named executive officers who are participants under the plan and whose aggregate salary and bonus would exceed $1 million, certain performance target(s) set for each calendar year will need to be met. The Committee believes, however, that stockholder interests are best served by not restricting the Committee s discretion and flexibility in crafting compensation programs and in making certain compensation awards, even though such programs or awards may result in certain non-deductible compensation expenses. Accordingly, the Committee has also approved elements of compensation for certain named executive officers that are not fully deductible.

Elements of Compensation, Why the Company Chooses to Pay Each Element and the Company s 2008 Practices

The Company s practices with respect to its three key compensation elements identified above (i.e. base salary, annual incentive bonus and long-term incentive compensation), as well as other elements of compensation, are set forth below, followed by a discussion of the specific factors considered in determining key elements of our named executive officers calendar year 2008 compensation.

Base Salary for Named Executive Officers

Purpose. In general, the level of base salary is intended to provide appropriate base pay to our named executive officers, taking into account the competitive employment market for comparable positions, as well as each individual s job responsibilities, experience, historical contribution to our success and unique value and, when appropriate, the recommendations of Mr. Suleman (except in the case of his own compensation).

Considerations. Minimum salaries for two named executive officers (Mr. Suleman and Ms. Orr) are determined by employment agreements or arrangements for those officers. Where not specified by contract, salaries are generally reviewed annually. The minimum salaries specified in the employment agreements, the amount of any increase over these minimums and salaries for named executive officers whose salaries are not specified in an agreement are determined by the Committee based on a variety of factors, including: the nature and responsibility of the executive s position; the expertise of the executive and the executive s contributions and importance to the Company; the nature and extent of the executive s other forms of compensation; the executive s historical compensation; the competitiveness of the market for the executive s services and, to the extent available, salary ranges for persons in comparable positions at comparable companies; and the recommendations of Mr. Suleman (except in the case of his own compensation).

Determinations as to appropriate base salaries of our named executive officers historically have not depended upon the application of a particular formula or the use of designated benchmarks. In setting base salaries, the Committee considers the importance of linking a high proportion of named executive officers compensation to performance in the form of the annual incentive bonus and long-term stock-based compensation, which are both tied to both Company and individual performance measures.

Calendar Year 2008 Decisions. Among the named executive officers, all but Ms. Ellis and Ms. Stratford are employed pursuant to agreements described under *Summary of Employment Arrangements and Potential Payments Upon Termination or Change in Control* below. During 2008, the base salary for Mr. Taylor was increased pursuant to his promotion to Company s Chief Financial Officer, and as such, the Committee set his compensation at $320,000 for 2008, $360,000 for 2009 and $400,000 for 2010. The base salary for one of our named executive officers, Ms. Orr, was increased to $325,000 for May 2008 to May 2009 and then to $350,000 for May 2009 to May 2010, pursuant to the terms of her employment agreement entered into by the Company. The base salaries for our remaining named executive officers were not modified in 2008.

In January 2009, the Compensation Committee approved a 10% reduction in base salary for Mr. Suleman (CEO) and a 5% reduction in base salary for all other executive officers, including Ms. Ellis, Mr. Taylor, Ms. Stratford, and Ms. Orr.

Annual Bonus Incentives for Named Executive Officers

Purpose. The Company s compensation program generally provides for an annual bonus that is linked to both Company and individual performance. The objective of the program is to compensate named executive officers based on the achievement of specific goals that are intended to correlate closely with growth of long-term stockholder value.

Considerations. Cash bonuses are generally paid based on the achievement of individual objectives that are also considered along with the Company s performance as a whole. In certain cases, bonuses (either a minimum amount or specified percentage of base salary) have been guaranteed based on the compensation package negotiated at the time an executive s employment commenced, in all cases subject to the final determination of the Board or Committee. The Committee establishes a target bonus for all named executive officers based, in part, upon the recommendation of the CEO (except in the case of his own compensation). Target bonuses vary in relation to each executive s responsibilities. The target bonus takes into account all factors that the Committee deems relevant, which may include (but is not limited to) a review of peer group compensation both within the radio broadcasting industry and more broadly. The individual performance measures enable the Committee to play a more proactive role in identifying performance objectives and accomplishments beyond purely financial measures, including, for example, exceptional performance of each named executive officer s functional responsibilities as well as leadership, creativity and innovation, collaboration, diversity initiatives, growth initiatives and other activities that are critical to driving long-term value for stockholders. With respect to all of the named executive officers, other than those guaranteed by contract, the Committee retains discretion, in appropriate circumstances, to grant a bonus which is less than the target bonus or no bonus at all. All named executive officers are eligible for consideration by the Committee for annual bonuses based upon the named executive officer s performance.

Calendar Year 2008 Decisions. Consistent with our approach described above for establishing target bonuses, we established the target bonus level for Mr. Suleman of up to $2 million to be earned as of December 31, 2008. Mr. Suleman is a party to an employment contract containing contractual obligations with respect to his annual target bonuses. In addition, consistent with our approach described above for establishing target bonuses, we established the target bonus levels for Ms. Ellis at $200,000 to be earned as of December 31, 2008 and Ms. Orr at $150,000 to be earned on an annual cycle commencing in May, pursuant to the terms of her employment contract. The target bonus for the remaining executive officers would be at least what they received the prior year, if not more.

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For calendar year 2008, the Committee considered the following measures: the named executive officer s performance; extraordinary events and achievements during the year, including the transition of Alphabet Acquisition Corp., a wholly-owned subsidiary of the Company; Disney and ABC Radio Holdings, Inc., formerly known as ABC Chicago FM Radio, Inc., a Delaware corporation and wholly-owned subsidiary of Disney, as amended (the ABC Radio Merger Agreement) and the Company; operating income; economic profit (net operating profit after tax, minus a charge for capital employed in the business, based on the cost of capital); earnings per share; and the recommendation of Mr. Suleman (except in the case of his own compensation). For 2008, the Committee primarily looked to the Company s overall performance for the year and followed the recommendation of Mr. Suleman that no annual bonuses be awarded, with one exception.

The Committee awarded only one bonus to Ms. Ellis in the amount of $100,000, as set forth in the *Summary Compensation Table* for calendar year 2008, which was based upon Mr. Suleman s recommendation. In addition, as Ms. Orr s bonus is paid on a cycle running from May 2007 to May 2008, she was paid a bonus of $56,250 in calendar year 2008 from the prior year s award.

Long-Term Incentive Compensation

Purpose. The Citadel Broadcasting Corporation Amended and Restated 2002 Stock Option and Award Plan (also referred to from time to time by the Company as the Amended and Restated 2002 Long-Term Incentive Plan) (as amended from time to time, the Plan or the Long-Term Incentive Plan) is the plan used by the Company to provide long-term incentives to our named executive officers. The objective of the program is to align compensation for our named executive officers over a multi-year period directly with the interests of stockholders of the Company by motivating and rewarding creation and preservation of long-term stockholder value. We also use long-term incentive awards as a means of furthering the objectives of our business plans and long-term Company goals, tying a portion of the executive compensation to Company performance, and attracting and retaining talented leadership.

Considerations. The Committee determines the number of incentive awards granted to our named executive officers on an individual, discretionary basis. The level of long-term incentive compensation generally is determined based on any contractual requirements (such as pursuant to an existing employment agreement), total compensation provided to named executive officers, the goals of the compensation program described above, discussions with outside advisors, market data on total compensation packages, the value of long-term incentive grants at targeted external companies, total stockholder return, share usage and stockholder dilution and, except in the case of the awards to Mr. Suleman, the recommendations of Mr. Suleman. With the exception of newly-hired employees, the Committee generally makes awards during the first quarter of the year. The Committee schedule is generally determined in advance, and the proximity of any awards to earnings announcements or other market events is coincidental.

