

## DESCRIPTION OF PROPOSED TRANSACTION

This Form 315 application is one of four (4) sets of applications listed below being filed concurrently with respect to an Agreement and Plan of Merger (the "Merger Agreement"), dated March 9, 2011, by and among Citadel Broadcasting Corporation ("Citadel"), Cumulus Media Inc. ("CMI"), Cumulus Media Holdings Inc. (f/k/a Cadet Holding Corporation) ("Holdco"), a wholly-owned subsidiary of CMI, and Cadet Merger Corporation ("Merger Sub"), a wholly-owned subsidiary of Holdco:

- (1) the instant applications seeking consent for the transfer of control of Radio License Holding CBC, LLC, an indirect subsidiary of Citadel, and is one of thirteen (13) separate Form 315 applications seeking consent for the transfer of control of the thirteen (13) Citadel licensee subsidiaries which hold licenses for 228 radio stations;
- (2) an application seeking consent for the transfer of control of Cumulus Licensing LLC ("Cumulus"), an indirect subsidiary of CMI;
- (3) six (6) applications seeking consent for the transfer of control of Cumulus Media Partners, LLC ("CMP"), which will become a wholly-owned subsidiary of CMI prior to consummation of the Merger Agreement;<sup>1</sup> and
- (4) four (4) separate Form 314 applications seeking consent to assign from Cumulus, CMP subsidiaries and Citadel subsidiaries to Volt Radio, LLC an insulated divestiture trust, licenses for those radio stations which must be divested because (a) as a result of its transfer of control, Cumulus will lose its grandfathered status in certain markets, (b) CMP is no longer in compliance with the ownership limitations in Section 73.3555(a) of the Commission's rules in one market because of an unexpected decrease in the number of stations in that market, and (c) the common ownership of the Cumulus, CMP and Citadel radio stations in certain markets would result in CMI having an attributable interest in a number of radio stations which exceeds the limits set forth in Section 73.3555(a) of the Commission's rules.

None of the foregoing applications requests a waiver of any Commission rule or policy.

The total value of the merger is estimated to be approximately \$2.4 billion. That estimate is based on the cash and CMI capital stock that will be distributed to holders of Citadel

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<sup>1</sup> The Commission has granted six (6) Form 316 applications which, upon consummation, will result in CMP becoming a direct wholly-owned subsidiary of CMI. See File Nos. BTCH-20110214AEZ *et seq.*, BTCH-20110214AFX *et seq.*, BTCH-20110214AGC, BTC-20110214AGD, BTCH-20110214AGE *et seq.*, and BTCFT-20110215ADP & ADQ.

