



News Release

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CC CLEARS TICKETMASTER/LIVE NATION MERGER

The Competition Commission (CC) has decided to clear the proposed merger of Ticketmaster and Live Nation in the UK.

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, and the merger is also being investigated by the US competition authorities.

In its final report, published today, the CC has concluded that the merger will 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.

Prior to the proposed merger, Live Nation signed an agreement with Ticketmaster's largest global competitor, CTS Eventim (Eventim), headquartered in Germany, consequent to which Eventim is planning to enter the UK for the first time. Under the agreement, Eventim will provide Live Nation with ticketing software and services, enabling Live Nation to sell its own tickets. Eventim will also be allocated a proportion of Live Nation's tickets to sell to consumers.

The CC has found that the merger will make little difference to the prospects of Eventim's success in the UK. Although Live Nation's incentives will change as a result of the merger, the merged entity will have little scope to affect Eventim as, under the 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.

In clearing the merger, the CC's conclusion has changed from its provisional decision, published for consultation in October, in which it expressed concern that the merger could inhibit the entry of Eventim into the UK. In response to this consultation, the CC received significant new evidence and arguments. When considered alongside the existing evidence, the CC found, among other things, that prior to the announcement of the merger Live Nation had never intended to support Eventim's entry into the UK beyond its obligations under the agreement, which would remain unchanged by the merger.

The CC has also concluded that, where 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:

Our analysis has focused on the effects of the merger between Ticketmaster and Live Nation on the ability of their competitors and potential competitors to compete as live music ticket retailers, promoters and venue operators in the UK.

We have found that Live Nation would not have provided Eventim with any additional support to establish its position in the UK beyond the obligations specified in the agreement between them. The agreement itself was entered into well before the announcement of the merger and is binding on Live Nation and Eventim whether or not the merger goes ahead. Rather, we found that Live Nation always saw its agreement with Eventim as a way for Live Nation to become the principal retailer of its own tickets, through the use of Eventim's managed ticketing services. Given that the agreement will remain in place, we have concluded that the merger is unlikely to make any significant difference to the fees Eventim receives from Live Nation or to the number of tickets Eventim is likely to be allocated by Live Nation.

We concluded that the extent of Eventim's success in the UK will be determined principally by its own efforts and abilities, and will not be affected significantly by the merger.

We also looked at how the combination of Ticketmaster and Live Nation might affect other ticketing agents, and the promoters and venues which put on and host live music events. We examined how the merged entity might attempt to shut out competitors, for example by Live Nation restricting the availability of tickets for its events to other ticket agents or by Ticketmaster refusing to sell tickets for other promoters and venue operators. However, we found that, in most of these cases, the merged entity would suffer significant and immediate losses, with very uncertain prospects for long-term gain. Therefore, we concluded that it was unlikely that the merged entity would harm other ticketing agencies, promoters and venues in these ways.

Our decision today differs from our provisional findings in October, which is unusual but not unique. The very purpose of publishing our provisional conclusions is to provide all parties with the opportunity to review them and to put forward new evidence or arguments. In this case, when we considered the totality of the evidence, arguments and analysis, we reached the conclusion that the merger will 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.

The final report is available on the CC website at: www.competition-commission.org.uk.

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. In this case the CC found it necessary to extend the inquiry period by eight weeks, giving a revised deadline of 19 January 2010 for the publication of our report.
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).