

ARBITRON INC
Form 8-K
May 05, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

May 4, 2009

Arbitron Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-1969

52-0278528

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

9705 Patuxent Woods Drive, Columbia,
Maryland

21046

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

410-312-8000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 1.01 Entry into a Material Definitive Agreement.

On May 5, 2009, Arbitron Inc. (the "Company") announced that it had entered into new three year agreements with Clear Channel Communications, Inc., and certain other subsidiaries of CC Media Holdings, Inc. ("Clear Channel"), to provide diary-based radio ratings and other related services for Clear Channel's radio stations in the 105 United States local markets set forth below. The Company entered into the agreements on May 4, 2009 with an effective term beginning on January 1, 2009 and expiring on December 31, 2011.

Under the terms and conditions of the new agreements, the Company will provide its diary-based Radio Market Reports, MaximiSer, Tapscan, Scarborough consumer data and Arbitron qualitative data, and related services and software to Clear Channel.

Premiere Radio Networks has also entered into a new contract to receive the Company's RADAR National Radio Network ratings services and data. The Company has also entered into new agreements with Katz Media Group and Clear Channel Traffic.

The aggregate amount of all payments to be made by Clear Channel for the Radio Market Report and other related services during the term of the agreements (assuming the agreements are not terminated prior to the expiration of the stated term) currently is expected to be approximately \$69.0 million, based on the radio stations currently owned by Clear Channel.

The United States local markets covered by the agreements are as follows:

Akron, OH
Albany, GA
Albany-Schenectady-Troy, NY
Albuquerque, NM
Allentown-Bethlehem, PA
Anchorage, AK
Ann Arbor, MI
Asheville, NC
Augusta, GA
Bakersfield, CA
Baton Rouge, LA
Battle Creek, MI
Beaumont-Port Arthur, TX
Biloxi-Gulfport-Pascagoula, MS
Binghamton, NY
Birmingham, AL
Bismarck, ND
Bryan-College Station, TX
Canton, OH
Cedar Rapids, IA
Charleston, SC
Chattanooga, TN
Cheyenne, WY
Colorado Springs, CO
Columbia, SC
Columbus, GA
Corpus Christi, TX
Dayton, OH
Des Moines, IA
Eau Claire, WI
El Paso, TX
Fayetteville, AR
Frederick, MD
Fresno, CA
Ft. Collins-Greeley, CO
Ft. Myers-Naples-Marco Island, FL
Ft. Pierce-Stuart-Vero Beach, FL
Ft. Smith, AR
Grand Forks, ND-MN
Grand Rapids, MI
Greenville-Spartanburg, SC
Harrisburg-Lebanon-Carlisle, PA

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Harrisonburg, VA
Honolulu, HI
Huntington-Ashland, WV-KY
Huntsville, AL
Jackson, MS
Jonesboro, AR
Killeen-Temple, TX
Lancaster, PA
Laurel-Hattiesburg, MS
Lexington-Fayette, KY
Lima, OH
Little Rock, AR
Louisville, KY
Macon, GA
Madison, WI
Manchester, NH
McAllen-Brownsville-Harlingen, TX
Melbourne-Titusville-Cocoa, FL
Mobile, AL
Modesto, CA
Monterey-Salinas-Santa Cruz, CA
Montgomery, AL
Muskegon, MI
New Haven, CT
New Orleans, LA
Oklahoma City, OK
Omaha-Council Bluffs, NE-IA
Panama City, FL
Parkersburg-Marietta, WV-OH
Pensacola, FL
Portsmouth-Dover-Rochester, NH
Poughkeepsie, NY
Pueblo, CO
Quad Cities, IA-IL
Reading, PA
Richmond, VA
Roanoke-Lynchburg, VA
Rochester, MN
Rochester, NY
Salisbury-Ocean City, MD
Sarasota-Bradenton, FL
Savannah, GA
Sioux City, IA
Spokane, WA
Springfield, MA
Springfield, MO
Stockton, CA
Sussex, NJ
Syracuse, NY
Tallahassee, FL
Toledo, OH
Tucson, AZ
Tulsa, OK
Tupelo, MS
Tuscaloosa, AL
Waco, TX
Wheeling, WV
Wichita, KS
Williamsport, PA
Wilmington, DE
Winchester, VA
Worcester, MA

