

***Case No COMP/M.2026 -  
CLEAR CHANNEL  
COMMUNICATIONS /  
SFX ENTERTAINMENT***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 14/07/2000

*Also available in the CELEX database  
Document No 300M2026*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 14/07/2000

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

**To the notifying parties**

Dear Sirs,

**Subject: Case No COMP/M.2026 – Clear Channel Communications/SFX Entertainment**

Your notification of 13.06.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 13.06.2000, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 (“the Merger Regulation”) by which Clear Channel Communications, Inc. (“Clear Channel”) acquires the whole of SFX Entertainment, Inc. (“SFX Entertainment”).
2. The Commission has concluded that the notified operation falls within the scope of the Merger Regulation as amended and does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

**I. THE PARTIES AND THE OPERATION**

3. **Clear Channel Communications, Inc (“Clear Channel”)** is a publicly traded US company, incorporated under the laws of the State of Texas. Clear Channel is a diversified media company with two business segments: broadcasting (television and radio) and outdoor advertising displays. Clear Channel operates in 32 countries, but achieves approximately 85 % of its revenues in the USA.

4. **SFX Entertainment, Inc, (“SFX”)** is a publicly traded US company, incorporated under the laws of the State of Delaware. SFX is a diversified promoter, producer and venue operator for live entertainment events. In addition, SFX is a sports marketing company specialising in the representation of sport athletes and broadcasters. Of the 120 venues operated by SFX, 92 are in the USA.
5. The operation is to be effected by Clear Channel’s acquisition of all SFX’s shares in exchange for Clear Channel shares.

## **II. CONCENTRATION**

6. Technically, CCUII Merger Sub, a subsidiary of Clear Channel especially set up for this purpose, will merge with SFX. SFX will then become a wholly-owned subsidiary of Clear Channel.
7. The operation is therefore a concentration since the operations described above will result in the acquisition of SFX by Clear Channel.

## **IV. COMMUNITY DIMENSION**

8. Clear Channel and SFX have a combined aggregate world-wide turnover of more than EUR 5 billion<sup>1</sup> (Clear Channel: EUR [...] million and SFX : EUR [...] million). Each of Clear Channel and SFX have a Community-wide turnover in excess of EUR 250 million (Clear Channel : EUR [...] and SFX : EUR [...]), but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension and does not qualify for co-operation with the EFTA surveillance authority pursuant to the EEA Agreement.

## **V. COMPETITIVE ASSESSMENT**

9. Clear Channel is involved in broadcasting and outdoor advertising. Clear Channel’s radio station interests in the EEA are concentrated in Denmark (ownership of two FM radio stations), Norway (50 % equity interest in Radio 1, which owns 7 radio stations in Norway) and UK (32 % equity interest in Golden Rose, which owns two radio stations in the UK). In 1999, Clear Channel owned approximately 550,000 outdoor advertising (or poster advertising) displays worldwide of which approximately 230,000 were located in the EEA (Belgium : 15,600 ; Denmark : 5,900 ; Finland : 1,600 ; France : 109,900 ; the UK : 43,500 ; Ireland : 5,500 ; Italy : 5,700 ; Norway : 26,500 ; Spain : 500 and Sweden : 15,600).
10. SFX promotes, produces and operates venues for live entertainment events and operates as a sports marketing and management company. SFX operates as a concert/event promoter in the UK, Germany, Sweden, Belgium, Spain, Austria, Finland, Denmark, the Netherlands, Ireland and Norway. SFX owns and operates in the

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<sup>1</sup> Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25). To the extent that figures include turnover for the period before 1.1.1999, they are calculated on the basis of average ECU exchange rates and translated into EUR on a one-for-one basis.

EEA three arenas in the UK (Sheffield, Cardiff and Donington Park), one area in Sweden (The Cirkus Arena) and has a 50 % interest in an arena in Dublin (The Point).

11. Consequently, there is no horizontal overlap between the parties.
12. The Commission considered the fact that SFX was a potential buyer of Clear Channel for advertising before the operation. As SFX accounts only for a negligible part of the demand for advertising of live events in the countries where Clear Channel is also active, the operation will not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the common market or in a substantial part of it..

## **VI. CONCLUSION**

13. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,  
Mario MONTI