



News Release

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HAMSARD/ACADEMY MERGER WOULD REDUCE COMPETITION BETWEEN LIVE MUSIC VENUES IN LONDON

The Competition Commission (CC) has provisionally decided that the proposed acquisition of a controlling interest in Academy Music Holdings Limited (Academy) by Hamsard 2786 Limited (Hamsard) would lead to a loss of competition in relation to certain live music venues in London.

Hamsard is jointly controlled by Live Nation (Music) UK Ltd (Live Nation) and Gaiety Investments Ltd. Through its ownership of Mean Fiddler Music Group Ltd, Hamsard operates live music venues in London, including the Astoria and the Forum. It also has a management contract for the Wembley Arena. Academy owns the Shepherd's Bush Empire (SBE), and the Brixton Academy as well as a number of other venues in London and elsewhere. Live Nation owns the Hammersmith Apollo, and a number of theatres in London. It also owns venues (mostly theatres) in 20 other cities in the UK.

In a summary of its provisional findings report published today on the CC's website www.competition-commission.org.uk, the CC has concluded that the acquisition is expected to result in a substantial lessening of competition.

Group Chairman, Diana Guy said:

The extent to which different live music venues provide alternatives for artists, agents and promoters depends on a number of factors, including capacity, ambience and the type of events generally held there. On this basis, we found that the Brixton Academy and the Hammersmith Apollo are the closest alternatives to each other, and similarly for the SBE and the Astoria, with the Forum also acting as a significant substitute for the SBE.

Under the planned acquisition, these five venues would all come under common control, removing the existing competition between them. We expect that this would lead to higher venue rentals as well as some loss of service quality. Although booking agents, particularly those who represent a substantial roster of artists, may at present be in a relatively strong bargaining position, this depends in part on their having a choice of venues into which to put their artists.

The CC did not identify any competition concerns relating to live music venues outside London or music promotion services, which are also provided by the parties.

The full provisional findings report will be published next week. Along with the summary the CC has also published a notice of possible remedies to address the anti-competitive effects of the acquisition, including possible divestment of some of the relevant venues in London.

Anyone wishing to comment on the provisional findings report is requested to do so by 21 December 2006 by email to tom.muir@cc.gsi.gov.uk or in writing to:

Tom Muir
Inquiry Secretary (Hamsard/Academy Inquiry)
Victoria House
Southampton Row
London
WC1B 4AD

The CC is required to publish its final report by 2 February 2007.

Notes for editors

1. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
2. The inquiry group consists of four members: Diana Guy (Group Chairman), Chris Goodall, Professor David Parker and Anthony Stern.
3. The inquiry was referred to the CC on 21 August 2006. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
4. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its website at: www.competition-commission.org.uk.
5. Enquiries should be directed to Rory Taylor on 020 7271 0242 (email rory.taylor@cc.gsi.gov.uk.)