

Live Nation Entertainment, Inc.
Form 10-K
February 23, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016,

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-32601

LIVE NATION ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware 20-3247759

(State of Incorporation) (I.R.S. Employer Identification No.)

9348 Civic Center Drive

Beverly Hills, CA 90210

(Address of principal executive offices, including zip code)

(310) 867-7000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
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Common Stock, \$.01 Par Value per Share;	New York Stock Exchange
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Preferred Stock Purchase Rights

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☒ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form

10-K. ☒

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer

☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

On June 30, 2016, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of the Common Stock beneficially held by non-affiliates of the registrant was approximately \$3.1 billion. (For purposes hereof, directors, executive officers and 10% or greater stockholders have been deemed affiliates).

On February 16, 2017, there were 204,764,010 outstanding shares of the registrant’s common stock, \$0.01 par value per share, including 948,686 shares of unvested restricted stock awards and excluding 408,024 shares held in treasury.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our Definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, expected to be filed within 120 days of our fiscal year end, are incorporated by reference into Part III.

Table of Contents

LIVE NATION ENTERTAINMENT, INC.
INDEX TO FORM 10-K

	Page
PART I	
ITEM 1. <u>BUSINESS</u>	<u>2</u>
ITEM 1A. <u>RISK FACTORS</u>	<u>11</u>
ITEM 1B. <u>UNRESOLVED STAFF COMMENTS</u>	<u>24</u>
ITEM 2. <u>PROPERTIES</u>	<u>24</u>
ITEM 3. <u>LEGAL PROCEEDINGS</u>	<u>24</u>
PART II	
ITEM 5. <u>MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	<u>25</u>
ITEM 6. <u>SELECTED FINANCIAL DATA</u>	<u>26</u>
ITEM 7. <u>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>26</u>
ITEM 7A. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>48</u>
ITEM 8. <u>FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	<u>49</u>
ITEM 9. <u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	<u>90</u>
ITEM 9A. <u>CONTROLS AND PROCEDURES</u>	<u>90</u>
ITEM 9B. <u>OTHER INFORMATION</u>	<u>92</u>
PART III	
ITEM 10. <u>DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	<u>92</u>
ITEM 11. <u>EXECUTIVE COMPENSATION</u>	<u>92</u>
ITEM 12. <u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	<u>92</u>
ITEM 13. <u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	<u>92</u>
ITEM 14. <u>PRINCIPAL ACCOUNTING FEES AND SERVICES</u>	<u>92</u>
PART IV	
ITEM 15. <u>EXHIBITS, FINANCIAL STATEMENT SCHEDULES</u>	<u>93</u>

Table of Contents

LIVE NATION ENTERTAINMENT, INC.

GLOSSARY OF KEY TERMS

AOCI	Accumulated other comprehensive income (loss)
AOI	Adjusted operating income (loss)
Clear Channel	Clear Channel Communications, Inc.
Company	Live Nation Entertainment, Inc. and subsidiaries
FASB	Financial Accounting Standards Board
GAAP	United States Generally Accepted Accounting Principles
Liberty Media	Liberty Media Corporation
Live Nation	Live Nation Entertainment, Inc. and subsidiaries
SEC	United States Securities and Exchange Commission
VIE	Variable interest entity
Ticketmaster	For periods prior to May 6, 2010, Ticketmaster means Ticketmaster Entertainment LLC and its predecessor companies (including without limitation Ticketmaster Entertainment, Inc.); for periods on and after May 6, 2010, Ticketmaster means the ticketing business of the Company

Table of Contents

PART I

“Live Nation” (which may be referred to as the “Company,” “we,” “us” or “our”) means Live Nation Entertainment, Inc. and its subsidiaries, or one of our segments or subsidiaries, as the context requires.

Special Note About Forward-Looking Statements

Certain statements contained in this Form 10-K (or otherwise made by us or on our behalf from time to time in other reports, filings with the SEC, news releases, conferences, internet postings or otherwise) that are not statements of historical fact constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, notwithstanding that such statements are not specifically identified. Forward-looking statements include, but are not limited to, statements about our financial position, business strategy, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition, the effects of future legislation or regulations and plans and objectives of our management for future operations. We have based our forward-looking statements on our beliefs and assumptions considering the information available to us at the time the statements are made. Use of the words “may,” “should,” “continue,” “plan,” “potential,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “outlook,” “could,” “target,” “project,” variations of such words and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those set forth under Item 1A.—Risk Factors as well as other factors described herein or in our quarterly and other reports we file with the SEC (collectively, “cautionary statements”). Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. We do not intend to update these forward-looking statements, except as required by applicable law.

ITEM 1. BUSINESS

Our Company

We believe that we are the largest live entertainment company in the world, connecting over 550 million fans across all of our concerts and ticketing platforms in approximately 40 countries in 2016.

We believe we are the largest producer of live music concerts in the world, based on total fans that attend Live Nation events as compared to events of other promoters, connecting more than 71 million fans to nearly 26,300 events for over 3,200 artists in 2016. Live Nation owns, operates, has exclusive booking rights for or has an equity interest in 196 venues, including House of Blues[®] music venues and prestigious locations such as The Fillmore in San Francisco, the Hollywood Palladium, the Ziggo Dome in Amsterdam and 3Arena in Ireland.

We believe our global footprint is the world’s largest music advertising network for corporate brands and includes one of the world’s leading ecommerce websites, based on a comparison of gross sales of top internet retailers.

We believe we are the world’s leading live entertainment ticketing sales and marketing company, based on the number of tickets we sell. Ticketmaster provides ticket sales, ticket resale services and marketing and distribution globally through www.ticketmaster.com and www.livenation.com and our other websites, numerous retail outlets and call centers and we sold over 480 million tickets in 2016 through our systems. Ticketmaster serves more than 12,000 clients worldwide across multiple event categories, providing ticketing services for leading arenas, stadiums, professional sports franchises and leagues, college sports teams, performing arts venues, museums and theaters.

We believe we are one of the world’s leading artist management companies based on the number of artists represented. Our artist management companies manage music artists and acts across all music genres. As of December 31, 2016, we had over 140 managers providing services to more than 500 artists.

Our principal executive offices are located at 9348 Civic Center Drive, Beverly Hills, California 90210 (telephone: 310-867-7000). Our principal website is www.livenationentertainment.com. Live Nation is listed on the New York Stock Exchange, trading under the symbol “LYV.”

Our Strategy

Our strategy is to grow our leadership position in live entertainment, to sell more tickets and increase our revenue, earnings and cash flow. We serve artists, venues and teams to secure content and tickets; we invest in technology to build innovative products which advance our ticketing, advertising and mobile platforms; and we are paid by advertisers that want to connect their brands with our passionate fan base.

Table of Contents

Our core businesses surrounding the promotion of live events include ticketing, and sponsorship and advertising. We believe our focus on growing these businesses will increase shareholder value as we continue to enhance our revenue streams and achieve economies of scale with our global platforms. We also continue to strengthen our core operations, further expanding into additional global markets and optimizing our cost structure. Our strategy is to grow and innovate through the initiatives listed below.

Expand our Concert Platform. We will deliver more shows, grow our fan base and increase our ticket sales by continuing to build our portfolio of festivals globally, expanding our business into select additional top global music markets, and further building our presence in existing markets. Through our strong partnership with artist managers, we believe we can continue to further expand our concert base by delivering strong and consistent services to our artist managers and their clients.

Grow our Revenue per Show. We will grow our revenue per show across our venues through more effective ticket pricing, broader ticketing distribution and more targeted promotional marketing. We will also grow our onsite fan monetization through improved onsite products and services.

Sell More Tickets and Invest in Product Improvements. We are focused on selling tickets through a wide set of sales channels, including mobile and online, and leveraging our fan database. We will enhance our API features to reach a broader audience. We will continue to invest in our ticketing platforms and develop innovative products to build fan traffic to our sales channels and drive increased ticket sales.

Grow Secondary Ticket Volume. We will grow the volume of secondary tickets sold through a trusted environment for fan ticket exchanges. Globally, we will expand the availability of secondary tickets, allowing our fans to have a dependable, secure destination for secondary ticket acquisition for all events.

Grow Sponsorship and Advertising Partnerships. We will continue to drive growth in our sponsorship relationships and capture a larger share of the global music sponsorship market. We will focus on expanding existing partnerships and developing new corporate sponsor partners to provide them with targeted strategic programs, leveraging our 70 million plus fans attending our shows each year.

Our Strengths

We believe we have unique resources that are unmatched in the live entertainment industry.

Fans. During 2016, we connected over 550 million fans to their favorite live event. Our database of fans and their interests provides us with the means to efficiently market our shows to them.

Artists. We have extensive relationships with artists ranging from those just beginning their careers to established superstars. In 2016, we promoted shows or tours for over 3,200 artists globally. In addition, through our artist management companies, we manage more than 500 artists.

Online Services and Ticketing. We own and operate various branded websites, both in the United States and abroad, which are customized to reflect services offered in each jurisdiction. Our primary online websites, www.livenation.com and www.ticketmaster.com, together with our other branded ticketing websites, are designed to promote ticket sales for live events. We also have both Live Nation and Ticketmaster mobile apps that our fans can use to access event information and buy tickets.

Distribution Network. We believe that our global distribution network of promoters, venues and festivals provides us with a strong position in the live concert industry. We believe we have one of the largest global networks of live entertainment businesses in the world, with offices in 34 countries worldwide. In addition, we own, operate, have exclusive booking rights for, or have an equity interest in 196 venues located across 11 countries as of the end of 2016, making us, we believe, the second largest operator of music venues in the world. We also believe that we are one of the largest music festival producers in the world with 85 festivals globally. In addition, we believe that our global ticketing distribution network, which includes one of the largest ecommerce sites and apps with over 31 million downloads, and more than 12,000 clients worldwide, makes us the largest ticketing network in the world.

Sponsors. We employ a sales force of over 300 people that worked with approximately 900 sponsors during 2016, through a combination of strategic partnerships, local venue-related deals and national agreements, both in North America and internationally. Our sponsors include some of the most well-recognized national and global brands including Citibank, American Express, O₂, Anheuser-Busch, Pepsi and AT&T (each of these brands is a registered trademark of the sponsor).

Employees. At December 31, 2016, we employed approximately 8,300 full-time employees.

Table of Contents

Our History

We were incorporated in Delaware on August 2, 2005 in preparation for the contribution and transfer by Clear Channel of substantially all of its entertainment assets and liabilities to us. We completed this separation on December 21, 2005, and became a publicly traded company on the New York Stock Exchange trading under the symbol "LYV."

On January 25, 2010, we merged with Ticketmaster and it became a wholly-owned subsidiary of Live Nation. Effective with the merger, Live Nation, Inc. changed its name to Live Nation Entertainment, Inc.

Our Industry

We operate in these main industries within the live entertainment business: live music events and associated venue operations, sponsorship and advertising sales, ticketing services and artist management.

The live music industry includes concert promotion and/or production of music events or tours. Typically, to initiate live music events or tours, booking agents contract with artists to represent them for defined periods. Booking agents then contact promoters, who will contract with them or with artists directly, to arrange events. Promoters earn revenue primarily from the sale of tickets. Artists are paid by the promoter under one of several different formulas, which may include fixed guarantees and/or a percentage of ticket sales or event profits. In addition, promoters may also reimburse artists for certain costs of production, such as sound and lights. Under guaranteed payment formulas, promoters assume the risks of unprofitable events. Promoters may renegotiate lower guarantees or cancel events because of insufficient ticket sales in order to reduce their losses. Promoters can also reduce the risk of losses by entering into global or national touring agreements with artists and including the right to offset lower performing shows against higher performing shows on the tour in the determination of overall artist fees.

For music tours, two to nine months typically elapse between initially booking artists and the first performances.

Promoters, in conjunction with artists, managers and booking agents, set ticket prices and advertise events. Promoters market events, sell tickets, rent or otherwise provide venues and arrange for local production services, such as stages and equipment.

Venue operators typically contract with promoters to have their venues rented for specific events on specific dates and receive fixed fees or percentages of ticket sales as rental income. In addition, venue operators provide services such as concessions, parking, security, ushering and ticket-taking, and receive some or all of the revenue from concessions, merchandise, venue sponsorships, parking and premium seating.

