

Views of a theatre producer with respect to the provisional findings and proposed remedies in Live Nation/Ticketmaster

I am writing to express this company's views on the *Provisional Findings and the Notice of possible remedies under Rule 11 of the Competition Commission Rules*, dated 8th October 2009, issued in the context of the reference relating to the anticipated merger between Ticketmaster Entertainment, Inc. and Live Nation, Inc.

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Concern regarding absence of the effect on theatre ticketing in the Provisional Findings

As a preliminary point, we are concerned that the Commission's Provisional Findings do not deal with the effect of this merger on live theatre ticketing.

It is possible that views from the theatre sector have not been received by the Commission because the two largest theatre owners/operators by far within the UK are Live Nation itself and the Ambassador Theatre Group (ATG). ATG is in final negotiations to acquire Live Nation's UK theatre business and so could not be expected to voice any objections. Other theatre owners may not have commented for fear of reprisal, many of them being in exclusive, long-term contracts with Ticketmaster, in particular. Nevertheless, we urge the Commission to consider the impact of the Live Nation/Ticketmaster merger on live theatre ticketing.

Live Nation placed its UK theatres up for sale via Goldman Sachs shortly after announcing its merger with Ticketmaster. Live Nation's proposed sale of its UK theatres to ATG appears to be part of a continuum of transactions related to the ultimate merger of Ticketmaster and Live Nation and so needs to be evaluated in the context of the overall Live Nation/Ticketmaster merger.

Superficially, divestiture of these theatres appears to be a pre-emptive step on the part of Live Nation to mitigate anti-competitive effects of the merger. The Live Nation theatres have a ticketing contract with Ticketmaster and the new owner will control its ultimate disposition.

However, absent a requirement for divestiture of the UK theatres, there is no guarantee that such will occur. In light of the substantial lessening of competition that we believe will result with respect to theatre ticketing as part of the Ticketmaster/Live Nation merger, we believe it would not be sufficient for the Competition Commission to rely on a mere stated intention by Live Nation. The Commission should place a legal obligation on Live Nation to divest its theatres if it is to retain the ticketing operations the subject of this inquiry.

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