Youngstown-Warren, OH

The foregoing description of the agreements is qualified in its entirety by reference to the contracts entered into between the Company and Clear Channel, copies of which will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009. A copy of the press release announcing the contracts is filed herewith as Exhibit 99.1 and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release of Arbitron Inc. dated May 5, 2009.

This current report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The statements regarding Arbitron Inc. and its subsidiaries in this document that are not historical in nature, particularly those that utilize terminology such as "may," "will," "should," "likely," "expects," "anticipates," "estimates," "believes," or "plans," or comparable terminology, are forward-looking statements based on current expectations about future events, which we have derived from information currently available to us. These forward-looking statements involve known and unknown risks and uncertainties that may cause our results to be materially different from results implied in such forward-looking statements. These risks and uncertainties include, in no particular order, whether we will be able to:

- absorb costs related to legal proceedings and governmental entity interactions and avoid related fines, limitations, or conditions on our business activities;
- successfully commercialize our Portable People Meter™ service;
- successfully manage the impact on our business of the current economic downturn generally, and in the advertising market, in particular, including, without limitation, the insolvency of any of our customers or the impact of such downturn on our customers' ability to fulfill their payment obligations to us;
- successfully maintain and promote industry usage of our services, a critical mass of broadcaster encoding, and the proper understanding of our audience measurement services and methodology in light of governmental regulation, legislation, litigation, activism, or adverse public relations efforts;
- compete with companies that may have financial, marketing, sales, technical, or other advantages over us;
- successfully design, recruit and maintain PPM panels that appropriately balance research quality, panel size, and operational cost;
- successfully develop, implement, and fund initiatives designed to increase sample sizes;
- complete the Media Rating Council, Inc. ("MRC") audits of our local market PPM ratings services in a timely manner and successfully obtain and/or maintain MRC accreditation for our audience measurement business;
- renew contracts with key customers;
- successfully execute our business strategies, including entering into potential acquisition, joint-venture or other material third-party agreements;
- effectively manage the impact, if any, of any further ownership shifts in the radio and advertising agency industries;
- effectively respond to rapidly changing technological needs of our customer base, including creating new proprietary software systems, such as software systems to support our cell phone-only sampling plans, and new customer services

that meet these needs in a timely manner;

- successfully manage the impact on costs of data collection due to lower respondent cooperation in surveys, consumer trends including a trend toward increasing incidence of cell phone-only households, privacy concerns, technology changes, and/or government regulations;
- successfully integrate our new management team;
- successfully develop and implement technology solutions to encode and/or measure new forms of media content and delivery, and advertising in an increasingly competitive environment; and
- realize expected savings from our workforce and expense reduction program.

There are a number of additional important factors that could cause actual events or our actual results to differ materially from those indicated by such forward-looking statements, including, without limitation, the risk factors set forth in the caption “ITEM 1A. — RISK FACTORS” in our Annual Report on Form 10-K for the year ended December 31, 2008, and elsewhere, and any subsequent periodic or current reports filed by us with the Securities and Exchange Commission.

In addition, any forward-looking statements contained in this document represent our estimates only as of the date hereof, and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

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SIGNATURES

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

May 5, 2009

Arbitron Inc.

By: */s/ Timothy T. Smith*

*Name: Timothy T. Smith
Title: Executive Vice President, Legal & Business Affairs,
Chief Legal Officer & Secretary*

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Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|--|
| 99.1 | Press Release of Arbitron Inc. dated May 5, 2009 |