The sponsorship and advertising industry within the live entertainment business involves the sale of international, national, regional and local advertising and promotional programs to a variety of companies to advertise or promote their brand, product or service. These sponsorships typically include venue naming rights, onsite venue signage, online advertisements and exclusive partner rights in various categories such as credit card, beverage, hotel and telecommunications, and may include event pre-sales and onsite product activation. In addition, online channels offering live streaming and music-related content provide opportunities for advertisers to connect their brands directly with fans and artists.

Ticketing services include the sale of tickets primarily through online and mobile channels but also through phone, outlet and box office channels. Ticketing companies will contract with venues and/or promoters to sell tickets to events over a period of time, generally three to five years. The ticketing company does not set ticket prices or seating charts for events as this information is given to it by the venue and/or promoter in charge of the event. The ticketing company generally gets paid a fixed fee per ticket sold or a percentage of the total ticket service charges. Venues will often also sell tickets through a local box office at the venue using the ticketing company's technology. The ticketing company will generally not earn a fee on these box office tickets. The ticketing company receives the cash for the ticket sales and related service charges at the time the ticket is sold and periodically remits these receipts to the venue and/or promoter after deducting its fee.

Ticketing resale services refers to the sale of tickets by the holder who originally purchased the tickets from a venue, promoter or other entity, or a ticketing services provider selling on behalf of a venue, promoter or other entity. Resale tickets are also referred to as secondary tickets. Generally, the ticket reseller is paid a service charge when the ticket is resold and the negotiated ticket value is paid to the holder.

Artist managers primarily provide services to music recording artists to manage their careers. The artist manager negotiates on behalf of the artist and is paid a fee, generally as a percentage of the artist's earnings.

Our Business

Our reportable segments are Concerts, Sponsorship & Advertising, Ticketing and Artist Nation.

Concerts. Our Concerts segment principally involves the global promotion of live music events in our owned or operated venues and in rented third-party venues, the operation and management of music venues, the production of music festivals across the world and the creation of associated content. During 2016, our Concerts business generated \$5.9 billion, or 70.3%, of our total revenue. We promoted nearly 26,300 live music events in 2016, including artists such as Beyoncé, Coldplay, Guns N' Roses, Bruce Springsteen & the E Street Band, Drake and Adele and through festivals such as Austin City Limits,

Table of Contents

Lollapalooza, Electric Daisy Carnival, V Festival, Rock Werchter and Reading. While our Concerts segment operates year-round, we generally experience higher revenue during the second and third quarters due to the seasonal nature of shows at our outdoor amphitheaters and festivals, which primarily occur from May through October.

As a promoter, we earn revenue primarily from the sale of tickets and pay artists under one of several formulas, including a fixed guaranteed amount and/or a percentage of ticket sales or event profits. For each event, we either use a venue we own or operate, or rent a third-party venue. Revenue is generally impacted by the number of events, volume of ticket sales and ticket prices. Event costs such as artist fees and production service expenses are included in direct operating expenses and are typically substantial in relation to the revenue. As a result, significant increases or decreases in promotion revenue do not typically result in comparable changes to operating income.

As a venue operator, we generate revenue primarily from the sale of concessions, parking, premium seating, rental income, venue sponsorships and ticket rebates or service charges earned on tickets sold through our internal ticketing operations or by third parties under ticketing agreements. In our amphitheaters, the sale of concessions is outsourced and we receive a share of the net revenue from the concessionaire, which is recorded in revenue with no significant associated direct operating expenses. Revenue generated from venue operations typically has a higher margin than promotion revenue and therefore typically has a more direct relationship to changes in operating income.

As a festival promoter, we typically book artists, secure festival sites, provide for third-party production services, sell tickets and advertise events to attract fans. We also provide or arrange for third parties to provide operational services as needed such as concessions, merchandising and security. We earn revenue from the sale of tickets and typically pay artists a fixed guaranteed amount. We also earn revenue from the sale of concessions, camping fees, festival sponsorships and ticket rebates or service charges earned on tickets sold. For each event, we either use a festival site we own or rent a third-party festival site. Revenue is generally impacted by the number of events, volume of ticket sales and ticket prices. Event costs such as artist fees and production service expenses are included in direct operating expenses and are typically substantial in relation to the revenue. Since the artist fees are typically fixed guarantees for these events, significant increases or decreases in festival promotion revenue will generally result in comparable changes to operating income.

Sponsorship & Advertising. Our Sponsorship & Advertising segment employs a sales force that creates and maintains relationships with sponsors through a combination of strategic, international, national and local opportunities that allow businesses to reach customers through our concerts, venue, festivals and ticketing assets, including advertising on our websites. We drive increased advertising scale to further monetize our concerts platform through rich media offerings including advertising associated with live streaming and music-related content. We work with our corporate clients to help create marketing programs that drive their business goals and connect their brands directly with fans and artists. We also develop, book and produce custom events or programs for our clients' specific brands which are typically experienced exclusively by the clients' consumers. These custom events can involve live music events with talent and media, using both online and traditional outlets. During 2016, our Sponsorship & Advertising business generated \$378 million, or 4.5%, of our total revenue. We typically experience higher revenue in the second and third quarters as a large portion of sponsorships are typically associated with our outdoor venues and festivals, which are primarily used in or occur from May through October.

We believe that we have a unique opportunity to connect the music fan to corporate sponsors and therefore seek to optimize this relationship through strategic sponsorship programs. We continue to also pursue the sale of national and local sponsorships, both domestically and internationally, and placement of advertising, including signage, online advertising and promotional programs. Many of our venues have naming rights sponsorship programs. We believe national and international sponsorships allow us to maximize our network of venues and festivals and to arrange multi-venue or multi-festival branding opportunities for advertisers. Our local and venue-focused sponsorships include venue signage, promotional programs, onsite activation, hospitality and tickets, and are derived from a variety of companies across various industry categories.

Ticketing. Our Ticketing segment is primarily an agency business that sells tickets for events on behalf of our clients and retains a fee, or "service charge," for these services. We sell tickets for our events and also for third-party clients across multiple live event categories, providing ticketing services for leading arenas, stadiums, amphitheaters, music clubs, concert promoters, professional sports franchises and leagues, college sports teams, performing arts venues,

museums and theaters. We sell tickets through websites, mobile apps, ticket outlets and telephone call centers. During the year ended December 31, 2016, we sold 65%, 27%, 6% and 2% of primary tickets through these channels, respectively. Our Ticketing segment also manages our online activities including enhancements to our websites and product offerings. During 2016, our Ticketing business generated \$1.8 billion, or 21.9%, of our total revenue, which excludes the face value of tickets sold. Through all of our ticketing services, we sold 186 million tickets in 2016 on which we were paid fees for our services. In addition, approximately 298 million tickets in total were sold using our Ticketmaster systems, primarily through season seat packages and our venue clients' box offices, for which we do not receive a fee. Our ticketing sales are impacted by fluctuations in the availability of events for sale to the public, which may vary depending upon event scheduling by our clients. As ticket sales increase, related ticketing operating income generally increases as well.

Table of Contents

We sell tickets on behalf of our clients through our ticketing platforms across the world. We generally enter into written agreements with individual clients to provide primary ticketing services for specified multi-year periods, typically ranging from three to five years. Pursuant to these agreements, clients generally determine and then tell us what tickets will be available for sale, when such tickets will go on sale to the public and what the ticket price will be. Agreements with venue clients generally grant us the right to sell tickets for all events presented at the relevant venue for which tickets are made available to the general public. Agreements with promoter clients generally grant us the right to sell tickets for all events presented by a given promoter at any venue, unless that venue is already covered by an existing exclusive agreement with our ticketing business or another ticketing service provider. Where we have exclusive contracts, clients may not utilize, authorize or promote the services of third-party ticketing companies or technologies while under contract with us. While we generally have the right to sell a substantial portion of our clients' tickets, venue and promoter clients often sell and distribute box office sales and season tickets in-house. In addition, under many written agreements between promoters and our clients, the client often allocates certain tickets for artist, promoter, agent and venue use and does not make those tickets available for sale by us. We also generally allow clients to make a certain limited number of tickets available for sale through fan clubs, or other similar arrangements, from which we generally derive no revenue unless selected by the club to facilitate the sales. As a result, we do not sell all of our clients' tickets and the amount of tickets that we sell varies from client to client and from event to event, and varies as to any given client from year to year.

We currently offer ticket resale services, sometimes referred to as secondary ticketing, primarily through our integrated inventory platform, league/team platforms and other platforms internationally. We enter into arrangements with ticket resellers to post their ticket inventory for sale at a purchase price equal to a ticket resale price, determined by the ticket reseller, plus a pre-determined service fee to the buyer. The ticket reseller receives the ticket resale price less a predetermined seller service fee.

Artist Nation. Our Artist Nation segment primarily provides management services to music artists and other clients in exchange for a commission on the earnings of these artists. Our Artist Nation segment also creates and sells merchandise for music artists. During 2016, our Artist Nation business generated \$422 million, or 5.0%, of our total revenue. Revenue earned from our Artist Nation segment is impacted to a large degree by the touring schedules of the artists we represent and generally we experience higher revenue during the second and third quarters as the period from May through October tends to be a popular time for touring events.

Live Nation Venue Details

In the live entertainment industry, venue types generally consist of:

Stadiums—Stadiums are multi-purpose facilities, often housing local sports teams. Stadiums typically have 30,000 or more seats. Although they are the largest venues available for live music, they are not specifically designed for live music.

Amphitheaters—Amphitheaters are generally outdoor venues with between 5,000 and 30,000 seats that are used primarily in the summer season. We believe they are popular because they are designed specifically for concert events, with premium seat packages and better lines of sight and acoustics.

Arenas—Arenas are indoor venues that are used as multi-purpose facilities, often housing local sports teams. Arenas typically have between 5,000 and 20,000 seats. Because they are indoors, they are able to offer amenities that other similar-sized outdoor venues cannot, such as luxury suites and premium club memberships. As a result, we believe they are popular for higher-priced concerts aimed at audiences willing to pay for these amenities.

Theaters—Theaters are indoor venues that are built primarily for music events, but may include theatrical performances. These venues typically have a capacity of between 1,000 and 6,500. Theaters represent less risk to concert promoters because they have lower fixed costs associated with hosting a concert and may provide a more appropriately-sized venue for developing artists and more artists in general. Because these venues have a smaller capacity than an amphitheater, they do not offer as much economic upside on a per show basis.

Clubs—Clubs are indoor venues that are built primarily for music events, but may also include comedy clubs. These venues typically have a capacity of less than 1,000 and often without full fixed seating. Because of their small size, they do not offer as much economic upside, but they also represent less risk to a concert promoter because they have lower fixed costs associated with hosting a concert and also may provide a more appropriately-sized venue for

developing artists. Clubs can also be used year-round.

House of Blues—House of Blues venues are our branded indoor venues that can offer customers an integrated live music and dining experience. The live music halls are specially designed to provide optimum acoustics and typically can accommodate between 1,000 to 2,000 guests. A full-service restaurant and bar is often located adjacent to the live music hall. We believe that the quality of the food, service and unique atmosphere in our restaurants attracts customers

Table of Contents

to these venues independently from an entertainment event and generates a significant amount of repeat business from local customers.

Festival Sites—Festival sites are outdoor locations used primarily in the summer season to stage large single-day or multi-day concert events featuring several artists on multiple stages. Depending on the location, festival site capacities can range from 10,000 to over 100,000 per day. We believe they are popular because of the value provided to the fan by packaging several artists together for an event. While festival sites only host a few events each year, they can provide higher operating income because we are able to generate income from many different services provided at the event.

