

## CC Formally Clears AEG / Wembley Arena Deal

Tuesday 3 September, 2013

In its final decision, published today, the CC has concluded that the merger would not result in a substantial lessening of competition in the markets for the provision of venue space to promoters, provision of sponsorship opportunities or the provision of other event-related services such as catering.

This confirms the CC's provisional findings which were published in July.

Wembley Arena was previously operated by Live Nation Entertainment. AEG is the current operator of three indoor live entertainment venues in London: The O2 Arena, the Hammersmith Apollo, and IndigO2, and has been recently awarded a five-year contract to deliver summer concerts at Hyde Park. Following the merger, AEG will operate the two largest London indoor venues: The O2 Arena and Wembley Arena. AEG is also a promoter, AEG Live (UK) Limited, and owns a ticketing service, AXS.com.

Martin Cave, CC Deputy Chairman and Chairman of the AEG/Wembley Inquiry Group, commented: 'AEG's opportunity to increase venue hire prices would be limited because factors such as capacity, availability, brand, reputation and personal preference are more important to acts booking the venue. Negotiation on the venue hire price takes place after the venue booking has been confirmed. We also considered whether AEG would have an incentive to reduce the quality of the venue after the merger and found that doing so could damage AEG both in financial terms and also in relation to its reputation at its other venues.'

The CC also stated that, while the merged entity might have the ability to use its position as a promoter, ticket and venue operator to harm its competitors in different parts of the supply chain, either by reducing the supply of its services to its competitors 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.

### 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 Inquiry Group are: Professor Martin Cave (Chairman of the Group and CC Deputy Chairman), Roger Finbow, Andrew Popham and Anthony Stern.
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](http://www.competition-commission.org.uk).

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