Equity Awards and Related Tax and Accounting Considerations. Historically, the primary form of equity compensation that we awarded consisted of non-qualified stock options. We selected this form because of the favorable accounting and tax treatments for the Company. Beginning in 2006, however, the accounting for stock options changed as a result of Statement of Financial Accounting Standards No. 123R, *Share Based Payment* (SFAS No.123R), making the accounting treatment of stock options less attractive. As a result, we assessed the desirability of granting shares of restricted stock to our named executive officers and concluded that restricted stock likely would be an equal if not greater motivating form of incentive compensation while permitting us to issue fewer shares, thereby reducing potential dilution. Accordingly, the Company s long-term incentive compensation in 2008 consisted primarily of restricted stock grants. These vehicles, each of which is described in more detail below, reward stockholder value creation in slightly different ways. Stock options (which have exercise prices equal to the market price at the date of grant) reward named executive officers only if the stock price increases. Restricted stock is impacted by all stock price changes, so the value to named executive officers is affected by both increases and decreases in stock price.

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Stock Options. The long-term incentive program calls for stock options to be granted with exercise prices of not less than fair market value of the Company s stock on the date of grant. With rare exceptions made by the Committee, the stock options we grant vest ratably over four years, based on continued employment. The Committee will not grant stock options with exercise prices below the fair market value on the date of grant and will not reduce the exercise price of stock options (except in connection with adjustments to reflect recapitalizations, stock or extraordinary dividends, stock splits, mergers, spin-offs and similar events permitted by the relevant plan) without stockholder approval. New option grants to named executive officers normally have a term of ten years.

Unless otherwise set forth in a named executive officer s notice of stock option grant, if there is any change in the stock subject to an option or in the corporate structure of the Company, through merger, consolidation, division, share exchange, combination, reorganization, recapitalization, stock dividend, stock split, spinoff, split up, extraordinary dividend, dividend in kind or other similar change in the corporate structure or distribution to stockholders, a reclassification or any similar occurrence, the terms of the stock option (including, without limitation, the number and kind of shares subject to the option and the exercise price) may be adjusted by the Committee in its sole discretion pursuant to the terms of the Plan. No stock options were awarded to any executive officers in calendar year 2008.

Restricted Stock. Restricted stock awards may be subject to either time-based or both time-based and performance-based vesting conditions. For time-based stock to be earned, the named executive officer must be continuously employed by the Company through the applicable vesting date. For performance-based stock to be earned, the named executive officer and/or Company must achieve certain performance goals within the particular vesting period covered by the award and the named executive officer must also be continuously employed with the Company through the applicable vesting date. The performance goals that we will use going forward to measure Company and individual performance were approved by our stockholders at the 2007 annual meeting of stockholders, and awards that are dependent upon achieving these performance goals are not generally subject to the adverse tax consequences described above relating to Section 162(m). Such performance-based shares of restricted stock are sometimes referred to herein as performance shares.

Some restricted stock awards made in 2008 were subject to both performance-based and time-based vesting criteria, while other awards were subject only to time-based vesting criteria. The details of these awards are described in this section below under Calendar Year 2008 Decisions.

Calendar Year 2008 Decisions. In calendar 2008, the Committee awarded long-term compensation for named executive officers pursuant to the Plan resulting in the awards of restricted stock identified in the *Summary Compensation Table* and the *Grants of Plan-Based Awards Table*. In determining the annual grants of long-term incentive awards, the Committee considered the factors described above.

Chief Executive Officer Long-Term Incentive Awards

In May 2008, the Committee acknowledged that Mr. Suleman had voluntarily waived his annual bonuses for calendar years 2006 and 2007 and that for calendar year 2007, he received no equity grant from the Company. Thus, the Committee granted Mr. Suleman the following equity awards in 2008:

(a) a time-based grant of 2,000,000 shares of restricted stock, which shall vest in one-third (1/3) installments annually on each of the first, second, and third anniversaries of the date of grant if (subject to the terms and conditions of the grant agreement) he is continuously employed by the Company through the applicable vesting date; and

(b) a performance-based grant of 2,000,000 shares of restricted stock, which shall vest in a single tranche, subject to the specific terms and conditions of the grant agreement, provided that the Committee certifies in writing that the performance objective has been achieved on or before seven (7) years after the date of grant and provided that Mr. Suleman (subject to the terms and conditions of the grant agreement described below) satisfies the continuous employment requirement. The performance objective shall be to increase the per share price for the Company s common stock, as established by the closing price on the NYSE, for at least five (5) consecutive trading days to at least $7.50 or more per share (the Per Share Target). The Committee shall equitably adjust the Per Share Target to reflect any stock dividend, stock split, reverse stock split, or extraordinary dividend or distribution that occurs after the date of grant and before the award vesting date.

Effective April 1, 2009, Mr. Suleman voluntarily cancelled both (i) the 2,000,000 shares of restricted stock with solely time-based vesting conditions and (ii) the 2,000,000 shares of restricted stock with both performance-based and time-based vesting conditions.

Previously, in March 2006, the Committee approved the modification of the vesting terms of the 1,250,000 shares of restricted stock previously granted to Mr. Suleman to subject them to performance goals and to extend the applicable vesting dates to January 1, 2007, October 1, 2007 and October 1, 2008. In November 2008, after review of the Company s performance, the Committee vested the 416,666 shares under Tranche C of the CEO s grant of 1,250,000 shares of restricted stock for the performance period of October 1, 2007 through September 30, 2008 based on the Company s revenue growth, as adjusted to reflect same station results and exclude certain items, as compared to the publicly reported revenue growth of its peer group in the radio broadcasting industry for the same twelve-month period. Tranches A and B had previously vested according to their terms.

Previously, in calendar 2006, the Committee approved the payment to Mr. Suleman of a gross-up for the tax differential between ordinary income and dividend income rates during the years ended December 31, 2006, 2007 and 2008, in respect of dividends and distributions, if any, Mr. Suleman receives in respect of any unvested portion of the 1,131,994 performance shares granted to Mr. Suleman as of March 16, 2006, which vested in two equal installments on March 16, 2007 and 2008, and the shares of the Company common stock underlying his undistributed restricted stock units (collectively, Undelivered Shares). At the Company s discretion, such payments can be paid in cash or additional shares of common stock of the Company. During 2008, the Company did not pay any dividends; therefore, no such payments were made to Mr. Suleman.

Other Performance-Based Restricted Stock Grants and Vesting of Prior Performance-Based Awards

In June 2008, the Committee made customary annual grants to some of the named executive officers, upon recommendation of the CEO. Specifically, the Committee approved a performance-based equity grant of 125,000 shares to Ms. Ellis that vests ratably over a three-year period, subject to continuous employment with the Company through the applicable vesting date and subject to the same performance criteria as previously utilized by the Committee for Ms. Ellis prior 2006 and 2007 performance grants for the twelve-month performance period commencing as of July 1, 2008.

In March 2006, the Committee granted performance awards, vesting in two-equal installments, to our CEO, COO and Senior Vice President -Finance and Administration related to the Company s attainment of revenue-related performance objectives during the applicable twelve-month period. Specifically, for the twelve-month restricted period, the revenue growth of the Company on a consolidated basis must equal or exceed revenue growth in the radio broadcasting industry for the same twelve-month period as reported by Miller, Kaplan, Arase & Co. LLP, Certified Public Accountants (or another comparable source), as adjusted by the Committee (Performance Goal) for comparable results in the event of any significant merger, acquisition or disposition (including the Merger and other transactions contemplated by the ABC Radio Merger Agreement). After the end of the twelve-month period, the Committee determined that the performance goals set for the twelve-month period under the performance-based awards granted to these named executive officers in 2008 had been met. As a result, in March 2008, the Committee certified the following: (a) 565,997 shares under Tranche B of the March 2006 grant to the CEO of a 1,131,994 performance share award; (b) 50,000 shares under Tranche B of the March 2006 grant to the COO of a 100,000 performance share award; and (c) 25,000 shares under Tranche B of the March 2006 grant to the SVP Finance & Administration of a 50,000 performance share award.

