

**LIVE NATION ENTERTAINMENT, INC.**  
**FOURTH QUARTER AND FULL YEAR 2011**  
**SUPPLEMENTAL OPERATIONAL AND FINANCIAL INFORMATION**

**\*\* Information presented is as of February 23, 2012 unless otherwise indicated \*\***

**Artist Nation**

The company's key artists were more active during 2011 as compared to 2010, delivering a 36% improvement in management business results for the year.

**Concerts**

*2011 Highlights:*

- Reduced amphitheater tickets by approximately two million tickets as compared to 2010, focusing on profitability over volume
- Launched 10 new festivals, with an overall investment of close to \$10 million
- Promoted 148 electronic concerts and festivals to nearly 700,000 fans, which included launching the North America electronic amphitheater tour, *Identity*
- Created a new distribution platform for casual fans with Groupon, selling 1.1 million total tickets
- Launched its Live Nation iPhone app and mobile sites:
  - ◆ over three million app downloads, with two million tickets sold
  - ◆ mobile concession ordering at 16 amphitheaters
  - ◆ in-venue live set lists and concert feeds for over 2,700 concerts
  - ◆ nearly nine million "Last Minute Tickets" alerts sent to fans when tickets were still available on the day of the show

*2012 Update:*

- From January 1 through February 19, 2012, Live Nation concert sales were up 22% compared to the same period in 2011, well outpacing Ticketmaster concert industry metrics of down 8%, with North American concert sales up 28% and International concert sales up 13% during that period
- From January 1 through February 19, 2012, ticket sales for the company's 2012 European festivals were up 14% compared to the same period in 2011

- The company currently expects to have a total of approximately 50 festivals by year-end
- The company will continue to implement its dynamic pricing tool, PriceMaster, for its amphitheater shows, with 100 shows already confirmed by artists

### **Ticketing**

#### *2011 Highlights:*

- Net renewal rate of 102% across its 12,000-venue customer base
- Consolidated nine data sources into one data warehouse to power Live Analytics
- Database of over 200 million fans, of which over 110 million have opted in to get e-mail marketing from the company
- Deployed Live Analytics, which finished the year with 50 customers, including 23 major league sports teams

#### *2012 Update:*

- From January 1 through February 19, 2012, ticket sales were up 3% compared to the same period in 2011
- In January 2012, ticket sales grew by 7% over January 2011, led by sales for the NBA, soccer and concert on-sales
- From February 1 through February 19, 2012, ticket sales were down 3%, with fewer major on-sales than the same period in 2011

### **Debt and Debt Covenants**

The company continues to remain comfortably in compliance with its debt covenant requirements under its credit facility. As of December 31, 2011, the company's total debt-to-EBITDA ratio was under 4.0x versus the maximum of 4.5x, and its interest coverage ratio was over 4.4x versus the minimum ratio of 2.75x.

### **Balance Sheet and Other Financial Information**

- As of January 31, 2012, the company's deferred revenue had increased by \$87 million versus December 31, 2011

- Through 2011, approximately 40-50% of the company's adjusted operating income has been generated outside of the United States, with such non-U.S. income split fairly evenly across the Euro, the British Pound and the Canadian dollar and all other currencies

### **Capital Expenditures**

Starting in 2011, the company currently expects to see a three-year increase in capital expenditures related to the replatforming of its Ticketmaster technology. This project increased the company's 2011 capital expenditures by approximately \$15 million, and the total capital expenditures investment for the project is expected to be approximately \$75 million, with an adjusted operating income impact of approximately half such figure over the three-year life of the project.

### **Outlook**

For 2012, as compared to 2011, the company currently anticipates:

- low single-digit growth in its Concerts sales
- overall ticket sales to be flat to up low single digits, along with improved operating efficiency, which will be substantially offset by the company's increased investments in the Ticketmaster technology replatforming and mobile and social products
- double-digit volume growth in its secondary ticketing business

The company also does not currently expect working capital to increase for the year.

### **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.