



News Release

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CC CLEARS TICKETMASTER/LIVE NATION MERGER AGAIN

The Competition Commission (CC) has again cleared the merger of Ticketmaster and Live Nation in the UK. The CC had initially cleared the merger in [December](#) last year but agreed to [reconsider](#) and make a new decision following a challenge to the [Competition Appeal Tribunal](#) by CTS Eventim (Eventim) in January.

In its final decision, published today at www.competition-commission.org.uk, the CC has again concluded that the merger would not result in a substantial lessening of competition in the market for live music ticket retailing or in any other market in the UK, including live music promotion and live music venues.

Both Ticketmaster and Live Nation operate in the live music and entertainment industry in the UK. Ticketmaster is a ticketing agent, whilst Live Nation is a live music promoter and venue operator. Both Ticketmaster and Live Nation are headquartered in the USA. The merger of Ticketmaster and Live Nation was completed (subject to conditions) in the USA on 25 January 2010, following approval from the Department of Justice.

Prior to the merger being proposed, Live Nation signed an agreement with Ticketmaster's largest global competitor, Eventim, headquartered in Germany, consequent to which Eventim entered the UK for the first time. Under their agreement, Eventim provides Live Nation with ticketing software and services, enabling Live Nation to sell its own tickets. Eventim is also allocated a proportion of Live Nation's tickets to sell to consumers.

In its further period of investigation, the CC has received new submissions and held further hearings with both Live Nation and Eventim.

The CC has found that the merger will make little difference to the prospects of Eventim's success in the UK. On the basis of its agreement with Live Nation alone, Eventim will be a small-scale retailer of live music tickets in the UK and its prospects of becoming a large-scale retailer and competing effectively with the large incumbent ticket retailers will not be affected significantly by the merger. The CC found that, although Live Nation's incentives have changed as a result of the merger, the scope for the merged entity to affect Eventim's expansion in the UK was limited. Under their agreement, Eventim will continue to receive a fee for every Live Nation ticket sold and Live Nation will continue to be obliged to allocate a

minimum number of tickets to Eventim. Both parties have stressed their commitment to honouring their obligations under their agreement.

The CC has also reiterated that, while the merged entity might have the ability to use its position as a ticket retailer, promoter and venue operator to harm its competitors in different parts of the supply chain, either by reducing the supply of its services or by supplying its services on worse terms, it would not have the financial incentive to do so. Specifically, the CC has found that, if the merged entity tried to harm its competitors in these ways, it would suffer significant short-term losses in pursuit of very uncertain long-term gains.

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

After taking into account further submissions from the parties and reconsidering the evidence, we have reconfirmed our original decision that the merger will not have a significant effect on the success or otherwise of Eventim in entering and expanding in the UK ticketing market.

The agreement with Live Nation, to which both parties have stressed their commitment, will provide Eventim with a foothold in the UK but no more than that, as it requires Live Nation to supply only a relatively small number of tickets to Eventim for Eventim to sell. We found that, in the absence of the merger, Live Nation's priority was very clearly to sell its own tickets and to use Eventim's system to do so. Following the merger, Live Nation does have the incentive to restrict the number of tickets it allocates to Eventim, but we found that its ability to do so was limited by the agreement. We did not believe that, in the absence of the merger, Live Nation would have allocated significantly more of its tickets to Eventim or sponsored or supported Eventim's entry into the UK as a ticket retailer in any other way.

If Eventim is to establish itself in the UK market as a large-scale ticket retailer, in keeping with its presence in other countries, this will depend on its own efforts and abilities in attracting consumers and obtaining tickets from other promoters and venue operators, and will not be affected significantly by the merger.

We have taken into account that there have been a number of disputes over the terms and operation of the agreement between Live Nation and Eventim, but we found that these disputes did not undermine materially our analysis of the impact of the merger.

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. Following Eventim's challenge to the decision in January, the CC agreed to the decision in its previous final report being quashed and the matter being referred back to it. The CC treated its previous final report, published in December, as further provisional findings and republished this document, seeking views from interested parties. The CC had three months from the date of the Order by the Competition Appeal Tribunal to make a new decision, giving it a deadline of 11 May 2010.
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 by email to [Rory Taylor](#) or [John Park](#) or by telephoning 020 7271 0242.