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In March 2007, the Committee approved a grant of 100,000 performance shares to our COO, subject to the satisfaction of performance goals, which relate to the Company s attainment of the same revenue-related performance objectives during the applicable twelve-month period as the goals described above related to the grants made in 2006. After the end of the twelve-month period, the Committee determined the performance goals for the twelve-month period under the performance-based awards were met for 2007; therefore, 33,334 shares under Tranche A of the March 2007 grant to the COO of a 100,000 performance share award vested in 2008. Additionally, 33,333 shares under Tranche B of the March 2007 grant to the COO were approved for vesting in March 2009. The Tranche C portion of the March 2007 performance share award shall continue to vest in 2010, subject to the satisfaction of the performance criteria outlined above and the COO s continuous employment with the Company through the applicable vesting date.

Time-Based Restricted Stock Grants

In June 2008, the Committee also approved grants of 35,000 shares of restricted stock to each of Ms. Stratford and Ms. Orr, and of 60,000 shares of restricted stock to Mr. Taylor, that vest ratably over a three-year period, subject to continuous employment with the Company through the applicable vesting date.

Stock Ownership. Although the Company has chosen to award shares of restricted stock, stock options and other forms of equity awards to its named executive officers and other employees, the Company does not have equity or other security ownership requirements. As persons with access to material non-public information regarding the Company, our named executive officers, like all of our employees and directors, are restricted in their ability to trade our securities in accordance with applicable law, our Company s securities trading policy and the guidelines contained in our Code of Business Conduct and Ethics, which is available at www.citadelbroadcasting.com under Investor Relations where you can click on the link to Corporate Governance.

Benefits and Perquisites

The Company provides named executive officers with perquisites and other benefits that the Company and the Committee believe are reasonable and consistent with the overall executive compensation program to better enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the level of perquisites and other personal benefits provided to named executive officers. With limited exceptions, named executive officers receive perquisites and benefits that are substantially the same as those offered to other officers of the Company. The Company may also make available to Mr. Suleman use of the corporate aircraft for business purposes. On occasion, the corporate aircraft may be used by Mr. Suleman for personal purposes. Historically, the cost of such personal use of the aircraft is either reimbursed by Mr. Suleman or included as compensation to him. For 2008, it has been included as compensation. Mr. Suleman and Ms. Ellis are provided with use of Company vehicles and/or parking for business use.

Named executive officers also participate in our other benefit plans on the same terms as other employees. These plans include medical, vision and dental insurance, life and disability insurance, and flexible spending accounts relating to health care and dependents. Named executive officers also participate in the Company s 401(k) retirement savings plan, which is discussed below under Severance, Retirement and Change in Control Benefits and on a case-by-case basis are reimbursed for work-related transportation costs. For additional information on the benefits and/or perquisites available to named executive officers, see the text following the *Summary Compensation Table* below.

Severance, Retirement and Change in Control Benefits

The Company believes that it is important in some instances to protect its named executive officers in the event of a change in control of the Company (a Change in Control) and provide them benefits under certain other circumstances if their employment with the Company is terminated. Further, it is the Company s belief that the interests of stockholders will be best served if the interests of our senior management are aligned with them, and providing change in control benefits increases the likelihood that senior management will pursue potential change in control transactions, if any, that may be in the best interests of our stockholders. In general, the Company has negotiated change in control benefits with our senior officers who have negotiated for such benefits as part of the terms of their employment. Two of the Company s current named executive officers, Mr. Taylor (Chief Financial Officer) and Ms. Orr (Vice President, General Counsel, and Secretary) have entered into employment agreements or arrangements with the Company that include severance and change in control provisions in the event of termination of such individual s employment with the Company under certain circumstances. Mr. Freedline, the Company s former CFO, also had an employment agreement that included severance and change in control provisions in the event of termination of such individual s employment with the Company; however, Mr. Freedline resigned his position with the Company effective January 31, 2008. The components of any change in control benefits have been negotiated on an individual and discretionary basis and are based on a myriad of considerations, including the nature and responsibility of the executive s position, the expertise of the executive and the executive s contributions and importance to us, the competitiveness of the market for the executive s services and, to the extent available, change in industry standards or practices for persons in comparable positions at comparable companies, as well as the recommendations of Mr. Suleman except in the case of his own benefits. The change in control agreements we currently have in place with named executive officers are described below in the narrative entitled, Summary of Employment Arrangements and Potential Payments Upon Termination or Change in Control.

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Summary Compensation Table

The table below summarizes the total compensation earned by each of the named executive officers for the fiscal years ended December 31, 2008, 2007 and 2006.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Farid Suleman,	2008	1,250,000		4,819,642(2)		N/A	N/A	12,248(3)	6,081,890(2)
CEO (principal	2007	1,250,000				N/A	N/A	9,965,925(4)	11,215,925
executive officer)	2006	1,250,000		12,817,470(5)		N/A	N/A	3,869,523(6)	17,936,993
Robert G. Freedline,	2008 2007	44,551				N/A	N/A	2,340(8)	46,891 2,626,990
Former chief financial officer (principal financial officer)(7)	2006	500,000	375,000	1,000,001(9)	280,595(10)	N/A	N/A	471,394(11)	1,941,792
		333,333	400,000	979,000(12)	193,414(13)	N/A	N/A	36,045(14)	
Judith A. Ellis,	2008	500,000	100,000	152.500(15)		N/A	N/A	2,340(8)	754,840
chief operating officer	2007	500,000	200,000	975,000(16)		N/A	N/A	389,755(17)	2,064,755
	2006	500,000	200,000	1,133,000(18)		N/A	N/A	56,208(19)	1,889,208
Jacquelyn J. Orr,	2008	315,625	56,250	42,700(21)		N/A	N/A	2,340(8)	416,915
vice president, general counsel and secretary(20)	2007	290,625	131,250	243,750(22)		N/A	N/A	107,218(23)	772,843
	2006	172,933	62,500	258,500(24)		N/A	N/A	9,036(25)	502,969
Patricia Stratford,	2008	193,750		42,700(21)		N/A	N/A	2,340(8)	238,790
principal financial officer through May 25, 2006	2007	175,000	100,000	243,750(22)		N/A	N/A	134,445(26)	653,195
and senior vice president finance and administration	2006	175,000	100,000	566,500(27)		N/A	N/A	29,208(28)	870,708
Randy L. Taylor,	2008 2007	306,667		73,200(30)		N/A	N/A	2,340(8)	382,207
chief financial officer(29)	2006	240,000	125,000	73,125(31)		N/A	N/A	45,640(32)	483,765
		64,615	18,000	104,000(33)		N/A	N/A	673(34)	187,288

(1) The amounts reported in these columns for each named executive officer reflect the compensation costs for financial reporting purposes for the year under FAS 123R, rather than amounts paid to or realized by the named executive officer, for outstanding equity awards granted in and prior to December 31, 2008. A discussion of the assumptions used in calculating these values may be found in Note 13 in the audited financial statements in Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

(2) Stock award compensation of $4,819,642 is comprised of $3,440,000 related to 2,000,000 shares of restricted stock with solely time-based vesting conditions and $1,379,642 related to 2,000,000 shares of restricted stock with both performance-based and time-based vesting conditions. Effective April 1, 2009, Mr. Suleman voluntarily cancelled both (i) the 2,000,000 shares of restricted stock with time-based vesting conditions and (ii) the 2,000,000

shares of restricted stock with performance-based and time-based vesting conditions. Therefore, the equity compensation of $4,819,642 reflected above under stock award will not be received by Mr. Suleman. Thus, excluding these equity grants, the actual compensation received by Mr. Suleman for 2008 was $1,262,248.

