



DETERMINATION OF MERGER NOTIFICATION M/18/067 – LN-GAIETY/ MCD PRODUCTIONS

Section 21 of the Competition Act 2002

Proposed acquisition by LN-Gaiety Holdings Limited of control of MCD Productions Unlimited Company.

Dated 3 January 2019

Introduction

1. On 14 August 2018, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received notification of a proposed transaction whereby LN-Gaiety Holdings Limited (“LN-Gaiety”), via a newly registered wholly-owned subsidiary LN-Gaiety Holdings Ireland Limited (“LNG Ireland”), would acquire sole control of MCD Productions Unlimited Company (“MCD”) from its parent company Gaiety Investments Unlimited Company (“Gaiety”) (“the Proposed Transaction”). LN-Gaiety is jointly controlled by Live Nation Entertainment, Inc. (“Live Nation”) (through its wholly-owned subsidiary Live Nation (Music) UK Limited (“LN-UK”)) and Ronmall Unlimited Company¹ (“Ronmall”) through its subsidiary Gaiety.²

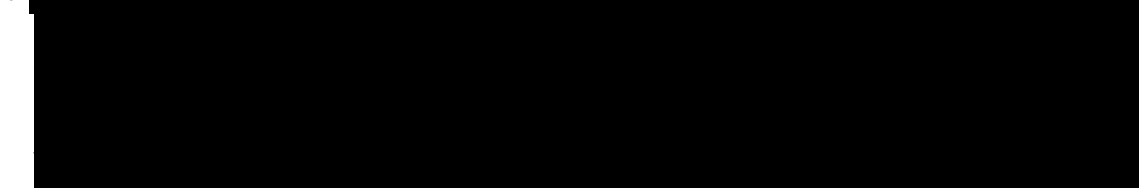
The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement,³ dated 20 October 2017 and subsequently amended on 31 July 2018,⁴ whereby LN-Gaiety, via LNG Ireland, agreed to acquire MCD from its current owner, Gaiety. The Proposed Transaction includes the acquisition of two live music festivals

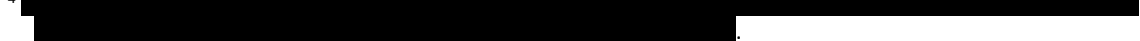
¹ Ronmall Unlimited Company is ultimately owned and controlled by two individuals, Mr Denis Desmond and Ms Caroline Downey.

² The notifying parties engaged in pre-notification contacts with the Commission, which included a meeting on 18 May 2018.

³



⁴





owned by MCD on the island of Ireland, namely Longitude and Vital (collectively “the MCD Festivals”).

The Undertakings Involved

The Acquirer – LN-Gaiety

3. LN-Gaiety is a UK-incorporated joint venture which is jointly controlled⁵ by Live Nation (through LN-UK) and Ronmall (through Gaiety), with shareholdings of [REDACTED]% and [REDACTED]% respectively. LN-Gaiety’s business activities are focused on the ownership and operation of a number of music festivals and venues, primarily in the UK but including the ownership of the Electric Picnic live music festival in the State.
4. For the financial year ending 31 December 2016, LN-Gaiety had a worldwide turnover of approximately €[REDACTED], of which €[REDACTED] was generated in the State.⁶
5. Live Nation is a global live music entertainment company listed on the New York Stock Exchange.⁷ In 2017, Live Nation promoted events in over 40 countries, hosting over 90 festivals and 29,500 concerts, with a total attendance of over 86 million people.⁸ In addition, Live Nation operates approximately 222 venues in 12 countries, provides artist management services to over 500 artists and provides ticketing services via its ticketing business Ticketmaster Entertainment Inc.⁹
6. Within the State, Live Nation’s activities can be summarised into two main categories as follows:
 - the provision of ticketing services for live events via Ticketline Unlimited Company (t/a Ticketmaster), and
 - the operation of venues in the State through its ownership of the 3Arena, and its management of the Bord Gáis Energy Theatre, The Gaiety and Olympia theatres in Dublin.
7. For the financial year ending 31 December 2017, Live Nation had a worldwide turnover of approximately €8.6 billion, of which €[REDACTED] was generated in the State.

The Vendor – Gaiety

8. Gaiety is an Irish-incorporated private unlimited company. Within the State, Gaiety also owns a number of venues, notably The Gaiety and Olympia theatres in Dublin. In

⁵ LN-Gaiety is jointly managed by Gaiety and Live Nation with equal board representation and no casting votes. Mr Denis Desmond has fulfilled the role of Chairman of LN-Gaiety since 2005.

⁶ Of the turnover generated in the State, all was derived from the Electric Picnic Festival.

⁷ <http://www.nyse.com/quote/XNYS:LYV>

⁸ Live Nation website: <http://www.livenationentertainment.com/about/> (accessed 06 December 2018).

⁹ 2017 Annual Report for Live Nation, available at <https://investors.livenationentertainment.com/sec-filings/annual-reports?page=1#document-1860-0001335258-18-000023>.



addition to its indirect ownership of the MCD Festivals, [REDACTED]

9. For the financial year ending 31 December 2017, Gaiety had a worldwide turnover of approximately € [REDACTED], of which € [REDACTED] was generated in the State.¹⁰

The Target – MCD

10. MCD is an Irish-incorporated private unlimited company. MCD focuses predominantly on the promotion of live music events on the island of Ireland and owns the MCD Festivals.
11. For the financial year ending 31 December 2016, MCD had a worldwide turnover of approximately € [REDACTED], of which € [REDACTED] was generated in the State.

Rationale for the Proposed Transaction

12. The parties stated the following in the notification:

“Through the joint venture, LN-Gaiety Holdings Ltd, Live Nation and Gaiety Investments have worked together for 14 years. Adding the complementary MCD Productions to the joint venture is the logical next step in the development of LN-Gaiety Holdings Ltd.”

Investigation

13. During the Phase 1 investigation, the Commission requested and received, on an on-going basis, further information and clarifications from the notifying parties.
14. On 14 September 2018, the Commission served Requirements for Further Information (“RFIs”) on the parties, pursuant to section 20(2) of the Act. The Commission granted the parties a number of extensions to the deadline for submission of information pursuant to the RFIs. The issuance of the RFIs adjusted the deadline within which the Commission was required to conclude its assessment of the Proposed Transaction in Phase 1.
15. During the Phase 1 investigation, the Commission engaged with third parties in relation to concerns over the effects of the Proposed Transaction.
16. The Commission conducted market enquiries which included circulating questionnaires to competitors and customers.

Analysis

17. The Commission is unable, at this stage, to reach a determination that the Proposed Transaction will not lead to a substantial lessening of competition in any market for goods or services in the State. Accordingly, it intends to carry out a full investigation under section 22 of the Act.

¹⁰ These figures exclude revenues attributable to MCD and individual venues.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(b) of the Competition Act 2002 as amended [("the Act")], has determined that it intends to carry out a full investigation under section 22 of the Act in relation to the proposed acquisition whereby LN-Gaiety Holdings Limited ("LN-Gaiety"), via its wholly owned subsidiary LN-Gaiety Holdings Ireland Limited, would acquire sole control of MCD Productions Unlimited Company. LN-Gaiety is ultimately jointly controlled by Live Nation Entertainment, Inc (through its wholly-owned subsidiary Live Nation (Music) UK Limited) and Ronmall Unlimited Company (through its subsidiary Gaiety Investments Unlimited Company).

For the Competition and Consumer Protection Commission

Brian McHugh
Member
Competition and Consumer Protection Commission