

ARBITRON INC
Form 8-K
April 17, 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):

April 17, 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 2.05 Costs Associated with Exit or Disposal Activities.

On March 24, 2009 Arbitron Inc. (the "Company") filed a Current Report on Form 8-K announcing, as a further step in its previously announced strategic realignment, which the Company committed to on February 20, 2009, a reduction in its workforce of approximately 10 percent of its full-time employees. The Company also announced implementation of a reduction in non-employee related expenses on a company-wide basis. The Company has undertaken this strategic realignment and restructuring in order to focus on its strategic priorities: strengthening its radio measurement services and developing new, multimedia services. This restructuring is also designed to speed decision-making so that the Company can better capitalize on growth opportunities.

The Company anticipates that it will incur pre-tax expenses of approximately \$8.2 million in the first quarter of 2009, related principally to severance and benefit expenses as a result of this restructuring and expense reduction program. The Company anticipates that it will also incur additional pre-tax expenses of approximately \$800 thousand, in the aggregate, during the final three quarters of 2009, also related principally to severance and benefit expenses.

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 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.

Arbitron Inc.

April 17, 2009

By: */s/ Timothy T. Smith*

Name: Timothy T. Smith

Title: Executive Vice President, Chief Legal Officer, Legal and Business Affairs, and Secretary