(3) Included in other compensation is $9,908 representing the value of personal benefit of use of the corporate aircraft, $2,250 for matching contributions to Citadel Broadcasting Company 401(k) Retirement Savings Plan and $90 premium for term life insurance.

(4) Included in other compensation is $7,848,782 of dividends received on restricted stock, $2,110,548 as payment of a gross-up for the tax differential relating to the dividends received on certain equity awards, $4,305 representing the value of personal benefit of use of the corporate aircraft, $2,200 for matching contributions to Citadel Broadcasting Company 401(k) Retirement Savings Plan and $90 premium for term life insurance.

(5) Stock award compensation of $12,817,470 consisted of (i) $229,616 incremental value related to the cancellation of Mr. Suleman s 4,150,000 fully vested options and the replacement of them with 2,868,006 fully vested restricted stock units, (ii) the cancellation of 400,000 options and (iii) a grant of 1,131,994 performance shares with an incremental value of $12,587,854. On March 16, 2006, the Committee approved the cancellation of the fully vested options to purchase 4,150,000 shares of common stock of the Company at an exercise price of $3.50 per share granted to Mr. Suleman under the Stock Option Agreement, dated April 23, 2002, as amended on June 4, 2002, and replacement of the options with 2,868,006 fully vested restricted stock units with deferred distribution dates. In addition, the Committee approved the cancellation of Mr. Suleman s option to purchase 400,000 shares of common stock of the Company at an exercise price of $16.94 granted to him under the Long-Term Incentive Plan on March 26, 2004 and approved the grant of 1,131,994 performance shares that would vest over a two-year period subject to certain performance objectives.

(6) Included in other compensation is $3,060,000 of dividends received on restricted stock, $807,315 of tax reimbursement relating to the dividends received on restricted stock, $2,100 for matching contributions to the Citadel Broadcasting Company 401(k) Retirement Savings Plan and $108 premium for term life insurance.
(7) Mr. Freedline became an executive officer effective May 26, 2006. He resigned effective January 31, 2008.
(8) Included in other compensation is $2,250 for matching contributions to Citadel Broadcasting Company 401(k) Retirement Savings Plan and $90 premium for term life insurance.
(9) Stock award compensation is related to 117,371 shares of restricted stock granted on May 26, 2007 at a closing stock price of $8.52.
(10) See Note 14 (Stock-Based Compensation) to the Company s consolidated financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2007 for the assumptions made in determining the values in accordance with SFAS No 123R.
(11) Included in other compensation is $471,304 of dividends received on restricted stock and $90 premium for term life insurance.
(12) Stock award compensation is related to 100,000 shares of restricted stock granted on May 26, 2006 at a closing stock price of $9.79.
(13) See Note 14 (Stock-Based Compensation) to the Company s consolidated financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2007 for the assumptions made in determining the values in accordance with SFAS No 123R.
(14) Included in other compensation is $36,000 of dividends received on restricted stock and $45 premium for term life insurance.
(15) Stock award compensation is related to 125,000 shares of restricted stock granted on June 27, 2008 at a closing stock price of $1.22 that will vest subject to certain performance objectives.
(16) Stock award compensation is related to 100,000 shares of restricted stock granted on March 22, 2007 at a closing stock price of $9.75.
(17) Included in other compensation is $387,465 of dividends received on restricted stock, $2,200 for matching contributions to Citadel Broadcasting Company 401(k) Retirement Savings Plan and $90 premium for term life insurance.
(18) Stock award compensation is related to 100,000 shares of restricted stock granted on March 16, 2006 at a closing stock price of $11.33.
(19) Included in other compensation is $54,000 of dividends received on restricted stock, $2,100 for matching contributions to the Citadel Broadcasting Company 401(k) Retirement Savings Plan and $108 premium for term life insurance.
(20) Ms. Orr became an executive officer effective May 15, 2006. The bonus amount reflected in 2006 for Ms. Orr is the prorated portion of the $150,000 bonus awarded for the performance period of May 15, 2007 through May 14, 2008.
(21) Stock award compensation is related to 35,000 shares of restricted stock granted on June 27, 2008 at a closing price of $1.22.
(22) Stock award compensation is related to 25,000 shares of restricted stock granted on March 22, 2007 at a closing stock price of $9.75.
(23) Included in other compensation is $107,128 of dividends received on restricted stock and $90 premium for term life insurance.
(24) Stock award compensation is related to 25,000 shares of restricted stock granted on May 15, 2006 at a closing stock price of $10.34.
(25) Included in other compensation is $9,000 of dividends received on restricted stock and $36 premium for term life insurance.
(26) Included in other compensation is $132,155 of dividends received on restricted stock, $2,200 for matching contributions to Citadel Broadcasting Company 401(k) Retirement Savings Plan and $90 premium for term life insurance.
(27) Stock award compensation is related to 50,000 shares of restricted stock granted on March 16, 2006 at a closing stock price of $11.33.
(28) Included in other compensation is $27,000 of dividends received on restricted stock, $2,100 for matching contributions to the Citadel Broadcasting Company 401(k) Retirement Savings Plan and $108 premium for term life insurance.
(29) Mr. Taylor became an executive officer effective November 6, 2006. He was appointed Chief Financial Officer of the Company effective February 29, 2008.
(30) Stock award compensation is related to 60,000 shares of restricted stock granted on June 27, 2008 at a closing price of $1.22.
(31) Stock award compensation is related to 7,500 shares of restricted stock granted on March 22, 2007 at a closing stock price of $9.75.
(32) Included in other compensation is $44,904 of dividends received on restricted stock, $646 for matching contributions to Citadel Broadcasting Company 401(k) Retirement Savings Plan and $90 premium for term life insurance.
(33) Stock award compensation is related to 10,000 shares of restricted stock granted on November 6, 2006 at a closing stock price of $10.40.
(34) Included in other compensation is $646 for matching contributions to the Citadel Broadcasting Company 401(k) Retirement Savings Plan and $27 premium for term life insurance.

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Grants of Plan-Based Awards Table

The table below summarizes the total of each grant of an award made to a named executive officer in the fiscal year ended December 31, 2008.

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)
	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)			
Farid Suleman				Up to 2,000,000							
	6/4/2008	6/4/2008					2,000,000(3)				
	6/4/2008	6/4/2008							2,000,000(5)(6)		
Judith A. Ellis				200,000							
	6/27/2008	5/19/2008					125,000(4)				
Jacquelyn J. Orr				150,000							
	6/27/2008	5/19/2008							35,000(5)		
Patricia Stratford				100,000							
	6/27/2008	5/19/2008							35,000(5)		
Randy L. Taylor				125,000							
	6/27/2008	5/19/2008							60,000(5)		
Robert G. Freedline (7)											

(1) Reflects the possible payout amounts of non-equity incentive plan awards that could have been earned in 2008. See the *Summary Compensation Table* for the amounts actually earned in 2007 and paid out in 2008.
(2) Expressed in number of shares of restricted stock under the Long-Term Incentive Plan. Vesting of shares is subject to the Company s satisfaction of certain performance objectives and continuous employment with the Company through the vesting dates.
(3) Performance-based restricted stock containing a market condition granted under the Long-Term Incentive Plan during 2008. Shares vest in one installment upon the Company s common stock trading at a minimum price of at least $7.50 per share (the Per Share Target), as established by the closing price on the NYSE, for at least five consecutive trading days. The Per Share Target must be achieved on or before seven years after the date of grant, and the chief executive officer must remain continuously employed by the Company until such time as the Per Share Target is achieved in order for 100% of the award to vest. In the event that the Per Share Target or the continuous employment requirement is not met, 100% of this award will be forfeited. Effective April 1, 2009, Mr. Suleman voluntarily cancelled this equity grant.
(4) Performance-based restricted stock granted under the Long-Term Incentive Plan during 2008. Shares vest in one-third installments at each anniversary of the date of grant for three years.
(5) Restricted stock granted under the Long-Term Incentive Plan during 2008. Shares vest in one-third installments at each anniversary of the date of grant for three years.
(6) Effective April 1, 2009, Mr. Suleman voluntarily cancelled this equity grant.
(7) Mr. Freedline resigned from the Company effective January 31, 2008.