The following table summarizes the number of venues by type that we owned, leased, operated, had exclusive booking rights for or had an equity interest in as of December 31, 2016:

Venue Type	Capacity	Owned	Leased	Operated	Exclusive Booking Rights	Equity Interest	Total
Stadium	More than 30,000	—	—	—	1	—	1
Amphitheater	5,000 - 30,000	8	28	7	11	—	54
Arena	5,000 - 20,000	1	4	2	2	1	10
Theater	1,000 - 6,500	7	31	9	15	2	64
Club	Less than 1,000	3	15	1	15	1	35
House of Blues	1,000 - 2,000	2	8	—	—	—	10
Festival Site *	Varies	5	—	—	17	—	22
Total venues in operation		26	86	19	61	4	196
Venues currently under construction		—	4	—	—	—	4
Venues not currently in operation		2	3	—	—	—	5
Total venues in operation by location:							
North America		17	66	15	49	3	150
International		9	20	4	12	1	46

* Exclusive booking rights for festival sites includes multi-year agreements providing us the right to use public or private land for a defined period of time leading up to and continuing after the festival. We may enter into multiple agreements for a single festival site or use the same site for multiple festivals. We have aggregated the agreements for each festival site and reported them as one festival site.

Competition

Competition in the live entertainment industry is intense. We believe that we compete primarily on the basis of our ability to deliver quality music events, sell tickets and provide enhanced fan and artist experiences. We believe that our primary strengths include:

- the quality of service delivered to our artists, fans, ticketing clients and corporate sponsors;
- our track record in promoting and producing live music events and tours both domestically and internationally;
- artist relationships;
- our global footprint;
- ticketing software and services;
- our ecommerce site and associated database;
- distribution platform (venues);
- the scope and effectiveness in our expertise of advertising and sponsorship programs; and
- our financial stability.

Table of Contents

Although we believe that our products and services currently compete favorably with respect to such factors, we cannot provide any assurance that we can maintain our competitive position against current and potential competitors, especially those with significantly greater brand recognition, or financial, marketing, support, technical and other resources.

In the markets in which we promote music concerts, we face competition from both promoters and venue operators. We believe that barriers to entry into the promotion services business are low and that certain local promoters are increasingly expanding the geographic scope of their operations.

Some of our competitors in the live music industry are Anschutz Entertainment Group, or AEG, Dainty Group, Another Planet Entertainment, Jam Productions, Ltd., Bowery Presents, I.M.P, LiveStyle, Inc. and Frank Productions in addition to numerous smaller regional companies and various casinos and venues in North America, Europe, Asia, and Australia. AEG operates under a number of different names including AEG Live, Concerts West, Goldenvoice and The Messina Group. Some of our competitors in the live music industry have a stronger presence in certain markets, have access to other sports and entertainment venues and may have greater financial resources in those markets, which may enable them to gain a greater competitive advantage in relation to us.

In markets where we own or operate a venue, we compete with other venues to serve artists likely to perform in that general region. Consequently, touring artists have various alternatives to our venues when scheduling tours. Our main competitors in venue management include SMG, AEG, The Madison Square Garden Company and The Nederlander Organization, in addition to numerous smaller regional companies in North America and Europe. Some of our competitors in venue management have a greater number of venues in certain markets and may have greater financial resources in those markets.

Our main competitors at the local market level for sponsorships and advertising dollars include local sports teams, which often offer state-of-the-art venues and strong local media packages, as well as festivals, theme parks and other local events. On the national level, our competitors include the major sports leagues that sell sponsorships combined with significant national media packages.

The ticketing services industry includes the sale of tickets primarily through online and mobile channels, but also through telephone and ticket outlets. As online and mobile ticket purchases increase, related ticketing costs generally decrease, which has made it easier for technology-based companies to offer primary ticketing services and standalone, automated ticketing systems that enable venues to perform their own ticketing services or utilize self-ticketing systems. In the online environment, we compete with other websites, online event sites and ticketing companies to provide event information, sell tickets and provide other online services such as fan clubs and artist websites.

We experience competition from other national, regional and local primary ticketing service providers to secure new venues and to reach fans for events. Resale, or secondary, ticketing services have created more aggressive buying of primary tickets whereby certain brokers are using automated internet “bot” technology to attempt to buy the best tickets when they go on sale. The internet allows fans and other ticket resellers to reach a vastly larger audience through the aggregation of inventory on online resale websites and marketplaces, and provides consumers with more convenient access to tickets for a larger number and greater variety of events.

We also face significant and increasing competition from companies that sell self-ticketing systems, as well as from venues that choose to integrate self-ticketing systems into their existing operations or acquire primary ticketing service providers. Our main competitors include primary ticketing companies such as Tickets.com, AXS, Paciolan, Inc., CTS Eventim AG, Eventbrite, eTix and Ticketfly and secondary ticketing companies such as StubHub.

In the artist management business, we compete with other artist managers both at larger talent representation companies, such as Red Light Management, as well as smaller artist management companies and individuals.

Government Regulations

We are subject to federal, state and local laws, both domestically and internationally, governing matters such as:

- construction, renovation and operation of our venues;
- licensing, permitting and zoning, including noise ordinances;
- human health, safety and sanitation requirements;
- the service of food and alcoholic beverages;
- working conditions, labor, minimum wage and hour, citizenship and employment laws;

compliance with the Americans with Disabilities Act of 1990 (“ADA”) and the United Kingdom’s Disability Discrimination Act of 1995 (“DDA”);

Table of Contents

historic landmark rules;
 compliance with United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010 and similar regulations in other countries;
 hazardous and non-hazardous waste and other environmental protection laws;
 sales and other taxes and withholding of taxes;
 privacy laws and protection of personally identifiable information;
 marketing activities via the telephone and online; and
 primary ticketing and ticket resale services.

We believe that we are in material compliance with these laws. The regulations relating to our food service operations in our venues are many and complex. A variety of regulations at various governmental levels relating to the handling, preparation and serving of food, the cleanliness of food production facilities and the hygiene of food-handling personnel are enforced primarily at the local public health department level.

We also must comply with applicable licensing laws, as well as state and local service laws, commonly called dram shop statutes. Dram shop statutes generally prohibit serving alcoholic beverages to certain persons such as an individual who is intoxicated or a minor. If we violate dram shop laws, we may be liable to third parties for the acts of the customer. Although we generally hire outside vendors to provide these services at our larger operated venues and regularly sponsor training programs designed to minimize the likelihood of such a situation, we cannot guarantee that intoxicated or minor customers will not be served or that liability for their acts will not be imposed on us.

We are also required to comply with the ADA, the DDA and certain state statutes and local ordinances that, among other things, require that places of public accommodation, including both existing and newly-constructed venues, be accessible to customers with disabilities. The ADA and the DDA require that venues be constructed to permit persons with disabilities full use of a live entertainment venue. The ADA and the DDA may also require that certain modifications be made to existing venues to make them accessible to customers and employees who are disabled. In order to comply with the ADA, the DDA and other similar ordinances, we may face substantial capital expenditures in the future.

We are required to comply with the laws of the countries in which we operate and also the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act 2010 regarding anti-bribery regulations. These regulations make it illegal for us to pay, promise to pay or receive money or anything of value to, or from, any government or foreign public official for the purpose of directly or indirectly obtaining or retaining business. This ban on illegal payments and bribes also applies to agents or intermediaries who use funds for purposes prohibited by the statute. We are required to comply with federal, state and international laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and user data, an area that is increasingly subject to legislation and regulations in numerous jurisdictions around the world.

From time to time, governmental bodies have proposed legislation that could have an effect on our business. For example, some legislatures have proposed laws in the past that would impose potential liability on us and other promoters and producers of live music events for entertainment taxes and for incidents that occur at our events, particularly relating to drugs and alcohol. More recently, some jurisdictions have proposed legislation that would restrict ticketing methods or mandate ticket inventory disclosure.

In addition, we and our venues are subject to extensive environmental laws and regulations relating to the use, storage, disposal, emission and release of hazardous and non-hazardous substances, as well as zoning and noise level restrictions which may affect, among other things, the hours of operations of and the type of events we can produce at our venues.

Intellectual Property

We create, own and distribute intellectual property worldwide. It is our practice to protect our trademarks, brands, copyrights, patents and other original and acquired works, ancillary goods and services. Our trademarks include, among others, the marks “Live Nation,” “Ticketmaster,” “House of Blues” and “The Fillmore,” and their corresponding logos. We have registered many of our trademarks in numerous foreign countries. We believe that our trademarks and other proprietary rights have significant value and are important to our brand-building efforts and the marketing of our services. We cannot predict, however, whether steps taken by us to protect our proprietary rights will be adequate to

prevent misappropriation of these rights.

Table of Contents

Employees

As of December 31, 2016, we had approximately 8,300 full-time employees, including 5,400 in North America and 2,900 international employees, of which approximately 8,100 were employed in our operations departments and approximately 200 were employed in our corporate group.

Our staffing needs vary significantly throughout the year. Therefore, we also employ part-time and/or seasonal employees, primarily for our live music venues and festivals. As of December 31, 2016, we employed approximately 6,400 seasonal and/or part-time employees and during peak seasonal periods, particularly in the summer months, we employed as many as 28,600 seasonal employees in 2016. The stagehands at some of our venues and other employees are subject to collective bargaining agreements. Our union agreements typically have a term of three years and thus regularly expire and require negotiation in the course of our business. We believe that we enjoy good relations with our employees and other unionized labor involved in our events, and there have been no significant work stoppages in the past three years. Upon the expiration of any of our collective bargaining agreements, however, we may be unable to renegotiate on terms favorable to us, and our business operations at one or more of our facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating our collective bargaining agreements. In addition, our business operations at one or more of our facilities may also be interrupted as a result of labor disputes by outside unions attempting to unionize a venue even though we do not have unionized labor at that venue currently. A work stoppage at one or more of our owned or operated venues or at our promoted events could have a material adverse effect on our business, results of operations and financial condition. We cannot predict the effect that a potential work stoppage will have on our results of operations.

Executive Officers

Set forth below are the names, ages and current positions of our executive officers and other significant employees as of February 16, 2017.

Name	Age	Position
Michael Rapino	51	President, Chief Executive Officer and Director
Ron Bension	62	President–HOB Entertainment
Joe Berchtold	52	Chief Operating Officer
Mark Campana	59	Co-President–North America Concerts
Brian Capo	50	Chief Accounting Officer
Arthur Fogel	63	Chairman–Global Music and President–Global Touring
John Hopmans	58	Executive Vice President–Mergers and Acquisitions and Strategic Finance
John Reid	55	President–Live Nation Europe Concerts
Alan Ridgeway	50	President–International and Emerging Markets
Bob Roux	59	Co-President–North America Concerts
Michael Rowles	51	General Counsel and Secretary
Jared Smith	39	President–Ticketmaster North America
Russell Wallach	51	President–Sponsorships
Kathy Willard	50	Chief Financial Officer
Mark Yovich	42	President–Ticketmaster International
Jordan Zachary	34	Chief Strategy Officer
David Zedeck	52	President–Global Talent and Artist Development

Michael Rapino is our President and Chief Executive Officer and has served in this capacity since August 2005. He has also served on our board of directors since December 2005. Mr. Rapino has worked for us or our predecessors since 1999.

Ron Bension is President of our HOB Entertainment division and has served in this capacity since November 2010. Prior to that, Mr. Bension served as Chief Executive Officer for TicketsNow, a division of Ticketmaster, since joining us in January 2010.

Joe Berchtold is our Chief Operating Officer and has served in this capacity since joining us in April 2011. Prior to that, Mr. Berchtold was at Technicolor, where he was most recently President of Technicolor Creative Services, after joining them in 2003.

Table of Contents

Mark Campana is Co-President of our North America Concerts division and has served in this capacity since October 2010. Mr. Campana has worked for us or our predecessors since 1980.

Brian Capo is our Chief Accounting Officer and has served in this capacity since joining us in December 2007.

Arthur Fogel is the Chairman of our Global Music group and President of our Global Touring division and has served in this capacity since 2005. Mr. Fogel has worked for us or our predecessors since 1999.

John Hopmans is our Executive Vice President of Mergers and Acquisitions and Strategic Finance and has served in this capacity since joining us in April 2008.

John Reid is President of our Europe Concerts division and has served in this capacity since joining us in January 2012. Prior to that, Mr. Reid was the Chief Executive Officer of Warner Music Europe and International Marketing from November 2010 to December 2011.

Alan Ridgeway is President of our International and Emerging Markets division and has served in this capacity since November 2011. Prior to that, Mr. Ridgeway was Chief Executive Officer of our International division from September 2007 to October 2011. Mr. Ridgeway has worked for us or our predecessors since 2002.

