



News Release

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CC RULES AGAINST TICKETMASTER/LIVE NATION MERGER

The Competition Commission (CC) has provisionally ruled that the proposed merger of Ticketmaster Entertainment, Inc and Live Nation, Inc will limit the development of competition in the market for live music ticket retailing.

In its provisional findings published today, the CC has concluded that the merger could severely inhibit the entry of a major new competitor (CTS Eventim) into the UK ticketing market. Prior to the announcement of the merger, Live Nation had signed an agreement with CTS to provide ticketing services for its live music events and venues in the UK. The CC believes that this agreement with Live Nation would have provided CTS with a foothold in the UK market from which it would have grown, increasing significantly the degree of competition in a market which is currently dominated by Ticketmaster and one other large ticketing agent.

The CC believes that, if the merger were to proceed, Live Nation would have the incentive to impede CTS's entry into the UK ticketing market, in particular by minimizing the supply of its tickets to CTS, and thereby frustrate CTS from becoming an additional effective competitor to Ticketmaster. This could lead to higher net prices (eg due to lower rebates to promoters and venues) and/or lower service quality and/or less innovation in the market than would otherwise be the case.

Both companies operate in the live music and entertainment industry in the UK. Ticketmaster is a ticketing agent, whilst Live Nation is a promoter and venue operator for live music and theatrical events. The CC has not found any adverse effects on competition affecting other ticketing agents, promoters and venue operators arising from the merger.

Both Ticketmaster and Live Nation are based in the USA and the merger is also being investigated by the US competition authorities.

CC Deputy Chairman and Chairman of the Inquiry Group, Christopher Clarke said:

CTS's agreement with Live Nation opened up the prospect of a major new competitor entering the market for live music ticket retailing in the UK. As the second-largest ticket agent in the world after Ticketmaster, with considerable experience and expertise in other countries, CTS's entry would have increased

competition in ticket retailing to the benefit of customers—whether fans, promoters or venue owners.

The merger with Ticketmaster means that Live Nation will have every incentive to inhibit a significant potential rival from entering the UK market and, given the significance to CTS of its agreement with Live Nation in deciding to enter the UK market, we believe that Live Nation would be able to do so. We believe that, if the merger proceeds, Live Nation will seek to limit its relationship with CTS, with the effect of putting CTS's future prospects in the UK in considerable doubt.

We also looked at how the combination of Live Nation, as a promoter and venue operator, with Ticketmaster might adversely affect ticketing agents other than CTS, promoters and venue owners. However, we concluded that it was unlikely that the merged company would have both the ability and incentive to harm them significantly, either by Live Nation restricting the availability of its tickets to other agents or by Ticketmaster refusing to sell tickets for other promoters and venues.

We will now consider a range of possible ways to address the loss of competition before publishing our final report. We will continue to consult with the US authorities, who are also investigating the merger.

The provisional findings report is available on the CC website at: www.competition-commission.org.uk along with a Notice of possible remedies to address the potential loss of competition. These possible remedies include the divestment of the UK business of either Ticketmaster or Live Nation, and measures to ensure that CTS or another third-party ticket agent can act as the retailer for many of Live Nation's tickets. The CC will consider responses before publishing its final report, which is due by 24 November 2009.

The CC would like to invite comments from all interested parties. Comments on the Notice of possible remedies should be submitted by 22 October 2009 and comments on the provisional findings should be submitted by 29 October 2009. Please email david.fowlis@cc.gsi.gov.uk or write to:

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Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets and the regulated industries.
2. The Enterprise Act 2002 empowers the Office of Fair Trading 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.

3. The members of the Ticketmaster/Live Nation Inquiry Group are: Christopher Clarke (Chairman), John Longworth, Jeremy Peat and Richard Taylor.
4. 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.
5. Further information on this inquiry, including the terms of reference and other key documents, as well as on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from the CC website at: www.competition-commission.org.uk.
6. Enquiries should be directed to Rory Taylor on 020 7271 0242 (email rory.taylor@cc.gsi.gov.uk).