Certain of the equity incentive plan awards and other stock awards described in the above table are eligible for dividends; however, there were no dividends paid by the Company during the year ended December 31, 2008.

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Summary of Employment Arrangements and Potential Payments Upon Termination or Change in Control

Messrs. Suleman and Taylor and Ms. Orr are, and Mr. Freedline, prior to his resignation effective January 31, 2008, was each party to an employment agreement with the Company that provides for minimum amounts of compensation and, in some instances, for payments and benefits upon certain terminations of employment and/or a Change in Control. In addition, certain of our executive officers have received grants of restricted stock, performance shares and stock options that vest in full in the event of the executive officer s termination due to death or disability, by the Company without cause (as defined in the relevant agreement) or termination for good reason (as defined in the relevant agreement).

Mr. Suleman s Employment Arrangements

Farid Suleman is party to an employment letter originally, dated February 15, 2002, which was subsequently modified by the Committee effective as of September 20, 2005. Pursuant to this employment letter, Mr. Suleman s annual salary is $1.25 million per year and is subject to annual review and adjustment by the Committee. In addition, Mr. Suleman is eligible to receive an annual bonus of up to $2 million, payable pursuant to the Company s 2008 Senior Executive Annual Bonus Plan. The employment letter does not provide Mr. Suleman with any entitlement to benefits upon his termination of employment or due to a Change in Control. Mr. Suleman s employment is at will. In January 2009, the Compensation Committee approved a 10% reduction in base salary for Mr. Suleman.

In addition, the terms of outstanding awards of performance shares held by Mr. Suleman provide for the accelerated vesting of these awards if Mr. Suleman s employment were to be terminated due to his death or disability, by the Company without cause (as defined in the equity grant agreements) or by Mr. Suleman with good reason (as defined in the equity grant agreement). Based on the value of our stock on December 31, 2008, the value of Mr. Suleman s unvested performance shares and restricted stock was $640,000.

Mr. Freedline s Employment Arrangements

Mr. Freedline, who resigned from his position as the Company s Chief Financial Officer effective January 31, 2008, was a party to an employment agreement with the Company, dated May 26, 2006. No severance benefits (other than accrued salary, benefits, vacation, and other obligations) were payable in the event of Mr. Freedline s termination of his employment without good reason, as that term was defined in Mr. Freedline s employment agreement. As such, upon his resignation, Mr. Freedline was entitled only to the accrued obligations as defined in his employment agreement.

Mr. Taylor s Employment Arrangements

The material terms of Mr. Taylor s employment are set forth in a letter agreement, dated August 29, 2006, between him and the Company and a confirmatory memorandum, dated November 6, 2006. Commencing with the start of employment, Mr. Taylor was to be paid a base salary at an annual rate of $240,000. He was also eligible to receive an annual cash bonus of up to 30% of his annual salary, the payment of which shall be based upon (i) his individual performance as evaluated by the Company s Chief Executive Officer and Chief Financial Officer and (ii) the Company s overall performance. The payment of such bonus, if any, was not guaranteed.

On February 27, 2008, the Committee approved a salary increase for Mr. Taylor, consistent with his appointment to the positions of Chief Financial Officer and principal financial officer, effective February 29, 2008. Under the terms of this salary arrangement, Mr. Taylor s annual salary will be $320,000 during the first year of such employment, $360,000 during the second year of such employment and $400,000 during the third year of such employment. Mr. Taylor will continue to be eligible for an annual discretionary bonus. The payment of such bonus, if any, is not guaranteed. Mr. Taylor also is eligible to participate in the packages for health insurance, dental, vision, disability, a matching 401K program and other welfare benefits offered by the Company to other employees. In January 2009, the Compensation Committee approved a 5% reduction in base salary for Mr. Taylor.

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Mr. Taylor s employment is at will. In the event that his employment is terminated without cause, in exchange for a release in a form acceptable to the Company, he shall receive twelve weeks of his then annual base salary.

The value of these benefits assuming Mr. Taylor s termination without cause on December 31, 2008 was approximately $74,000. In addition, upon Mr. Taylor s termination due to his death or disability, by the Company without cause (as defined in the equity grant agreements) or by Mr. Taylor with good reason (as defined in the equity grant agreements), all unvested equity awards would have become vested. Based on the value of our stock on December 31, 2008, the value of Mr. Taylor s unvested shares of restricted stock was $10,933.

Ms. Orr s Employment Arrangements

The term of Ms. Orr s employment commenced on May 15, 2006. Pursuant to the terms of a term sheet agreed upon at that time, during her employment as Vice President, General Counsel and Secretary of the Company, Ms. Orr received an annual base salary in the amount of $300,000 during her second year of employment (from May 15, 2007 to May 15, 2008). Ms. Orr was also eligible to receive an annual bonus for each year completed during the term of her employment, which will be subject to review by the Committee of Ms. Orr s performance. Ms. Orr s target incentive bonus opportunity during her second year of employment (from May 15, 2007 to May 14, 2008) was a minimum of $75,000 and $100,000. In the event Ms. Orr s employment had been terminated for any reason other than for cause, within one year of the closing of the Merger transaction contemplated by the ABC Radio Merger Agreement (which occurred on June 12, 2007), then (i) Ms. Orr would have received a severance payment in the amount of one year of Ms. Orr s then current base salary and (ii) all outstanding shares of restricted stock held by Ms. Orr would have immediately vested.

On August 11, 2008, the Company entered into a new compensation agreement with Ms. Orr with respect to her employment as Vice President, General Counsel and Secretary of the Company. Ms. Orr shall receive an annual base salary in the amount of $325,000 from May 16, 2008 to May 15, 2009 and an annual base salary in the amount of $350,000 from May 16, 2009 to May 15, 2010. Ms. Orr will also be eligible to receive an annual bonus for each year completed during the term of her employment, which will be subject to review by the Compensation Committee of Citadel s Board of Directors of Ms. Orr s performance. Ms. Orr s target incentive bonus opportunity will be $150,000 in each of the two years. If Ms. Orr should (i) resign for good reason (defined as in each case without the agreement of Ms. Orr (1) any material diminution of authority, duties or responsibilities, or removal from such position, excluding for this purpose (x) termination of her employment for cause or temporarily as a result of her illness, disability, incompetency or other absence or (y) an isolated, insubstantial and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by Ms. Orr; or (2) any material diminution of her annual base salary or annual bonus opportunity; or (3) relocation of the Company s New York executive offices to a location outside Manhattan) or (ii) be terminated by Citadel for any reason other than cause, then she shall receive one year of her then current salary, a pro-rated portion of her target incentive bonus for that year, and all outstanding shares of restricted stock shall immediately vest. In January 2009, the Compensation Committee approved a 5% reduction in base salary for Ms. Orr.

The value of these benefits assuming Ms. Orr s termination without cause on December 31, 2008 was approximately $428,000. In addition, upon Ms. Orr s termination due to her death or disability, by the Company without cause or by Ms. Orr with good reason, all unvested equity awards would have become vested. Based on the value of our stock on December 31, 2008, the value of Ms. Orr s unvested shares of restricted stock was $9,600, which is included in the $428,000 above.