Bob Roux is Co-President of our North America Concerts division and has served in this capacity since October 2010. Mr. Roux has worked for us or our predecessors since 1990.

Michael Rowles is our General Counsel and has served in this capacity since joining us in March 2006 and as our Secretary since May 2007.

Jared Smith is President of Ticketmaster's North America division and has served in this capacity since May 2013. Prior to that, Mr. Smith served as Ticketmaster's Chief Operating Officer from May 2010 to April 2013 and has worked for us or our predecessors since 2003.

Russell Wallach is President of our Sponsorships division and has served in this capacity since July 2006.

Mr. Wallach has worked for us or our predecessors since 1996.

Kathy Willard is our Chief Financial Officer and has served in this capacity since September 2007. Ms. Willard has worked for us or our predecessors since 1998.

Mark Yovich is President of Ticketmaster's International division and has served in this capacity since November 2011. Prior to that, Mr. Yovich served as Executive Vice President and General Manager of our International eCommerce division from January 2010 to October 2011. Mr. Yovich has worked for us or our predecessors since 2000.

Jordan Zachary is our Chief Strategy Officer and has served in this capacity since joining us in April 2015. Prior to that, Mr. Zachary was most recently a Managing Director of The Raine Group, after joining them in 2009.

David Zedeck is President of Global Talent and Artist Development for our Concerts group and has served in this capacity since joining us in July 2013. Prior to that, Mr. Zedeck was a music agent, most recently spending eight years at Creative Artists Agency.

Available Information

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our filings with the SEC are also available to the public through the SEC's website at www.sec.gov.

You can find more information about us online at our investor relations website located at www.investors.livenationentertainment.com. Our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments to those reports are available free of charge on our website as soon as reasonably practicable after we electronically file such material with the SEC. The information posted on or accessible through our website is not incorporated into this annual report on Form 10-K.

ITEM 1A. RISK FACTORS

You should carefully consider each of the following risks and all of the other information set forth in this Annual Report. The following risks relate principally to our business and operations, our leverage and our common stock. If any of the risks and uncertainties develop into actual events, this could have a material adverse effect on our business, financial condition or results of operations. In that case, the trading price of our common stock could decline.

Table of Contents

Risks Relating to Our Business and Operations

Our business is highly sensitive to public tastes and is dependent on our ability to secure popular artists and other live music events, and we and our ticketing clients may be unable to anticipate or respond to changes in consumer preferences, which may result in decreased demand for our services.

Our business is highly sensitive to rapidly changing public tastes and is dependent on the availability of popular artists and events. Our live entertainment business depends in part on our ability to anticipate the tastes of consumers and to offer events that appeal to them. Since we rely on unrelated parties to create and perform at live music events, any unwillingness to tour or lack of availability of popular artists could limit our ability to generate revenue. In particular, there are a limited number of artists that can headline a major North American or global tour or who can sell out larger venues, including many of our amphitheaters. If those artists do not choose to tour, or if we are unable to secure the rights to their future tours, then our business would be adversely affected. Our ticketing business relies on third parties to create and perform live entertainment, sporting and leisure events and to price tickets to such events. Accordingly, our ticketing business' success depends, in part, upon the ability of these third parties to correctly anticipate public demand for particular events, as well as the availability of popular artists, entertainers and teams. Our artist management business could be adversely affected if the artists it represents do not tour or perform as frequently as anticipated, or if such tours or performances are not as widely attended by fans as anticipated due to changing tastes, general economic conditions or otherwise.

In addition, our live entertainment business typically books our live music tours two to nine months in advance of the beginning of the tour and often agrees to pay an artist a fixed guaranteed amount prior to our receiving any revenue. Therefore, if the public is not receptive to the tour, or we or an artist cancel the tour, we may incur a loss for the tour depending on the amount of the fixed guarantee or incurred costs relative to any revenue earned, as well as revenue we could have earned at booked venues. We have cancellation insurance policies in place to cover a portion of our losses if an artist cancels a tour but such policies may not be sufficient and are subject to deductibles. Furthermore, consumer preferences change from time to time, and our failure to anticipate, identify or react to these changes could result in reduced demand for our services, which would adversely affect our business, financial condition and results of operations.

Our business depends on relationships between key promoters, executives, agents, managers, artists and clients and any adverse changes in these relationships could adversely affect our business, financial condition and results of operations.

The live music business is uniquely dependent upon personal relationships, as promoters and executives within live music companies such as ours leverage their existing network of relationships with artists, agents and managers in order to secure the rights to the live music tours and events which are critical to our success. Due to the importance of those industry contacts to our business, the loss of any of our promoters, officers or other key personnel could adversely affect our business. Similarly, the artist management business is dependent upon the highly personalized relationship between a manager and an artist, and the loss of a manager may also result in a loss of the artist represented by the manager, which could adversely affect our business. Although we have entered into long-term agreements with many of those individuals described above to protect our interests in those relationships, we can give no assurance that all or any of these key employees or managers will remain with us or will retain their associations with key business contacts, including music artists.

The success of our ticketing business depends, in significant part, on our ability to maintain and renew relationships with existing clients and to establish new client relationships. We anticipate that, for the foreseeable future, the substantial majority of our Ticketing segment revenue will be derived from both online and mobile as well as direct sales of tickets. We also expect that revenue from primary ticketing services, which consist primarily of per ticket convenience charges and per order service fees, will continue to comprise the substantial majority of our Ticketing segment revenue. We cannot provide assurances that we will be able to maintain existing client contracts, or enter into or maintain new client contracts, on acceptable terms, if at all, and the failure to do so could have a material adverse effect on our business, financial condition and results of operations.

Another important component of our success is our ability to maintain existing and to build new relationships with third-party distribution channels, advertisers, sponsors and service providers. Any adverse change in these

relationships, including the inability of these parties to fulfill their obligations to our businesses for any reason, could adversely affect our business, financial condition and results of operations.

We face intense competition in the live music, ticketing and artist management industries, and we may not be able to maintain or increase our current revenue, which could adversely affect our business, financial condition and results of operations.

Our businesses are in highly competitive industries, and we may not be able to maintain or increase our current revenue due to such competition. The live music industry competes with other forms of entertainment for consumers' discretionary spending and within this industry we compete with other venues to book artists, and, in the markets in which we promote music concerts, we face competition from other promoters and venue operators. Our competitors compete with us for key employees who have relationships with popular music artists and who have a history of being able to book such artists for concerts and

Table of Contents

tours. These competitors may engage in more extensive development efforts, undertake more far-reaching marketing campaigns, adopt more aggressive pricing policies and make more attractive offers to existing and potential artists. Due to increasing artist influence and competition to attract and maintain artist clients, we may enter into agreements on terms that are less favorable to us, which could negatively impact our financial results. Our competitors may develop services, advertising options or music venues that are equal or superior to those we provide or that achieve greater market acceptance and brand recognition than we achieve. It is possible that new competitors may emerge and rapidly acquire significant market share.

Our ticketing business faces significant competition from other national, regional and local primary ticketing service providers to secure new and retain existing clients on a continuous basis. Additionally, we face significant and increasing challenges from companies that sell self-ticketing systems and from clients who choose to self-ticket, through the integration of such systems into their existing operations or the acquisition of primary ticket services providers or by increasing sales through venue box offices and season and subscription sales. We also face competition in the resale of tickets from online auction websites and resale marketplaces and from other ticket resellers with online distribution capabilities. The advent of new technology, particularly as it relates to online ticketing, has amplified this competition. The intense competition that we face in the ticketing industry could cause the volume of our ticketing services business to decline. As we are also a content provider and venue operator we may face direct competition with our prospective or current primary ticketing clients, who primarily include live event content providers. This direct competition with our prospective or current primary ticketing clients could result in a decline in the number of ticketing clients we have and a decline in the volume of our ticketing business, which could adversely affect our business, financial condition and results of operations.

In the secondary ticket sales market, we have restrictions on our business that are not faced by our competitors, which restrictions include those that are self-imposed, imposed as a result of agreements entered into with the Federal Trade Commission ("FTC") and the Attorneys General of several individual states, and statutory. These restrictions include: restrictions on linking from our page on the www.ticketmaster.com website that informs consumers that no tickets were found in response to their ticket request to our resale ticketing options without first obtaining approval from the State of New Jersey as to any material changes to our current linking practices; a restriction on using or allowing our affiliates to use domain names that, among other things, contain the unique names of venues, sports teams or performers, or contain names that are substantially similar to or are misspelled versions of same; a requirement to clearly and conspicuously disclose on any resale website owned by us or on any primary ticketing website where a link or redirect to such a resale website is posted that it is a resale website and ticket prices often exceed the ticket's original price; and a requirement to make certain clear and conspicuous disclosures and in certain instances to create separate listings when a ticket being offered for resale is not "in-hand" as well as a requirement to monitor and enforce the compliance of third parties offering tickets on our websites with such disclosure requirements. Our competitors in the secondary ticket sales market are not, to our knowledge, bound by similar restrictions. As a result, our ability to effectively compete in the secondary ticket sales market may be adversely affected, which could in turn adversely affect our business, financial condition and results of operations.

The artist management industry is also a highly competitive industry, with numerous other artist management companies and individual managers in the United States alone. We compete with these companies and individuals to discover new and emerging artists and to represent established artists. In addition, certain of our arrangements with clients of our artist management business are terminable at will by either party, leading to competition to retain those artists as clients. Competition is intense and may contribute to a decline in the volume of our artist management business, which could adversely affect our business, financial condition and results of operations.

In connection with our merger with Ticketmaster, we became subject to both a court-imposed final judgment in the United States and a consent agreement with Canadian authorities, pursuant to which we have agreed to abide by certain behavioral remedies that prevent us from engaging in retaliatory business tactics or improper tying arrangements. In addition, we are restricted from engaging in certain business activities that would be lawful for us to undertake absent the final judgment and the consent agreement. Our inability to undertake these business strategies could disadvantage us when we compete against firms that are not restricted by any such order, and we therefore face certain unquantifiable business risks as a result of compliance.

Other variables that could adversely affect our financial performance by, among other things, leading to decreases in overall revenue, the number of sponsors, event attendance, ticket prices and fees or profit margins include:

- an increased level of competition for advertising dollars, which may lead to lower sponsorships as we attempt to retain advertisers or which may cause us to lose advertisers to our competitors offering better programs that we are unable or unwilling to match;
- unfavorable fluctuations in operating costs, including increased guarantees to artists, which we may be unwilling or unable to pass through to our customers via ticket prices;

Table of Contents

inability to fund the significant up-front cash requirements associated with our touring and ticketing businesses due to insufficient cash on hand or capacity under our senior secured credit facility, which could result in the loss of key tours to competitors or the inability to secure and retain ticketing clients; competitors' offerings that may include more favorable terms than we do in order to obtain agreements for new venues or ticketing arrangements or to obtain events for the venues they operate; technological changes and innovations that we are unable to adopt or are late in adopting that offer more attractive entertainment alternatives than we or other live entertainment providers currently offer, which may lead to a reduction in attendance at live events, a loss of ticket sales or lower ticket fees; and other entertainment options available to our audiences that we do not offer.

The success of our ticketing business and other operations depends, in part, on the integrity of our systems and infrastructures, as well as affiliate and third-party computer systems, wifi and other communication systems. System interruption and the lack of integration and redundancy in these systems and infrastructures may have an adverse impact on our business, financial condition and results of operations.

System interruption and the lack of integration and redundancy in the information systems and infrastructures, both of our own ticketing systems and other computer systems and of affiliate and third-party software, wifi and other communications systems service providers on which we rely, may adversely affect our ability to operate websites, process and fulfill transactions, respond to customer inquiries and generally maintain cost-efficient operations. Such interruptions could occur by virtue of natural disaster, malicious actions such as hacking or acts of terrorism or war, or human error. In addition, the loss of some or all of certain key personnel could require us to expend additional resources to continue to maintain our software and systems and could subject us to systems interruptions.

While we have backup systems for certain aspects of our operations, disaster recovery planning by its nature cannot be sufficient for all eventualities. In addition, we may not have adequate insurance coverage to compensate for losses from a major interruption. If any of these adverse events were to occur, it could adversely affect our business, financial condition and results of operations.

