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## Arbitron Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions) Your first question comes from Alexia Quadrani of JP Morgan.

#### Alexia Quadrani ? JP Morgan

Thank you. A couple of questions. I guess the first one is, if you can give us a bit more color on your commentary about the renewal of ? renewal issues in the diaries and is that specific to some smaller markets or is there one particular broadcaster that's going through these issues?

#### Steve Morris

It's primarily in the smaller markets. It's a reflection of the environment I think in just the – there are broadcasters, generally small ones, that are kind of on the edge and kind of floated in and out of our service depending on how they're doing, and so I think it's primarily concentrated amongst those broadcasters than in the smaller markets.

#### Alexia Quadrani ? JP Morgan

Is this something that you've seen in past periods of economic weakness?

#### Steve Morris

Yes, we have and I think it's (inaudible) one to know how it's going to open up and shake out, but it's not an unusual event.

#### Sean Creamer

I think also, and we've noted this in the past, I think it at least is partially impacted by the reality of the PPM pricing uplift hitting at the same time. So the discretionary spin is always the first belt tightening in difficult economic times. But on top of that, absorbing the uplift for the currency as these markets commercialize I think certainly differentiates this from perhaps other times.

#### Alexia Quadrani ? JP Morgan

And can you talk a bit about I guess the scenario of potential bankruptcy of one or several of your customers in the industry broadcasters? And I guess where ? at what point would they terminate I guess the subscription of your service or how I guess even legally are they obligated to continue to pay for either diary or PPM?

**Steve Morris**

Well, without getting into a lot of the legal specifics, our contracts are specific to stations and so at the start, what's happened if one station sells to another group and the contract passes along with that station. So when you think about the radio industry, I think it's important to remember that the individual stations tend to be quite profitable and that the financial issues at the corporate level with a lot of leverage that was laid out historically. And so, I think the extent that the individual stations are viable and the contracts pass with those stations that we would use this as something that would survive a lot of economic turmoil in the market.

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