Ms. Ellis Equity Awards

With the exception of outstanding equity awards, Ms. Ellis is not a party to any agreements that provide benefits upon a Change in Control. Upon Ms. Ellis termination due to her death or disability, by the Company

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without cause and/or by Ms. Ellis with good reason (as defined in the equity grant agreements), her unvested shares of restricted stock would have become vested. Based on the value of our stock on December 31, 2008, the value of Ms. Ellis unvested performance shares was $30,667.

Ms. Stratford s Equity Awards

With the exception of outstanding equity awards, Ms. Stratford is not a party to any agreements that provide benefits upon a Change in Control. Upon Ms. Stratford s termination due to her death or disability, by the Company without cause (as deined in the equity grant agreements) or by Ms. Stratford with good reason (as defined in the equity grant agreements), her unvested shares of restricted stock would have become vested. Based on the value of our stock on December 31, 2008, the value of Ms. Stratford s unvested performance shares and unvested shares of restricted stock was $8,267.

Outstanding Equity Awards at Fiscal Year End Table

The table below summarizes the awards under the Company s equity incentive plans for each named executive officer outstanding as of the end of the fiscal year ended December 31, 2008.

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Farid Suleman	337,500(1)	112,500(1)		13.64	2/24/2015				
						2,000,000(5)	320,000		
								2,000,000(8)	320,000
Judith A. Ellis	100,000(2)	(2)		16.00	2/15/2013				
	125,000(3)	(3)		19.20	2/3/2014				
	93,750(1)	31,250(1)		13.64	2/24/2015				
								66,666(9)	10,667
								125,000(10)	20,000
Jacquelyn J. Orr						8,333(6)	1,333		
						16,666(11)	2,667		
						35,000(12)	5,600		
Patricia Stratford	10,000(4)	(4)		16.00	5/23/2013				
	10,000(3)	(3)		19.20	2/3/2014				
	11,250(1)	3,750(1)		13.64	2/24/2015				
						16,666(11)	2,667		
						35,000(12)	5,600		

Randy L. Taylor	3,333(7)	533
	5,000(11)	800
	60,000(12)	9,600
Robert G. Freedline(13)		

(1) Stock options vest in four equal portions annually on February 24, 2006, 2007, 2008 and 2009.
(2) Stock options vest in four equal portions annually on February 15, 2004, 2005, 2006 and 2007.
(3) Stock options vest in four equal portions annually on February 3, 2005, 2006, 2007 and 2008.
(4) Stock options vest in four equal portions annually on May 23, 2004, 2005, 2006 and 2007.
(5) Shares vest in three equal portions annually on June 4, 2009, 2010 and 2011. Effective April 1, 2009, Mr. Suleman voluntarily cancelled this equity grant.

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(6) Shares vest on May 15, 2009.
(7) Shares vest on November 6, 2009.
(8) Shares vest in one installment upon the Company s common stock trading at a minimum price of at least $7.50 per share (the Per Share Target), as established by the closing price on the NYSE, for at least five consecutive trading days. The Per Share Target must be achieved on or before seven years after the date of grant, and the chief executive officer must remain continuously employed by the Company until such time as the Per Share Target is achieved in order for 100% of the Market Award to vest. In the event that the Per Share Target or the continuous employment requirement is not met, 100% of the award will be forfeited. Effective April 1, 2009, Mr. Suleman voluntarily cancelled this equity grant.
(9) Shares vest in two equal portions annually in March 2009 and 2010 and are subject to the Company s satisfaction of certain performance objectives and continuous employment with the Company through the vesting dates.
(10) Shares vest in three equal portions annually on June 27, 2009, 2010, and 2011 and are subject to the Company s satisfaction of certain performance objectives and continuous employment with the Company through the vesting dates.
(11) Shares vest in two equal portions annually on March 22, 2009 and 2010.
(12) Shares vest in three equal portions annually on June 27, 2009, 2010 and 2011.
(13) Mr. Freedline resigned from the Company effective January 31, 2008.

Option Exercises and Stock Vested Table

The table below summarizes vesting of shares of nonvested stock during the year ended December 31, 2008. There were no exercises of stock options during the year ended December 31, 2008.

		Option Awards		Stock Awards	
	Vesting Date	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Farid Suleman(1)	3/16/2008	N/A	N/A	565,997	815,036
	11/4/2008	N/A	N/A	416,666	104,167
Judith A. Ellis	3/16/2008	N/A	N/A	50,000	72,000
	3/22/2008	N/A	N/A	33,334	51,001
Jacquelyn J. Orr	3/22/2008	N/A	N/A	8,334	12,751
	5/15/2008	N/A	N/A	8,333	15,333
Patricia Stratford	3/16/2008	N/A	N/A	25,000	36,000
	3/22/2008	N/A	N/A	8,334	12,751
Randy L. Taylor	3/22/2008	N/A	N/A	2,500	3,825
	11/6/2008	N/A	N/A	3,333	867
Robert G. Freedline(2)					

(1) 2,868,006 fully vested restricted stock units were issued outside of the Long-Term Incentive Plan. The restricted stock units were fully vested upon the grant date of March 16, 2006 and 1,434,003 restricted stock units were distributed on March 16, 2008 with a realized value of $2,064,964.
(2) Mr. Freedline resigned from the Company effective January 31, 2008.

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Director Compensation Table

The table below provides information concerning the compensation of the Company s directors for the fiscal year ended December 31, 2008. The table below does not include information with respect to the Company s chairman of the Board and CEO, Mr. Suleman, as he is also a named executive officer of the Company. Mr. Suleman is not compensated for his service as a director of the Company.

Name	Fees Paid ($)(3)	Stock Awards ($)(4)	Option Awards ($)(5)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
J. Anthony Forstmann	50,000						50,000
Theodore J. Fortsmann							
Michael A. Miles	80,833						80,833
Michael J. Regan	67,500						67,500
Thomas V. Reifenheiser	57,500	17,200(2)					74,700
Charles P. Rose(1)	50,000						50,000
Herbert J. Siegel	65,000						65,000
Wayne T. Smith	72,500						72,500

(1) Mr. Charles Rose resigned from the Board of Directors effective on November 4, 2008.
(2) Stock award compensation is based on 10,000 unvested shares granted on June 4, 2008 at a closing stock price of $1.72 that vest in three equal portions annually, on June 4, 2009, 2010 and 2011.
(3) Effective May 24, 2006, in consideration for his services as a member of the Company s Board of Directors, each Director receives an annual fee of $50,000, $2,500 for each committee meeting he attends, and $5,000 annually if he serves as a committee chairperson. The Company does not compensate committee members for every meeting attended; rather, compensation is paid to committee members based upon attendance at certain predetermined meetings.
(4) The aggregate number of unvested stock awards held by each director as of December 31, 2008 is as follows:

J. Anthony Forstmann	3,333
Michael A. Miles	3,333
Michael J. Regan	6,666
Thomas V. Reifenheiser	10,000
Charles P. Rose	
Herbert J. Siegel	3,333
Wayne T. Smith	3,333

(5) The aggregate number of stock option awards held by each director as of December 31, 2008 is as follows:

J. Anthony Forstmann	50,000
Michael A. Miles	60,000
Michael J. Regan	
Thomas V. Reifenheiser	
Charles P. Rose	50,000*
Herbert J. Siegel	50,000
Wayne T. Smith	

(*Note: Mr. Rose resigned from the Board of Directors of the Company as of November 4, 2008; therefore, the expiration date of his vested stock options occurred on January 3, 2009.)