Data loss or other breaches of our network security could materially harm our business and results of operations, and the processing, storage, use and disclosure of personal data could give rise to liabilities and additional costs as a result of governmental regulation, litigation and conflicting legal requirements relating to personal privacy rights.

We process, store, use and disclose certain personal information about our customers. Penetration of our network or other misappropriation or misuse of personal information and data, including credit card information, could cause interruptions in our operations and subject us to increased costs, litigation, inquiries and actions from governmental authorities, and financial and other liabilities. In addition, security breaches or the inability to protect our data could lead to increased incidents of ticketing fraud and counterfeit tickets. Security breaches could also significantly damage our reputation with consumers, ticketing clients and other third parties, and impose significant costs related to remediation efforts, such as credit or identity theft monitoring. Although we have developed systems and processes that are designed to protect customer information and prevent data loss and other security breaches, such measures cannot provide absolute security or certainty. It is possible that advances in computer and hacker capabilities, new variants of malware, the development of new penetration methods and tools, inadvertent violations of company policies or procedures or other developments could result in a compromise of information or a breach of the technology and security processes that are used to protect customer information. We have expended significant capital and other resources to protect against and remedy such potential security breaches and their consequences, including the establishment of a dedicated cybersecurity organization within our larger technology environment, and will continue to do so in the future. We also face risks associated with security breaches affecting third parties with which we are affiliated or with which we otherwise conduct business. Consumers are generally concerned with security and privacy of the internet, and any publicized security problems affecting our businesses and/or those of third parties may discourage consumers from doing business with us, which could have an adverse effect on our business, financial condition and results of operations.

In addition to the above concerns related to network and data security, the sharing, use, disclosure and protection of personally identifiable information and other user data are governed by existing and evolving federal, state and international laws. We could be adversely affected if legislation or regulations are expanded to require changes in

business practices or privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition and results of operations. As we expand our operations into new jurisdictions worldwide, the costs associated with compliance with these regulations increases. It is possible that government or industry regulation in these markets will require us to deviate from our standard processes, which will increase operational cost and risk.

More specifically, the European Union General Data Protection Regulation (“GDPR”) will become effective for European Union (“E.U.”) member states beginning in May 2018. This comprehensive legislation will harmonize data protection regulations across E.U. member states, while placing many restrictions and burdens on data controllers and

Table of Contents

processors located both within and outside of the E.U. whose activities involve the personal information of residents of the E.U. Among other requirements applicable to data controllers, the GDPR contains provisions related to accountability obligations to implement, document and demonstrate data protection compliance, the appointment of a Data Protection Officer, consent/withdrawal of consent by data subjects, transparency of information provided to data subjects, data breach notifications to data subjects, and international transfers of data, while providing for fines that can be up to the higher of 4% of a company's worldwide total revenue or €20 million. We have committed significant capital and personnel resources to ensure that we are in compliance with the GDPR by the time it becomes effective; however, there can be no assurances that we will be successful in these efforts, or that violations will not occur, particularly given the complexity of both the GDPR and our business, as well as the uncertainties that accompany new, comprehensive legislation.

Our failure or the failure of the various third-party vendors and service providers with which we do business to comply with applicable privacy policies or federal, state or international laws and regulations or any compromise of security that results in the unauthorized release of personally identifiable information or other user data could damage our reputation, discourage potential users from trying our products and services and/or result in fines and/or proceedings by governmental agencies and/or consumers, one or all of which could adversely affect our business, financial condition and results of operations.

We operate in international markets which subject us to risks associated with the legislative, judicial, accounting, regulatory, political and economic risks and conditions specific to such markets, which could adversely affect our business, financial condition and results of operations.

We provide services in various jurisdictions abroad through a number of brands and businesses that we own and operate, as well as through joint ventures, and we expect to continue to expand our international presence. We face, and expect to continue to face, additional risks in the case of our existing and future international operations, including:

- political instability, adverse changes in diplomatic relations and unfavorable economic and business conditions in the markets in which we currently have international operations or into which we may expand, particularly in the case of emerging markets;

- more restrictive or otherwise unfavorable government regulation of the live entertainment and ticketing industries, which could result in increased compliance costs and/or otherwise restrict the manner in which we provide services and the amount of related fees charged for such services;

- limitations on the enforcement of intellectual property rights;

- limitations on the ability of foreign subsidiaries to repatriate profits or otherwise remit earnings;

- adverse tax consequences due both to the complexity of operating across multiple tax regimes as well as changes in, or new interpretations of, international tax treaties and structures;

- expropriations of property and risks of renegotiation or modification of existing agreements with governmental authorities;

- diminished ability to legally enforce our contractual rights in foreign countries;

- limitations on technology infrastructure, which could limit our ability to migrate international operations to a common ticketing system;

- variability in venue security standards and accepted practices;

- lower levels of internet usage, credit card usage and consumer spending in comparison to those in the United States; and

- difficulties in managing operations and adapting to consumer desires due to distance, language and cultural differences, including issues associated with (i) business practices and customs that are common in certain foreign countries but might be prohibited by United States law and our internal policies and procedures, and (ii) management and operational systems and infrastructures, including internal financial control and reporting systems and functions, staffing and managing of foreign operations, which we might not be able to do effectively or cost-efficiently.

Our ability to expand our international operations into new jurisdictions, or further into existing jurisdictions will depend, in significant part, on our ability to identify potential acquisition candidates, joint venture or other partners, and enter into arrangements with these parties on favorable terms, as well as our ability to make continued

investments to maintain and grow existing international operations. If the revenue generated by international operations is insufficient to offset expenses incurred in connection with the maintenance and growth of these operations, our business, financial condition and results of operations could be materially and adversely affected. In addition, in an effort to make international operations in one or more given

Table of Contents

jurisdictions profitable over the long term, significant additional investments that are not profitable over the short term could be required over a prolonged period.

In foreign countries in which we operate, a risk exists that our employees, contractors or agents could, in contravention of our policies, engage in business practices prohibited by applicable United States laws and regulations, such as the United States Foreign Corrupt Practices Act, as well as the laws and regulations of other countries prohibiting corrupt payments to government officials such as the United Kingdom Bribery Act 2010. We maintain policies prohibiting such business practices and have in place global anti-corruption compliance and training programs designed to ensure compliance with these laws and regulations. Nevertheless, the risk remains that one or more of our employees, contractors or agents, including those based in or from countries where practices that violate such United States laws and regulations or the laws and regulations of other countries may be customary, as well as those associated with newly-acquired businesses, will engage in business practices that are prohibited by our policies, circumvent our compliance programs and, by doing so, violate such laws and regulations. Any such violations, even if prohibited by our internal policies, could result in fines, criminal sanctions against us and/or our employees, prohibitions on the conduct of our business and damage to our reputation, which could adversely affect our business, financial condition and results of operations.

In addition, given our substantial operations in the United Kingdom (the “U.K.”) and the E.U., we face risks and uncertainties due to the recent referendum and approval by voters in the U.K. of an exit from the E.U., commonly referred to as “Brexit.” These risks and uncertainties include potential deterioration in the macroeconomic environment that could lead to less demand for concerts and other live entertainment in the U.K. and the E.U., potential legal and regulatory changes that could, among other things, impact the ease of movement between the U.K. and the E.U. for artists and touring personnel, and exchange rate risks such as the ten percent drop in the U.K. pound sterling against the U.S. dollar that occurred the day after the Brexit referendum, which resulted in higher artist fees in pound sterling terms (see the risk factor captioned “Exchange rates may cause fluctuations in our results of operations that are not related to our operations” below for more discussion of the impact of currency fluctuations on our business). While the full parameters and implications of Brexit are currently unknown, these and other factors, if realized, could adversely affect our business, financial condition and results of operations.

We are subject to extensive governmental regulation, and our failure to comply with these regulations could adversely affect our business, financial condition and results of operations.

Our operations are subject to federal, state and local statutes, rules, regulations, policies and procedures, both domestically and internationally, which are subject to change at any time, governing matters such as:

- construction, renovation and operation of our venues;
- licensing, permitting and zoning, including noise ordinances;
- human health, safety and sanitation requirements;
- the service of food and alcoholic beverages;
- working conditions, labor, minimum wage and hour, citizenship and employment laws;
- compliance with the ADA and the DDA;
- historic landmark rules;
- compliance with the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010 and similar regulations in other countries, as more particularly described above under the risk factor related to our international operations;
- hazardous and non-hazardous waste and other environmental protection laws;
- sales and other taxes and withholding of taxes;
- privacy laws and protection of personally identifiable information;
- marketing activities via the telephone and online; and
- primary ticketing and ticket resale services.

Our failure to comply with these laws and regulations could result in fines and/or proceedings against us by governmental agencies and/or consumers, which if material, could adversely affect our business, financial condition and results of operations. While we attempt to conduct our business and operations in a manner that we believe to be in compliance with such laws and regulations, there can be no assurance that a law or regulation will not be

interpreted or enforced in a manner contrary to our current understanding of the law or regulation. In addition, the promulgation of new laws, rules and regulations could restrict or unfavorably impact our business, which could decrease demand for services, reduce revenue, increase costs and/or subject us to additional liabilities. For example, some legislatures have proposed laws in the past that would impose potential liability on us

Table of Contents

and other promoters and producers of live music events for entertainment taxes and for incidents that occur at our events, particularly relating to drugs and alcohol. New legislation could be passed that may negatively impact our business, such as provisions that have recently been proposed in various jurisdictions that would restrict ticketing methods, mandate ticket inventory disclosure and attack current policies governing season tickets for sports teams. Additionally, governmental actions such as the current sanctions by the U.S. Department of the Treasury's Office of Foreign Assets Control and European regulators on certain Russian individuals and entities could restrict or limit our business activities in certain areas or subject us to sanction for noncompliance, even if inadvertent.

From time to time, federal, state and local authorities and/or consumers commence investigations, inquiries or litigation with respect to our compliance with applicable consumer protection, advertising, unfair business practice, antitrust (and similar or related laws) and other laws. Our businesses have historically cooperated with authorities in connection with these investigations and have satisfactorily resolved each such material investigation, inquiry or litigation. We are currently subject to agreements with the States of New Jersey, Maryland and Illinois and the FTC which govern, and in certain cases place limitations on, our ticketing resale practices. Our competitors in the secondary ticket sales market are not, to our knowledge, bound by such limitations and as a result, we may be at a competitive disadvantage. Other states and Canadian provinces have commenced investigations or inquiries regarding the relationship between us and certain of our subsidiaries and other aspects of our ticketing business. We have incurred significant legal expenses in connection with the defense of governmental investigations and litigation in the past and may be required to incur additional expenses in the future regarding such investigations and litigation. In the case of antitrust (and similar or related) matters, any adverse outcome could limit or prevent us from engaging in the ticketing business generally (or in a particular market thereof) or subject us to potential damage assessments, all of which could have a material adverse effect on our business, financial condition and results of operations.

Unfavorable outcomes in legal proceedings may adversely affect our business and operating results.

Our results may be affected by the outcome of pending and future litigation. Unfavorable rulings in our legal proceedings may have a negative impact on us that may be greater or smaller depending on the nature of the rulings. In addition, we are currently, and from time to time in the future may be, subject to various other claims, investigations, legal and administrative cases and proceedings (whether civil or criminal) or lawsuits by governmental agencies or private parties, as further described in the immediately preceding risk factor. If the results of these investigations, proceedings or suits are unfavorable to us or if we are unable to successfully defend against third-party lawsuits, we may be required to pay monetary damages or may be subject to fines, penalties, injunctions or other censure that could have a material adverse effect on our business, financial condition and results of operations. Even if we adequately address the issues raised by an investigation or proceeding or successfully defend a third-party lawsuit or counterclaim, we may have to devote significant financial and management resources to address these issues, which could harm our business, financial condition and results of operations.

Our success depends, in significant part, on entertainment, sporting and leisure events and economic and other factors adversely affecting such events could have a material adverse effect on our business, financial condition and results of operations.

