

For the attention of David Fowlis
Inquiry Manager
Competition Commission
RE: Inquiry – Live Nation/Ticketmaster

Basis of Ticketline’s (TL) submission to the Competition Commission (CC):

In going through the CC’s report on its findings on the anticipated merger between Live Nation (“LN”) and Ticketmaster (“TM”), it has become apparent that the crux of the objection is that the merger would prevent a third major ticket agent establishing itself in the UK. The third agent anticipated by CC, in the absence of a merger would be CTS Eventim (“CTS”). However the merger would prevent CTS from servicing LN and therefore effectively prevent their entry into the UK market.

The CC in its report did not consider there to be any ticket agents currently operating within the UK that could elevate its activities to becoming a serious competitor to TM and See Tickets, the two major players in the UK ticketing industry. We would dispute this and further assert that we have recently made some huge steps to potentially narrow the gap between our competitors and ourselves, having been awarded with some contracts for which we have put in tenders in competition with the other agents and increasing our share of sales for some of the major promoters in the market place, thereby further increasing our capacity and capability.

We understand that the interim findings of the CC were that if the merger were to go ahead, it would be on the basis of the divestment of certain interests of both LN and TM. [X]

In this submission we would like to present our belief that TL has the ability to become both LN’s ticketing services provider and a major competitor in the UK market.

TL Background

TL is the third largest ticket agent and the largest independent ticket agent in the UK. It is a privately owned Manchester based company. It was taken over by the current owners in 1993 under the name Piccadilly Box Office Limited which was subsequently changed to Piccadilly Ticketline Limited and has been trading successfully and profitably on a steady growth curve since then.

TL Current Position

TL has excellent longstanding relationships with all major promoters and venues throughout the UK contrary to the popular understanding that TL only operates on a local basis. Further our international outreach has increased over the years due to the open marketplace of the internet and TL substantial financial investment in this area.

TL currently sell in the region of [X] tickets a year over a number of ticket genres to include music, sport, comedy, theatre and other specialised events throughout the UK.

TL’s breakdown of ticket sales by geographical region for the previous financial year:

East Midlands	[X]	[X]	[X]
Greater London			

International
North East
North West
Northern Ireland
Scotland
South East
South West
Wales
West Midlands

TL's breakdown of major Promoters is as follows [X]

[X]

It is worth mentioning here that several of the relationships we hold with the above mentioned are exclusive or relationships as lead agent where we sell the majority of the tickets and have exclusive sale periods. [X] In summary considering the geographical demographic and the range and location of Venues, Festivals and Promoters TL can no longer be considered as a local based company or indeed a single or low client based company.

In order to see TL's full potential in the UK market an understanding of TL's development over the last 2 years in particular is necessary.

Although TL has been selling tickets for the same clients as TM and See Tickets ("See") (and their predecessor Way Ahead) for several years, TL has historically always been a far smaller operation and has not had the same technological capabilities of its competitors. Technology is key in securing contracts with the big promoters and venues in the markets for a number of reasons, including:

- The biggest events in terms of profiles and ticket volumes sold tend to sell out very quickly online and those selling the fastest will inevitably get the lion's share of the tickets and secure its relationship with the promoter. Speed of ticket sales is down to the efficiency of the software used.
- Venues need advanced systems on which to operate.
- The means of selling tickets is constantly evolving with a move towards more secure ticketing practices such as bar-coded tickets and e-tickets (print at home tickets).
- Bespoke client reporting and installations of the Ticketing System into promoter's premises in order for them to observe events or even 'self-ticket'.
- A unique database comprising of [X] subscribers coupled with our various marketing and affiliate partners giving us an outreach of around [X] people. This enables us to establish targeted campaigns to a specific demographic based on the type and suitability of the event.

Due to TL being outranked by its competitors historically, most venues and major promoters now have contracts in place with TM and See. Furthermore TL is struggling to break the perception of promoters to a more realistic view of TL's current capabilities, which is tainted with a hangover of its past capabilities, which have fallen short of those of its competitors.

In 2003 TL made an agreement with a Dutch company Tixway BV ("TW") for the supply of ticketing software. TW agreed to design a bespoke software package for TL for use as its core system for

selling tickets. [X] In January 2008 TL bought the software and set a dedicated team of developers to work on it. Since then the software has come on leaps and bounds to and reached a level where it can currently:

- Sell upwards of 100,000 tickets per hour [X]
- Be deployed in venues as the official Box Office Solution, a process whereby TL is already included in recent ongoing tender processes for Local Authority Venues, where we are offering an enhanced capability coupled with competitive pricing structures compared with the incumbent solution.
- Recent Box Office installs include Band on the Wall Manchester, The Engine Shed Lincoln, St George's Hall Liverpool and Sunderland Campus Academy.
- Provide venues and events with a secure entry feature utilising bar coded technology.
- [X]

In terms of TL's current operational positioning we are now poised for rapid growth, currently moving premises, from our [X] sq ft operation to our custom designed [X] sq ft offices. All operations, roles and departments are currently structured for rapid expansion and seasonal contraction where required. Further all technology based systems have been load and stress tested both in test and real time environments and as such we are confident going forward that these will meet and exceed the requirements of any larger promoter or event.

[X]

TL Conclusion

We conclude that if we were given the opportunity to secure a deal with LN whereby TL supplies ticketing services to LN, it [X] would increase competition and service within this closed market place and give us the leverage that we need to change perception of our long standing clients and put ourselves on a similar footing to our competitors. Furthermore it would enable us to put our software into LN's music venues so that other venues could gain confidence in our systems.

Our proposition is that the CC considers a divestment of TM's interests in the form of preventing TM from providing ticketing services to LN in the UK and that TL be given CC approval to take on these services. [X]

Paul Betesh

For and Behalf of Piccadilly Ticketline Ltd