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Securities Authorized for Issuance Under Equity Compensation Plans

Equity Compensation Plan Information

The following tables set forth, as of December 31, 2008, the number of shares of common stock that are issuable upon the exercise of stock options outstanding and upon vesting of nonvested shares of common stock or common stock units of the Company under the Plan and the Walt Disney Company Rollover Equity Agreements (the ABC Rollover Plan).

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Option, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights
Equity Compensation Plans Approved by Stockholders		
2002 Long-Term Incentive Plan	3,534,200	$ 4.96
ABC Rollover Plan	7,918,105	$ 3.71
Equity Compensation Plans Not Approved by Stockholders		
None		
Total	11,452,305	

Plan Category	Number of Shares to be Issued Upon Vesting of Nonvested Shares or Nonvested Share Units	Weighted Average Grant Date Fair Value
Equity Compensation Plans Approved by Stockholders		
2002 Long-Term Incentive Plan	6,620,430	$ 2.07
ABC Rollover Plan	1,769,524	$ 5.90
Equity Compensation Plans Not Approved by Stockholders		
None		
Total	8,389,954	

As of December 31, 2008, the total number of shares of common stock that remain authorized, reserved, and available for issuance under the 2002 Long-Term Incentive Plan and the ABC Rollover Plan was 5.6 million and 4.4 million, respectively, not including shares underlying outstanding grants.

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OTHER MATTERS

The expenses of printing and mailing the E-Proxy Notices and any other proxy materials, including expenses involved in forwarding materials to beneficial owners of stock, will be paid by the Company. No solicitation other than by mail or pursuant to Rule 14a-6 of SEC Regulation 14A is contemplated. The Company will reimburse brokers, banks, institutions and others holding common stock of the Company as nominees for their expenses in sending proxy solicitation material to the beneficial owners of such common stock of the Company and obtaining their proxies.

Eligible beneficial stockholders who share a single address may have received a notification that only one copy of the E-Proxy Notice and other proxy materials, as requested, will be sent to that address unless the broker, bank, institutions or other nominee that provided the notification received contrary instructions from any beneficial stockholder at that address. This practice, known as householding, is designed to reduce printing and mailing costs. However, if a beneficial stockholder at such an address wishes to receive a separate copy of the E-Proxy Notice and other proxy materials this year or in the future, the stockholder may call (800) 542-1061 to opt-out of the householding program. Eligible registered stockholders receiving multiple copies of these documents can request householding by contacting BNY Mellon Shareowner Services at (877) 277-9935. Persons holding shares through a bank, broker, institutions or other nominee can request householding by contacting the nominee.

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PROPOSAL 1 ELECTION OF CLASS III DIRECTORS

The Board of Directors recommends that you vote FOR the election of the nominees to serve as Class III directors on the Company s Board of Directors.

Board of Directors

The Company s Board of Directors is currently composed of eight directors. The Company s Board of Directors was previously composed of nine directors; however, the number of Class I director seats was reduced by the Board of Directors from three directors down to two directors as of February 24, 2009. Thus, of the eight total directors, which constitutes the entire Board, there are two Class I directors, three Class II directors, and three Class III directors. At each annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting will be elected for a three-year term and until their respective successors are elected and qualified. A director may only be removed with cause by the affirmative vote of the holders of a majority of the outstanding shares of capital stock entitled to vote in the election of directors, voting together as a single class.

Nominees

Upon the recommendation of the Company s nominating/corporate governance committee and the Board of Directors, the following three directors listed in the table below are nominated for election to serve as Class III directors for a term of three years expiring at the annual meeting of stockholders in 2012 or when their respective successors are elected and qualified. If any of the nominees are unable to serve or refuse to serve as directors, an event which the Board does not anticipate, the proxies will be voted in favor of such other person(s), if any, as the Board of Directors may designate. A plurality of the votes cast at the Annual Meeting will elect each Class III director. Stockholders may not grant a proxy for a greater number of persons than three, which is the number of nominees identified herein.

Name	Age	Position
Theodore J. Forstmann	69	Director (Class III)
Michael A. Miles	69	Director (Class III)
Farid Suleman	57	Director (Class III)

Theodore J. Forstmann has been a Director since 2001. Mr. Forstmann has been a general partner of FLC XXXII Partnership, L.P. and FLC XXXIII Partnership, L.P. since the partnerships inceptions, and he co-founded Forstmann Little & Co. in 1978. Mr. Forstmann is a director of IMG Worldwide Holdings, Inc., 24 Hour Fitness Worldwide, Inc. and ENK Holdings LLC. He is the brother of J. Anthony Forstmann.

Michael A. Miles has been a Director since 2001. Mr. Miles served as Chairman and Chief Executive Officer of Philip Morris Companies, Inc. from 1991 to 1994. He is also a director of AMR Corporation, Dell Inc. and Time Warner Inc. He is also a special limited partner of Forstmann Little & Co. and serves on the Forstmann Little advisory board.

Farid Suleman is the Company s Chairman of the Board and Chief Executive Officer. Mr. Suleman joined the Company in March 2002. Prior to joining the Company, from February 2001 to February 2002, Mr. Suleman was President and Chief Executive Officer of Infinity Broadcasting

Corp., one of the largest radio and outdoor advertising companies in the United States. He was Executive Vice President, Chief Financial Officer, Treasurer and a director of Infinity Broadcasting from September 1998 to February 2001 when Infinity Broadcasting was acquired by Viacom Inc. Mr. Suleman was a director of Westwood One, Inc. until February 22, 2006. Mr. Suleman was special limited partner of Forstmann Little & Co. from March 2002 until June 2007.

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Incumbent Directors

The remaining incumbent directors, whose terms of office are not expiring, are as follows:

Name	Age	Position
J. Anthony Forstmann	70	Director (Class I)
Michael J. Regan	66	Director (Class II)
Thomas V. Reifenheiser	73	Director (Class II)
Herbert J. Siegel	80	Director (Class II)
Wayne T. Smith	63	Director (Class I)

The current terms of the Class I and Class II directors expire on the dates of the 2010 and 2011 annual meetings of stockholders, respectively, or when their respective successors are elected and qualified. As of February 24, 2009, the number of Class I director seats was reduced by the Board of Directors from three directors down to two directors; therefore, the total number of directors on the Company s Board of Directors is eight.

J. Anthony Forstmann has been a Director since 2001. Mr. Forstmann has been a Managing Director of J.A. Forstmann & Co., a merchant banking firm, since October 1987. In 1968, he co-founded Forstmann-Leff Associates, an institutional money management firm with $6 billion in assets. He is a special limited partner of Forstmann Little & Co. He is the brother of Theodore J. Forstmann.

Michael J. Regan has been a Director of the Company since 2007. Mr. Regan is a former Vice Chairman and Chief Administrative Officer of KPMG LLP and was the lead audit partner for many Fortune 500 companies during his 40 year tenure with KPMG. Mr. Regan is a director of Scientific Games Corporation and serves on its audit committee. He also is a member of the Board of Trustees of Manhattan College.

Thomas V. Reifenheiser has been a Director since 2007. Mr. Reifenheiser served as Managing Director and Group Executive for the Global Media and Telecom Group of Chase Securities Inc. (Chase) from 1977 until 2000. He joined Chase in 1963 and was the Global Media and Telecom Group Executive since 1977. Mr. Reifenheiser is a member of the board of directors and also serves as a member of the audit committee of Lamar Advertising Company, Mediacom Communications Corporation and Cablevision Systems Corporation.

Herbert J. Siegel has been a Director since 2003. Mr. Siegel was Chairman of the Board and President of Chris-Craft Industries, Inc. and Chairman of the Board of BHC Communications, Inc. until July 2001, when the two companies were acquired by The News Corporation Limited. Mr. Siegel was a senior advisor to The News Corporation Limited. He is currently a consultant to News America, Inc. Mr. Siegel is also a director of IMG Worldwide Holdings Inc.