A decline in attendance at or reduction in the number of live entertainment, sporting and leisure events may have an adverse effect on our revenue and operating income. In addition, during periods of economic slowdown and recession, many consumers have historically reduced their discretionary spending and advertisers have reduced their advertising expenditures. The impact of economic slowdowns on our business is difficult to predict, but they may result in reductions in ticket sales, sponsorship opportunities and our ability to generate revenue. The risks associated with our businesses may become more acute in periods of a slowing economy or recession, which may be accompanied by a decrease in attendance at live entertainment, sporting and leisure events. Many of the factors affecting the number and availability of live entertainment, sporting and leisure events are beyond our control. For instance, certain sports leagues have experienced labor disputes leading to threatened or actual player lockouts. Any such lockouts that result in shortened or canceled seasons would adversely impact our business to the extent that we provide ticketing services to the affected teams both due to the loss of games and ticketing opportunities as well as the possibility of decreased attendance following such a lockout due to adverse fan reaction.

Our business depends on discretionary consumer and corporate spending. Many factors related to corporate spending and discretionary consumer spending, including economic conditions affecting disposable consumer income such as employment, fuel prices, interest and tax rates and inflation can significantly impact our operating results. Business conditions, as well as various industry conditions, including corporate marketing and promotional spending and interest levels, can also significantly impact our operating results. These factors can affect attendance at our events, premium seat sales, sponsorship, advertising and hospitality spending, concession and merchandise sales, as well as the financial results of sponsors of our venues, events and the industry. Negative factors such as challenging economic conditions, public concerns over terrorism and security incidents, particularly when combined, can impact corporate and consumer spending, and one negative factor can impact our results more than another. There can be no assurance that consumer and corporate spending will not be adversely impacted by current economic conditions, or by any future deterioration in economic conditions, thereby possibly impacting our operating results and growth.

Table of Contents

Exchange rates may cause fluctuations in our results of operations that are not related to our operations.

Because we own assets overseas and derive revenue from our international operations, we may incur currency translation losses or gains due to changes in the values of foreign currencies relative to the United States Dollar. We cannot predict the effect of exchange rate fluctuations upon future operating results. For the year ended December 31, 2016, our international operations accounted for approximately 31% of our revenue. We cannot predict the future relationship between the United States Dollar and the currencies used by our international businesses, principally the British Pound, Euro, Australian Dollar and Canadian Dollar. We experienced foreign exchange rate operating income of \$2.1 million for the year ended December 31, 2016, and foreign exchange rate operating losses of \$24.5 million and \$6.2 million for the years ended December 31, 2015 and 2014, respectively, which impacted our operating income. See Item 7A.—Quantitative and Qualitative Disclosures about Market Risk.

We may enter into future acquisitions and take certain actions in connection with such transactions, including actions taken to comply with antitrust, competition and other regulations, that could affect our business and results of operations; if we are unsuccessful in our future acquisition endeavors, our business could be adversely impacted. Our future growth rate depends in part on our selective acquisition of additional businesses. A portion of our growth has been attributable to acquisitions. We may be unable to identify other suitable targets for further acquisition or make further acquisitions at favorable prices. If we identify a suitable acquisition candidate, our ability to successfully complete the acquisition would depend on a variety of factors, and may include our ability to obtain financing on acceptable terms and requisite government approvals. In addition, the credit agreement for our senior secured credit facility restricts our ability to make certain acquisitions. In connection with future acquisitions, we could take certain actions that could adversely affect our business, including:

- using a significant portion of our available cash;
- issuing equity securities, which would dilute current stockholders' percentage ownership;
- incurring substantial debt;
- incurring or assuming contingent liabilities, known or unknown;
- incurring amortization expenses related to intangibles; and
- incurring large accounting write-offs or impairments.

In addition, acquisitions involve inherent risks which, if realized, could adversely affect our business and results of operations, including those associated with:

- integrating the operations, financial reporting, technologies and personnel of acquired companies, including establishing and maintaining a system of internal controls appropriate for a public company environment;
- managing geographically dispersed operations;
- the diversion of management's attention from other business concerns;
- the inherent risks in entering markets or lines of business in which we have either limited or no direct experience; and
- the potential loss of key employees, customers and strategic partners of acquired companies.

We are also subject to laws and regulations, including those relating to antitrust at the state, federal and international levels, that could significantly affect our ability to expand our business through acquisitions. For example, the FTC and the Antitrust Division of the United States Department of Justice with respect to our domestic acquisitions, and the European Commission (the antitrust regulator of the European Union) and the United Kingdom Competition Commission with respect to our European acquisitions, have the authority to challenge our acquisitions on antitrust grounds before or after the acquisitions are completed. Our failure or inability to complete future acquisitions as a result of such laws and regulations, or the imposition of unfavorable terms as a condition to the completion of an acquisition, could have a material adverse effect on our business and results of operations.

We may be adversely affected by the occurrence of extraordinary events, such as terrorist attacks.

The occurrence and threat of extraordinary events, such as terrorist attacks, intentional or unintentional mass-casualty incidents, public health concerns such as contagious disease outbreaks, natural disasters or similar events, may deter artists from touring and/or substantially decrease the use of and demand for our services and the attendance at live music events, which may decrease our revenue or expose us to substantial liability. The terrorism and security incidents in the past, military actions in foreign locations and periodic elevated terrorism alerts have raised numerous challenging operating factors, including

Table of Contents

public concerns regarding air travel, military actions and additional national or local catastrophic incidents, causing a nationwide disruption of commercial and leisure activities.

In the event of actual or threatened terrorism events, some artists may refuse to travel or book tours, which could adversely affect our business. Attendance at events may decline due to fears over terrorism and contagious disease outbreaks, which could adversely impact our operating results. The occurrence or threat of future terrorist attacks, military actions by the United States or others, contagious disease outbreaks, natural disasters such as earthquakes and severe floods or similar events cannot be predicted, and their occurrence can be expected to negatively affect the economies of the United States and other foreign countries where we do business, as well as our operating results. We are dependent upon our ability to lease, acquire and develop live music venues, and if we are unable to do so on acceptable terms, or at all, our results of operations could be adversely affected.

Our Concerts and Sponsorship & Advertising segments require access to venues to generate revenue from live music events. For these events, we use venues that we own, but we also operate a number of our live music venues under various agreements which include leases with third parties, ownership through an equity interest or booking agreements, which are agreements where we contract to book the events at a venue for a specific period of time. Our long-term success in the live music business will depend in part on the availability of venues, our ability to lease these venues and our ability to enter into booking agreements upon their expiration. As many of these agreements are with third parties over whom we have little or no control, we may be unable to renew these agreements or enter into new agreements on acceptable terms or at all, and may be unable to obtain favorable agreements with venues. Our ability to renew these agreements or obtain new agreements on favorable terms depends on a number of other factors, many of which are also beyond our control, such as national and local business conditions and competition from other promoters. If the cost of renewing these agreements is too high or the terms of any new agreement with a new venue are unacceptable or incompatible with our existing operations, we may decide to forego these opportunities. There can be no assurance that we will be able to renew these agreements on acceptable terms or at all, or that we will be able to obtain attractive agreements with substitute venues, which could have a material adverse effect on our results of operations.

We may continue to expand our operations through the development of live music venues and the expansion of existing live music venues, which poses a number of risks, including:

- construction of live music venues may result in cost overruns, delays or unanticipated expenses;
- desirable sites for live music venues may be unavailable or costly; and
- the attractiveness of our venue locations may deteriorate over time.

Growth or maintenance of our existing revenue depends in part on consistent investment in our venues. Therefore, we expect to continue to make substantial capital improvements to meet long-term increasing demand, improve value and grow revenue. We frequently have a number of significant capital projects underway. Numerous factors, many of which are beyond our control, may influence the ultimate costs and timing of various capital improvements.

The amount of capital expenditures can vary significantly from year to year. In addition, actual costs could vary materially from our estimates if our assumptions about the quality of materials, equipment or workmanship required or the cost of financing such expenditures were to change. Construction is also subject to governmental permitting processes which, if changed, could materially affect the ultimate cost.

Additionally, the market potential of live music venue sites cannot be precisely determined, and our live music venues may face competition in markets from unexpected sources. Newly constructed live music venues may not perform up to our expectations. We face significant competition for potential live music venue locations and for opportunities to acquire existing live music venues. Because of this competition, we may be unable to add to or maintain the number of our live music venues on terms we consider acceptable.

Our operations are seasonal and our results of operations vary from quarter to quarter and year over year, so our financial performance in certain financial quarters or years may not be indicative of, or comparable to, our financial performance in subsequent financial quarters or years.

We believe our financial results and cash needs will vary greatly from quarter to quarter and year to year depending on, among other things, the timing of tours, tour cancellations, event ticket on-sales, capital expenditures, seasonal and other fluctuations in our operating results, the timing of guaranteed payments and receipt of ticket sales and fees,

financing activities, acquisitions and investments and receivables management. Because our results may vary significantly from quarter to quarter and year to year, our financial results for one quarter or year cannot necessarily be compared to another quarter or year and may not be indicative of our future financial performance in subsequent quarters or years. Typically, we experience our lowest financial performance in the first and fourth quarters of the calendar year as our outdoor venues are primarily used, and our festivals primarily occur, during May through October. In addition, the timing of tours of top grossing acts can impact

Table of Contents

comparability of quarterly results year over year and potentially annual results. The timing of event on-sales by our ticketing clients can also impact this comparability. In addition, the seasonality of our businesses could create cash flow management risks if we do not adequately anticipate and plan for periods of decreased activity, which could negatively impact our ability to execute on our strategy, which in turn could harm our results of operations.

The following table sets forth our operating income (loss) for the last eight fiscal quarters:

Fiscal Quarter Ended	Operating income (loss)
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(in thousands)

March 31, 2015	\$ (23,935)
June 30, 2015	\$ 42,245
September 30, 2015	\$ 153,510
December 31, 2015	\$ (40,448)
March 31, 2016	\$ (33,290)
June 30, 2016	\$ 74,159
September 30, 2016	\$ 191,286
December 31, 2016	\$ (37,215)

There is the risk of personal injuries and accidents in connection with our live music events, which could subject us to personal injury or other claims and increase our expenses, as well as reduce attendance at our live music events, causing a decrease in our revenue.

There are inherent risks involved with producing live music events. As a result, personal injuries and accidents have, and may, occur from time to time, which could subject us to claims and liabilities for personal injuries. Incidents in connection with our live music events at any of our venues or festival sites that we own or rent could also result in claims, reducing operating income or reducing attendance at our events, which could cause a decrease in our revenue. We have been subject to wrongful death claims and are currently subject to other litigation. In addition, while we have security protocols in place at our events, illegal drug use or alcohol consumption at our events could result in negative publicity, adverse consequences (including illness, injury or death) to the persons engaged in such activities or others, and litigation against us. While we maintain insurance policies that provide coverage within limits that are sufficient, in management's judgment, to protect us from material financial loss for personal injuries sustained by persons at our venues or events or accidents in the ordinary course of business, there can be no assurance that such insurance will be adequate at all times and in all circumstances.

We may fail to adequately protect our intellectual property rights or may be accused of infringing upon intellectual property rights of third parties.

We regard our intellectual property rights, including patents, service marks, trademarks and domain names, copyrights, trade secrets and similar intellectual property (as applicable) as critical to our success. We also rely heavily upon software codes, informational databases and other components that make up our products and services. We also have been granted patents and/or have patent applications pending with the United States Patent and Trademark Office and/or various foreign patent authorities for various proprietary technologies and other inventions. Any patent application filed may not result in a patent being issued, or existing or future patents may not be adjudicated valid by a court or be afforded adequate protection against competitors with similar technology. Likewise, the issuance of a patent to us does not mean that its processes or inventions will not be found to infringe upon patents or other rights previously issued to third parties. We rely on a combination of laws and contractual restrictions with employees, customers, suppliers, affiliates and others to establish and protect these proprietary rights. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use trade secrets or copyrighted intellectual property without authorization which, if discovered, might require legal action to correct. In addition, third parties may independently and lawfully develop substantially similar intellectual properties.

From time to time, we are subject to legal proceedings and claims in the ordinary course of business, including claims of alleged infringement of the intellectual property rights of third parties. Our failure to protect our intellectual property rights in a meaningful manner or challenges to related contractual rights could result in erosion of brand names and could adversely affect our business, financial condition and results of operations. Therefore, litigation may be necessary in the future to enforce our intellectual property rights, protect trade secrets or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business, financial condition and results of operations.

