

**LIVE NATION ENTERTAINMENT, INC.**  
**SECOND QUARTER 2013**  
**SUPPLEMENTAL OPERATIONAL AND FINANCIAL INFORMATION**

**\*\* Information presented is as of August 6, 2013 unless otherwise indicated \*\***

**Concerts**

The company has seen strong growth in consumer demand for the concerts business, with double-digit growth in ticket sales for both Live Nation and Ticketmaster's concert segment through June 30, 2013, as compared to 2012.

The company's ticket sales for its concerts were up 26% through June 30, 2013, as compared to the first half of 2012. The company currently has nine artists who have sold over 500,000 tickets for North American arena and amphitheater tours in 2013.

The company currently expects double-digit concert attendance growth for the full-year 2013 in both North America and International markets, and across festivals, amphitheaters and arenas, and as a result, currently expects to substantially achieve its goal of adding 5 million incremental fans by 2014.

The company plans to triple its spend in digital and social marketing channels to comprise over 35% of its advertising budget in North America by 2015. Thus far in 2013, the company has increased social and digital marketing to 25% of its total advertising spend.

Looking forward to the third quarter and second half of 2013, the company currently anticipates concert attendance growth accelerating across all markets, with approximately 23 million tickets already sold for shows in the second half of 2013 compared to 15 million as of the same point in 2012, representing a 50% increase.

The company currently expects to more than double its electronic dance music (EDM) attendance for 2013 versus 2012, with over 2.5 million fans projected to attend its 17 EDM festivals in 2013.

The company currently expects to grow its festival base by over 20% in 2013 compared to 2012, with attendance currently anticipated to exceed 4 million fans attending 67 festivals across 15 countries during the year.

**Ticketing**

The company's secondary ticketing business had a 35% increase in gross ticket value for the second quarter of 2013 compared to 2012.

Through the first six months of 2013, Ticketmaster had a net client renewal rate in excess of 100%.

## **Artist Nation**

The company's core artist management business represents approximately 70% of the Artist Nation segment's adjusted operating income and generates a margin of over 20%. On a like-for-like basis looking at artists under management in both timeframes, the adjusted operating income for the artist management business was stable for the first half of 2013 versus 2012.

## **Financial Results, Balance Sheet, Debt and Debt Covenants**

As of June 30, 2013, the company's total debt to EBITDA ratio was under 3.75x versus the maximum of 4.5x, and its interest coverage ratio of EBITDA to net interest expense was over 5.0x versus the minimum ratio of 3.0x.

The company currently expects cash taxes of approximately \$45 million to be paid in 2013, with the increase over 2012 driven by the tax refunds received in 2012 along with improved adjusted operating income for 2013 in tax-paying jurisdictions. Despite this cash tax increase, the company currently expects free cash flow as a percentage of adjusted operating income for 2013 to be roughly consistent with 2012, based on planned improvements in operations.

## **Outlook**

Based on concert ticket sales, sponsorship commitments and Ticketmaster ticket sales to date, the company currently believes that revenue growth for the second half and full year of 2013 will be consistent with the first half of 2013, and adjusted operating income growth will continue for the rest of 2013. In addition:

- Based on its first-half performance, ticket volume already sold for the second half and the strength of its revenue optimization programs, the company currently believes it will deliver double-digit growth in attendance at its concerts in 2013 as compared to 2012, which it believes will drive substantial growth in its Concerts segment's adjusted operating income growth for 2013.
- At this point, between its first-half adjusted operating income growth and its book of business that has already been sold for the year, the company currently expects adjusted operating income growth in its Sponsorship & Advertising segment for the full year to be in the low double digits.
- The company currently continues to expect that Ticketmaster's adjusted operating income will be roughly flat for 2013 compared to 2012.
- The company currently expects results for its Artist Nation segment for the full year 2013 to remain on trend with results for the first half of the year, both in terms of the stability of the management business and the overall adjusted operating income generated by the division.

The company currently expects margin improvement for 2013 in its Concerts segment, while its Ticketing and Sponsorship & Advertising segments' margins are expected to remain essentially flat to 2012.

Overall, the company currently expects that it will deliver full-year results 2013 in line with its three-year plan.

### **Forward-Looking Statements**

The supplemental information provided above contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ, including statements regarding Live Nation's anticipated future operational and financial performance. Please refer to Live Nation's SEC filings (including its most recently filed Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K), available on its website at [www.livenation.com/investors](http://www.livenation.com/investors), for a description of risks and uncertainties that could impact the actual results.