Wayne T. Smith has been a Director since 2006. Mr. Smith is Chairman of the Board, President and Chief Executive Officer of Community Health Systems, Inc. (CHS), which owns and operates 118 full-service, acute care hospitals in 29 states. Prior to joining CHS, Mr. Smith was with Humana Inc. for 23 years. He served as President and Chief Operating Officer of Humana Inc. and was also a member of their board of directors. Prior to his tenure as President and Chief Operating Officer, Mr. Smith held a wide variety of senior management positions with Humana Inc. Mr. Smith serves on the Boards of Praxair, Inc.; the Nashville Health Care Council; and the Federation of America s Hospitals, for which he was also the 2003 Chairman. Mr. Smith is a former director of the American Association of Health Plans and the Health Insurance Association of America. He also serves as advisor to numerous other healthcare related entities. Mr. Smith also serves on the Board of 24 Hour

Fitness Worldwide, Inc. and is a limited partner of certain affiliated partnerships of Forstmann Little & Co.

PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The audit committee has appointed the firm of Deloitte & Touche LLP, independent registered public accountants, as the Company s independent registered public accountants for the year ending December 31, 2009.

The Board of Directors recommends that stockholders vote FOR the ratification of the appointment of Deloitte & Touche LLP as independent registered public accountants in this Proposal 2.

Representation of Independent Registered Accountants at Annual Meeting

A representative of Deloitte & Touche LLP will be present at the Annual Meeting, will be offered the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

Audit Fees

Deloitte & Touche LLP was engaged as the Company s independent registered public accountants for the year ended December 31, 2008. The aggregate fees and out-of-pocket expenses billed by Deloitte & Touche LLP for professional services rendered for the audit of the Company s annual consolidated financial statements and the audit of management s report on internal controls for the fiscal years ended December 31, 2008 and 2007 and for the reviews of the financial statements included in the Company s quarterly reports on Form 10-Q for each year ended December 31, 2008 and 2007 were approximately $1,881,000 and $1,550,000, respectively.

Audit-Related Fees

Audit-related fees billed by Deloitte & Touche LLP for the year ended December 31, 2008 were approximately $119,000, which includes the aggregate fees and out-of-pocket expenses billed for professional services rendered for the audit of the Company s 401(k) plan for the year ended December 31, 2008 and fees associated with the modification of the Company s convertible subordinated notes. For the year ended December 31, 2007, Deloitte & Touche LLP billed the Company for fees and out-of pocket expenses for professional services rendered for the audit of the Company s 401(k) plan for the year ended December 31, 2007, as well as the implementation of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109*, which was effective for the Company January 1, 2007, in the amount of approximately $63,000.

Tax Fees

The aggregate fees and out-of-pocket expenses billed by Deloitte & Touche LLP for professional services rendered in connection with tax compliance, tax advice, and tax planning for the years ended December 31, 2008 and 2007 were approximately $29,000 and $127,000, respectively.

All Other Fees

The aggregate fees and out-of-pocket expenses billed by Deloitte & Touche LLP for professional services rendered in conjunction with the ABC Radio Merger Agreement for the year ended December 31, 2007 were approximately $357,000. There were no such fees or out-of-pocket expenses for the year ended December 31, 2008.

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Pre-Approval Policies and Procedures

The audit committee has adopted policies and procedures requiring audit committee review and approval in advance of all particular engagements for services provided by the Company s independent registered public accountants. Prior to rendering any audit and non-audit professional services, Deloitte & Touche LLP discusses such services with the audit committee, and the committee pre-approves the scope of such services and the related estimated fees. The scope of all audit and non-audit services rendered by Deloitte & Touche LLP during the year ended December 31, 2008 was pre-approved by the audit committee.

During the approval process, the audit committee considers the impact of the scope of services and the related fees on the independence of the auditor. The services and fees must be deemed compatible with the maintenance of the auditor s independence, including compliance with the SEC rules and regulations.

SUBMISSION OF STOCKHOLDER PROPOSALS

It is anticipated that the 2010 annual meeting of stockholders of the Company will be held in May 2010. Any stockholders who intend to present proposals at the 2010 annual meeting of stockholders, and who wish to have such proposals included in the Company s Proxy Statement for the 2010 annual meeting, must ensure that such proposals are received by the Secretary of the Company not later than December 8, 2009. Such proposals must meet the requirements set forth in the rules and regulations of the SEC in order to be eligible for inclusion in the Company s 2010 proxy solicitation material. Any proposals should be sent to the Secretary, Citadel Broadcasting Corporation, 7201 West Lake Mead Boulevard, Suite 400, Las Vegas, Nevada 89128.

In addition, the Company s by-laws provide that stockholders seeking to bring business before an annual meeting of stockholders or to nominate candidates for election as directors at an annual meeting of stockholders, must provide timely notice thereof in writing to the Secretary of the Company. To be timely, a stockholder s notice generally must be delivered to or mailed and received at the principal executive office of the Company, not less than 45 days nor more than 75 days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the preceding year s annual meeting of the stockholders. However, if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year s annual meeting, to be timely, notice must be delivered not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which the public announcement of the date of such meeting is first made. To be in proper written form, the notice must contain certain information concerning the nominee and the stockholder submitting the nomination. These provisions may preclude stockholders from bringing matters before an annual meeting of the stockholders or from making nominations for directors at an annual meeting of stockholders.

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VOTING INSTRUCTIONS

VOTE BY INTERNET

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. eastern time on May 19, 2009. Follow the instructions described on the Notice of Internet Availability of Proxy Materials, which was mailed on or about April 7, 2009.

ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by Citadel Broadcasting Corporation in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via email or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

VOTE BY PHONE 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. eastern time on May 19, 2009. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided. **If you vote by Internet or phone, you do not need to return this card.**

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CITADEL BROADCASTING CORPORATION

7201 W. LAKE MEAD BLVD.

SUITE 400

LAS VEGAS, NV 89128

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on May 19, 2009. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE STOCKHOLDER COMMUNICATIONS

If you would like to reduce the costs incurred by Citadel Broadcasting Corporation in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access stockholder communications electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 19, 2009. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Citadel Broadcasting Corporation, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: M12947 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

CITADEL BROADCASTING CORPORATION	**For All**	**Withhold All**	**For All Except**	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
The Board of Directors recommends that you vote For the following. 1. Election of Directors	..	..	..	____________________ ____________________

Class III Nominees:

01) Michael A. Miles

02) Theodore J. Forstmann
03) Farid Suleman

	For	Against	Abstain
The Board of Directors recommends you vote FOR the following proposal.	¨	¨	¨
2. The ratification of the appointment of Deloitte & Touche LLP to serve as independent registered public accountants for the year ending December 31, 2009.			
Other:			
3. To provide Farid Suleman and Jacquelyn J. Orr with discretionary authority to act upon such other matters as may properly come before the meeting.	¨	¨	¨

	Yes	No
Please indicate if you plan to attend this meeting.	¨	¨

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement, Annual Report and Form 10-K Combo are available at www.proxyvote.com.

M12948

CITADEL BROADCASTING CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

ANNUAL MEETING OF STOCKHOLDERS

MAY 20, 2009

The stockholder(s) hereby appoint(s) Farid Suleman and Jacquelyn J. Orr, or either of them, as proxies, each with the power to appoint his/her substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of Citadel Broadcasting Corporation that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 11:OO a.m., Eastern Time on May 20, 2009, at the JPMorgan Chase Conference Center, 383 Madison Avenue, 13th Floor, New York, New York 10017, and any adjournment or postponement thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE STOCKHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS AND FOR EACH PROPOSAL.

PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE

CONTINUED AND TO BE SIGNED ON REVERSE SIDE