Table of Contents

Costs associated with, and our ability to obtain, adequate insurance could adversely affect our profitability and financial condition.

We currently secure insurance programs to address our various risks with terms, conditions and costs that are appropriate for our business. However, heightened concerns and challenges regarding property, casualty, liability, business interruption and other insurance coverage have resulted from terrorist and related security incidents along with varying weather-related conditions and incidents. As a result, we may experience increased difficulty obtaining high policy limits of coverage at a reasonable cost, including coverage for acts of terrorism, cyber attacks, weather-related damage and other perils associated with our operations. We have a material investment in property and equipment at each of our venues, which are generally located near major cities and which hold events typically attended by a large number of fans. We also have a significant investment in technology including our ticketing systems. At December 31, 2016, we had property and equipment with a net book value of \$751.5 million.

Damage and/or disruption to operational, geographical and situational factors, among others, may result in significant increases in insurance premium costs and difficulties obtaining sufficiently high policy limits with premiums and deductibles that we believe to be reasonable. We cannot guarantee that future increases in insurance costs and difficulties obtaining high policy limits will not adversely impact our profitability, thereby possibly impacting our operating results and growth.

In addition, we enter into various agreements with artists from time to time, including long-term artist rights arrangements. The profitability of those arrangements depends upon those artists' willingness and ability to continue performing, and we may not be able to obtain sufficient insurance coverage at a reasonable cost to adequately protect us against the death, disability or other failure of such artists to continue engaging in revenue-generating activities under those agreements.

We cannot provide assurance that our insurance policy coverage limits, including insurance coverage for property, casualty, liability, artists and business interruption losses and acts of terrorism, would be adequate under the circumstances should one or multiple events occur at or near any of our business locations, or that our insurers would have adequate financial resources to sufficiently or fully pay our related claims or damages. We cannot guarantee that adequate coverage limits will be available, offered at a reasonable cost, or offered by insurers with sufficient financial soundness. The occurrence of such an incident or incidents affecting any one or more of our business facilities could have a material adverse effect on our financial position and future results of operations if asset damage and/or company liability were to exceed insurance coverage limits or if an insurer were unable to sufficiently or fully pay our related claims or damages.

We depend upon unionized labor for the provision of some of our services and any work stoppages or labor disturbances could disrupt our business; potential union pension obligations could cause us to incur unplanned liabilities.

The stagehands at some of our venues and other employees are subject to collective bargaining agreements. Our union agreements typically have a term of three years and thus regularly expire and require negotiation in the ordinary course of our business. Upon the expiration of any of our collective bargaining agreements, however, we may be unable to negotiate new collective bargaining agreements on terms favorable to us, and our business operations may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating our collective bargaining agreements. In addition, our business operations at one or more of our facilities may also be interrupted as a result of labor disputes by outside unions attempting to unionize a venue even though we do not have unionized labor at that venue currently. A work stoppage at one or more of our owned or operated venues or at our promoted events could have a material adverse effect on our business, financial condition and results of operations. We cannot predict the effect that a potential work stoppage would have on our business.

We participate in, and make recurrent contributions to, various multiemployer pension plans that cover many of our current and former union employees. Our required recurrent contributions to these plans could unexpectedly increase during the term of a collective bargaining agreement due to ERISA laws that require additional contributions to be made when a pension fund enters into critical status, which may occur for reasons that are beyond our control. In addition, we may be required by law to fulfill our pension withdrawal liability with respect to any multiemployer pension plans from which we may withdraw or partially withdraw. Our potential withdrawal liability will increase if a

multiemployer pension plan in which we participate has significant underfunded liabilities. Any unplanned multiemployer pension liabilities could have a material adverse effect on our business, financial condition and results of operations.

Poor weather adversely affects attendance at our live music events, which could negatively impact our financial performance from period to period.

We promote and/or ticket many live music events. Weather conditions surrounding these events affect sales of tickets, concessions and merchandise, among other things. Poor weather conditions can have a material effect on our results of operations particularly because we promote and/or ticket a finite number of events. Due to weather conditions, we may be required to cancel or reschedule an event to another available day or a different venue, which would increase our costs for the

Table of Contents

event and could negatively impact the attendance at the event, as well as concession and merchandise sales. Poor weather can affect current periods as well as successive events in future periods.

Risks Relating to Our Leverage

We have a large amount of debt and lease obligations that could restrict our operations and impair our financial condition. The agreements governing our senior secured credit facility and certain of our other indebtedness impose restrictions on us that limit the discretion of management in operating our business and that, in turn, could impair our ability to meet our obligations under our debt.

The agreements governing our senior secured credit facility and certain of our other indebtedness include restrictive covenants that, among other things, restrict our ability to:

- incur additional debt;
- pay dividends and make distributions;
- make certain investments;
- repurchase our stock and prepay certain indebtedness;
- create liens;
- enter into transactions with affiliates;
- modify the nature of our business;
- enter into sale-leaseback transactions;
- transfer and sell material assets; and
- merge or consolidate.

In addition, our senior secured credit facility includes other restrictions, including requirements to maintain certain financial ratios. Our failure to comply with the terms and covenants of our indebtedness could lead to a default under the terms of the governing documents, which would entitle the lenders to accelerate the indebtedness and declare all amounts owed due and payable.

As of December 31, 2016, our total indebtedness, excluding unamortized debt discounts and debt issuance costs of \$51.5 million was \$2.4 billion. Our available borrowing capacity under the revolving portion of our senior secured credit facility at that date was \$279.7 million, with outstanding letters of credit of \$85.3 million. We may also incur significant additional indebtedness in the future.

Our substantial indebtedness could have adverse consequences, including:

- making it more difficult for us to satisfy our obligations;
- increasing our vulnerability to adverse economic, regulatory and industry conditions;
- limiting our ability to obtain additional financing for future working capital, capital expenditures, acquisitions and other purposes;
- requiring us to dedicate a substantial portion of our cash flow from operations to fund payments on our debt, thereby reducing funds available for operations and other purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- making us more vulnerable to increases in interest rates; and
- placing us at a competitive disadvantage compared to our competitors that have less debt.

To service our debt and lease obligations and to fund potential acquisitions, artist and ticketing advances and capital expenditures, we will require a significant amount of cash, which depends on many factors beyond our control.

As of December 31, 2016, \$53.3 million of our total indebtedness (excluding interest and unamortized debt discount and debt issuance costs) is due in 2017, \$362.9 million is due in the aggregate in 2018 and 2019, \$194.5 million is due in the aggregate in 2020 and 2021 and \$1.8 billion is due thereafter. In addition, as of December 31, 2016, we had \$2.0 billion in operating lease commitments, of which \$163.1 million is due in 2017 and \$156.0 million is due in 2018. All long-term debt without a stated maturity date is considered current and is reflected here as due in 2017. See the table in Item 7.—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments—Firm Commitments.

Table of Contents

Our ability to service our debt and lease obligations and to fund potential acquisitions, artist and ticketing advances and capital expenditures will require a significant amount of cash, which depends on many factors beyond our control. Our ability to make payments on and to refinance our debt will also depend on our ability to generate cash in the future. This is, to an extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot provide assurance that our business will generate sufficient cash flow or that future borrowings will be available to us in an amount sufficient to enable us to pay our debt or to fund our other liquidity needs. If our future cash flow from operations and other capital resources is insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional equity capital or restructure or refinance all or a portion of our debt on or before maturity. In addition, the terms of our existing debt, including our senior secured credit facility, and other future debt may limit our ability to pursue any of these alternatives.

These measures might also be unsuccessful or inadequate in permitting us to meet scheduled debt service or lease obligations. We may be unable to restructure or refinance our obligations and obtain additional debt or equity financing or sell assets on satisfactory terms or at all. Capital markets have been volatile in the recent past; a downturn could negatively impact our ability to access capital should the need arise. As a result, the inability to meet our debt or lease obligations could cause us to default on those obligations. Any such defaults could materially harm our financial condition and liquidity.

We depend on the cash flows of our subsidiaries in order to satisfy our obligations.

We rely on distributions and loans from our subsidiaries to meet our payment requirements under our obligations. If our subsidiaries are unable to pay dividends or otherwise make payments to us, we may not be able to make debt service payments on our obligations. We conduct substantially all of our operations through our subsidiaries. Our operating cash flows and consequently our ability to service our debt is therefore principally dependent upon our subsidiaries' earnings and their distributions of those earnings to us and may also be dependent upon loans or other payments of funds to us by those subsidiaries. Our subsidiaries are separate legal entities and may have no obligation, contingent or otherwise, to pay any amount due pursuant to our obligations or to make any funds available for that purpose. Our foreign subsidiaries generate a portion of our operating cash flows. Although we do not intend to repatriate these funds from our foreign subsidiaries in order to satisfy payment requirements in the United States, we would be required to accrue and pay United States federal and state income taxes on any future repatriations, net of applicable foreign tax credits. These taxes could be substantial and could have a material adverse effect on our financial condition and results of operations. In addition, the ability of our subsidiaries to provide funds to us may be subject to restrictions under our senior secured credit facility and may be subject to the terms of such subsidiaries' future indebtedness, as well as the availability of sufficient surplus funds under applicable law.

Risks Relating to Our Common Stock

Our corporate governance documents, rights agreement and Delaware law may delay, deter or prevent an acquisition of us that stockholders may consider favorable, which could decrease the value of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law contain provisions that could make it more difficult for a third party to acquire us without the consent of the board of directors. These provisions include supermajority voting requirements for stockholders to amend our organizational documents and to remove directors as well as limitations on action by our stockholders by written consent. In addition, the board of directors has the right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquirer. Delaware law, for instance, also imposes some restrictions on mergers and other business combinations between any holder of 15% or more of our outstanding common stock and us. Although we believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics and thereby provide for an opportunity to receive a higher bid by requiring potential acquirers to negotiate with the board of directors, these provisions apply even if the offer may be considered beneficial by some stockholders.

We have also adopted a stockholder rights plan intended to deter hostile or coercive attempts to acquire us. Under the plan, if any person or group acquires, or begins a tender or exchange offer that could result in such person acquiring,

15% or more of our common stock, and in the case of certain Schedule 13G filers, 20% or more of our common stock, and in the case of Liberty Media and certain of its affiliates, more than 35% of our common stock, without approval of the board of directors under specified circumstances, our other stockholders have the right to purchase shares of our common stock, or shares of the acquiring company, at a substantial discount to the public market price. Therefore, the plan makes an acquisition much more costly to a potential acquirer.

In addition, the terms of our senior secured credit facility provide that the lenders can require us to repay all outstanding indebtedness upon a change of control. These provisions make an acquisition more costly to a potential acquirer. See Item 7.— Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.

Table of Contents

We have no plans to pay dividends on our common stock, which could affect its market price.

We currently intend to retain any future earnings to finance the growth, development and expansion of our business and/or to repay existing indebtedness. Accordingly, we do not intend to declare or pay any dividends on our common stock for the foreseeable future. The declaration, payment and amount of future dividends, if any, will be at the sole discretion of the board of directors after taking into account various factors, including our financial condition, results of operations, cash flow from operations, current and anticipated capital requirements and expansion plans, the income tax laws then in effect and the requirements of Delaware law. In addition, the agreement governing our senior secured credit facility includes restrictions on our ability to pay cash dividends without meeting certain financial ratios and obtaining the consent of the lenders. Accordingly, holders of common stock will not receive cash payments on their investment and the market price may be adversely affected.

Conversion of our convertible notes may dilute the ownership interest of existing stockholders and may affect our per share results and the trading price of our common stock.

The issuance of shares of our common stock upon conversion of our convertible notes may dilute the ownership interests of existing stockholders. Issuances of stock on conversion may also affect our per share results of operations. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock.

We can issue preferred stock without stockholder approval, which could materially adversely affect the rights of common stockholders.