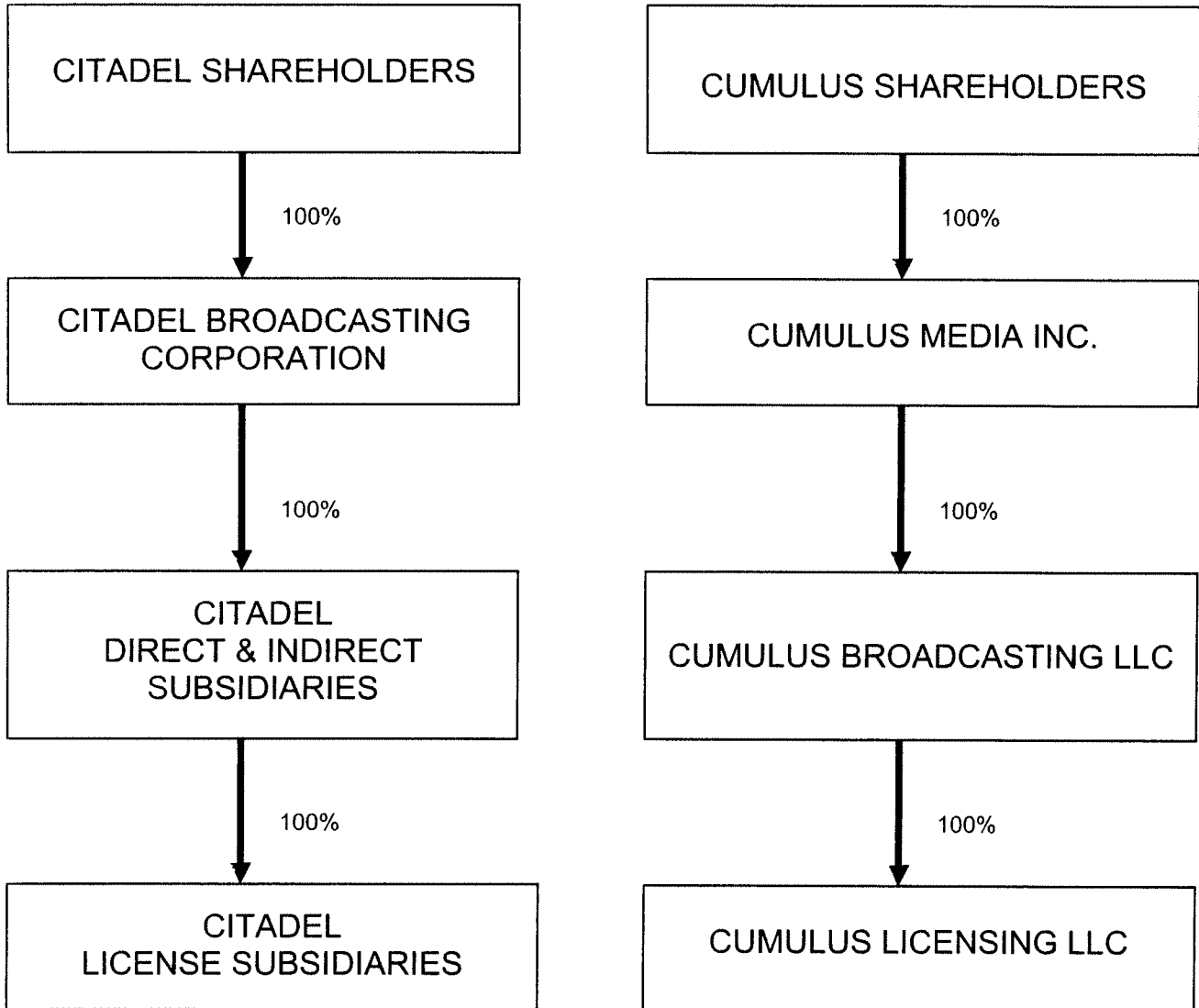
Common Stock and Citadel warrants, the CMI capital stock and warrants that will be distributed to new investors, and CMI's assumption of Citadel's long-term debt.

Under the Merger Agreement, the transfer of control of the Citadel subsidiaries will be effectuated by the merger of Merger Sub with and into Citadel. Once this occurs, the separate existence of Merger Sub will cease and Citadel will continue as the surviving corporation. Citadel will thus become a wholly-owned subsidiary of Holdco, which, in turn, will continue to be a wholly-owned subsidiary of CMI. Annexed hereto as Attachment A is a chart which depicts the changes in control of Citadel and its subsidiaries (as well as Cumulus).

Subject to the terms of the Merger Agreement, each holder of Citadel Class A Common Stock or Citadel Class B Common Stock will have the right to receive (1) \$37.00 in cash, (2) 8.525 shares of CMI Class A Common Stock (which has voting rights), or (3) a combination of cash and CMI Class A Common Stock. Subject to the terms of the Merger Agreement, holders of Citadel warrants may elect prior to closing to have their warrants become exercisable for either cash, CMI Class A Common Stock, or a combination of cash and CMI Class A Common Stock and, if no election is made, all Citadel warrants will be converted as of the closing into the right to receive cash, CMI Class A Common Stock, or a combination of cash and CMI Class A Common Stock in accordance with the provisions applicable to holders of Citadel Class A Common Stock and Citadel Class B Common Stock. The right of Citadel stockholders and warrant holders to receive cash and/or CMI Class A Common Stock is subject to certain caps in the Merger Agreement on the amount of CMI Class A Common Stock and cash that can be distributed. Those caps preclude any definitive determination prior to closing on the precise distribution of cash and CMI Class A Common Stock to Citadel stockholders.

## Attachment A

### Citadel/Cumulus Merger Before Consummation



**Citadel/Cumulus Merger  
After Consummation**