Our certificate of incorporation authorizes us to issue “blank check” preferred stock, the designation, number, voting powers, preferences and rights of which may be fixed or altered from time to time by the board of directors. Our subsidiaries may also issue additional shares of preferred stock. Accordingly, the board of directors has the authority, without stockholder approval, to issue preferred stock with rights that could materially adversely affect the voting power or other rights of the common stockholders or the market value of the common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of December 31, 2016, we own, operate or lease 98 entertainment venues and 136 other facilities, including office leases, throughout North America and 33 entertainment venues and 107 other facilities internationally. We believe our venues and facilities are generally well-maintained and in good operating condition and have adequate capacity to meet our current business needs. We have a lease ending June 30, 2020 for our corporate headquarters in Beverly Hills, California, used primarily by our executive group and certain of our domestic operations management staff.

Our leases are for varying terms ranging from monthly to multi-year. These leases can typically be for terms of three to five years for our office leases and 10 to 20 years for our venue leases, and many include renewal options. There is no significant concentration of venues under any one lease or subject to negotiation with any one landlord. We believe that an important part of our management activity is to negotiate suitable lease renewals and extensions.

ITEM 3. LEGAL PROCEEDINGS

None.

Table of Contents

PART II—FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock was listed on the New York Stock Exchange under the symbol “LYV” beginning on December 21, 2005. There were 3,817 stockholders of record as of February 16, 2017. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies. The following table presents the high and low sales prices of our common stock on the New York Stock Exchange during the calendar quarter indicated.

	Common Stock Market Price	
	High	Low
2015		
First Quarter	\$26.79	\$23.53
Second Quarter	\$29.21	\$24.98
Third Quarter	\$27.91	\$22.64
Fourth Quarter	\$29.68	\$23.46
2016		
First Quarter	\$24.27	\$18.77
Second Quarter	\$24.84	\$21.00
Third Quarter	\$28.10	\$23.01
Fourth Quarter	\$29.04	\$26.41

Dividend Policy

From inception and through December 31, 2016, we have not declared or paid any dividends. We presently intend to retain any future earnings to finance the expansion of our business and to make debt repayments as they become due. Therefore, we do not expect to pay any cash dividends in the foreseeable future. Moreover, the terms of our senior secured credit facility limit the amount of funds that we will have available to declare and distribute as dividends on our common stock. Payment of future cash dividends, if any, will be at the discretion of our board of directors in accordance with applicable laws after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, plans for expansion and contractual restrictions with respect to the payment of dividends.

Table of Contents**ITEM 6. SELECTED FINANCIAL DATA**

The Selected Financial Data should be read in conjunction with Item 7.—Management’s Discussion and Analysis of Financial Condition and Results of Operations.

	Year Ended December 31,				
	2016	2015	2014	2013	2012
	(in thousands except per share data)				
Results of Operations Data ⁽¹⁾:					
Revenue	\$8,354,934	\$7,245,731	\$6,866,964	\$6,478,547	\$5,819,047
Operating income (loss) ⁽²⁾	\$194,940	131,372	\$7,164	\$139,660	\$(21,639)
Income (loss) before income taxes ⁽²⁾	\$48,326	\$6,353	\$(99,820)	\$(5,137)	\$(132,161)
Net income (loss) attributable to common stockholders of Live Nation ⁽³⁾	\$2,942	\$(32,508)	\$(90,807)	\$(43,378)	\$(163,227)
Basic and diluted net loss per common share available to common stockholders of Live Nation ⁽⁴⁾	\$(0.23)	\$(0.33)	\$(0.49)	\$(0.23)	\$(0.88)
Cash dividends per share	\$—	\$—	\$—	\$—	\$—
	As of December 31,				
	2016	2015	2014	2013	2012
	(in thousands)				
Balance Sheet Data ⁽¹⁾:					
Total assets	\$6,764,266	\$6,156,241	\$5,968,361	\$5,668,360	\$5,274,474
Long-term debt, net (including current maturities)	\$2,313,053	\$2,045,014	\$2,043,400	\$1,793,726	\$1,723,673

(1) Acquisitions and dispositions along with changes in foreign exchange rates can significantly impact the comparability of the historical consolidated financial data reflected in this schedule of Selected Financial Data.

(2) The year ended December 31, 2014 includes \$135.0 million of goodwill impairments recorded in conjunction with our annual impairment tests.

(3) The year ended December 31, 2014 includes \$97.4 million of goodwill impairments, net of the noncontrolling interests share of the impairments, recorded in conjunction with our annual impairment tests.

(4) The year ended December 31, 2014 includes a loss of \$0.48 per common share from the impact of the goodwill impairments.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with the audited consolidated financial statements and notes to the financial statements included elsewhere in this Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our industry, business and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed under 1A.—Risk Factors and other sections in this Annual Report.

Executive Overview

Live Nation had another exceptional year in 2016, a year of market and product expansion while achieving new levels in our key financial and operational metrics. Our total revenue for the year was \$8.4 billion, making this our eleventh consecutive year of revenue growth, so once again, Live Nation delivered its highest revenue ever this year. Our Concerts, Sponsorship & Advertising and Ticketing segments all reported revenue growth for the sixth consecutive year as a result of both our highest level of attendance at our concerts and record ticket sales in our ticketing business. More than ever, we are seeing the unique power of the live concert experience and the importance of technology to enable fans around the world to connect with artists and each other. Our overall revenue in 2016 increased by \$1.1 billion on a reported basis as compared to last year, or \$1.2

Table of Contents

billion, a 17% increase, without the impact of changes in foreign exchange rates. The increase was largely driven by growth in our Concerts segment with an increase in the number of events, fans, and the revenue we are generating onsite at the events. Ticketing increased as well, with strong growth in concert event sales both in the United States and our international markets as well as the continued expansion of our resale business. Additionally, Sponsorship & Advertising again delivered strong growth over 2015 due to a number of new strategic multi-year deals and continued growth of our festival sales. As the leading global live event and ticketing company, we believe that we are well-positioned to provide the best service to artists, teams, fans and venues and therefore drive growth across all our businesses. We believe that by leveraging our leadership position in the entertainment industry to reach fans through the live concert experience, we will sell more tickets and uniquely engage more advertising partners. By advancing innovation in ticketing technology, we will continue to improve the fan experience by offering increased and more diversified choices in an expanded ticketing marketplace. This gives us a compelling opportunity to grow our fan base and our results.

Our Concerts segment was the largest contributor to our overall revenue growth, with an increase of \$909.1 million on a reported basis as compared to last year, or \$1.0 billion, a 20% increase, without the impact of changes in foreign exchange rates. This higher revenue was partially due to additional stadium and arena shows both in the United States and internationally, including tours by Beyoncé, Rihanna, Coldplay and Guns N' Roses. We continued to expand our global festival portfolio in 2016, adding brands like Governors Ball to our leading roster and growing total festival attendance by 15%. Nearly 17 million fans attended our amphitheater shows throughout the year, a record for Live Nation, with Florida Georgia Line, Dave Matthews Band and Luke Bryan all playing to sold out audiences over the summer. The results of our amphitheater onsite business accelerated in 2016 with the introduction of higher-end beer and wine options, premium brand-name food kiosks and restaurants, and "Grab and Go" options. These programs helped grow our ancillary revenue per fan by over 9% in 2016. In our international business, our new promotions business in Germany had an outstanding first year, adding three quarters of a million new fans. We also launched 20 festival apps in Europe and saw our festival attendance grow by 18% year-over-year internationally. Our operating income for the year improved over 2015 largely due to the impact of these business improvements and strategic initiatives mentioned above. We will continue to look for expansion opportunities, both domestically and internationally, as well as ways to market our events more effectively, in order to continue to expand our fan base and geographic reach and to sell more tickets and onsite products.

Our Sponsorship & Advertising segment revenue for the year was up \$43.9 million on a reported basis as compared to last year, or \$50.7 million, a 15% increase, without the impact of changes in foreign exchange rates. Higher revenue resulted from new clients and increased festival sponsorships. In 2016, we extended agreements with several major clients for multi-year deals that utilize our venue, media and ticketing assets, providing our clients with a unique opportunity to advertise their brands and reward their customers with the rich diversity of live music. We believe this was driven in part by our focus on introducing new amphitheater and festival products as well as adding new sales categories. Operating income for the year improved by 4% on a reported basis which was driven by higher revenue, partially offset by the impact of changes in foreign exchange rates. We believe that our extensive onsite and online reach, global venue distribution network, artist relationships, ticketing operations and live entertainment content are the key to securing long-term sponsorship agreements with major brands, and we plan to expand these assets while extending further into new markets internationally.

Our Ticketing segment revenue for the year increased by \$188.4 million on a reported basis as compared to last year, or \$212.0 million, a 13% increase, without the impact of changes in foreign exchange rates. This increase was largely due to a 7% growth in primary ticket sales globally, largely driven by increased sales for concert events in North America as well as Europe. As we continued to improve our platform and provide consumers with a broader range of secure ticketing options, visits to our websites increased by 9% in 2016 with 63% of these visits occurring on mobile devices. Our resale business also grew during the year in North America, Europe and Australia, with gross transaction value, or GTV, improving by 24% on a reported basis year-over-year. On the mobile front, 27% of our total tickets were sold via mobile and tablet devices compared to 21% in 2015. Our total mobile ticket sales increased by 36% year-over-year driven, at least in part, by several major improvements we made to our apps and mobile web experience in the year. In 2016, we continued to invest and innovate our ticketing portfolio, opening our platform to

new distribution partners and providing clients with new tools. Operating results for the year increased over 2015, largely as a result of strong primary ticket sales as well as our growing resale ticketing business. We will continue to implement new features to drive further expansion of mobile ticket transactions and invest in initiatives aimed at improving the ticket search, purchase and transfer process. As a result, we expect to continue to attract more ticket buyers and enhance the overall fan and venue client experience.

Our Artist Nation segment revenue for the year decreased by \$12.5 million on a reported basis as compared to last year, or \$7.6 million, a 2% decrease, without the impact of changes in foreign exchange rates, largely driven by the timing of event activity. Artist Nation's operating results were lower than 2015, again driven by lower event activity. Our Artist Nation segment is focused on managing its existing clients as well as developing new relationships with top artists and extending the various services it provides.

Table of Contents

We continue to be optimistic about the long-term potential of our company and are focused on the key elements of our business model: expand our concert platform, sell more tickets and invest in product improvements, grow resale ticket volume and expand sponsorship and advertising results.

Segment Overview

Our reportable segments are Concerts, Sponsorship & Advertising, Ticketing and Artist Nation.

Concerts

Our Concerts segment principally involves the global promotion of live music events in our owned or operated venues and in rented third-party venues, the operation and management of music venues, the production of music festivals across the world and the creation of associated content. While our Concerts segment operates year-round, we experience higher revenue during the second and third quarters due to the seasonal nature of shows at our outdoor amphitheaters and festivals, which primarily occur from May through October. Revenue and related costs for events are generally deferred and recognized when the event occurs. All advertising costs incurred during the year for shows in future years are expensed at the end of the year.

Concerts direct operating expenses include artist fees, event production costs, show-related marketing and advertising expenses, along with other costs.

To judge the health of our Concerts segment, we primarily monitor the number of confirmed events in our network of owned or operated and third-party venues, talent fees, average paid attendance and advance ticket sales. In addition, at our owned or operated venues and festivals, we monitor ancillary revenue per fan and premium ticket sales. For business that is conducted in foreign markets, we also compare the operating results from our foreign operations to prior periods without the impact of changes in foreign exchange rates.

Sponsorship & Advertising

Our Sponsorship & Advertising segment employs a sales force that creates and maintains relationships with sponsors through a combination of strategic, international, national and local opportunities that allow businesses to reach customers through our concerts, venue, artist relationship and ticketing assets, including advertising on our websites. We drive increased advertising scale to further monetize our concerts platform through rich media offerings including advertising associated with live streaming and music-related content. We work with our corporate clients to help create marketing programs that drive their business goals and connect their brands directly with fans and artists. We also develop, book and produce custom events or programs for our clients' specific brands which are typically experienced exclusively by the clients' consumers. These custom events can involve live music events with talent and media, using both online and traditional outlets. We typically experience higher revenue in the second and third quarters, as a large portion of sponsorships are associated with shows at our outdoor amphitheaters and festivals which primarily occur from May through October.

To judge the health of our Sponsorship & Advertising segment, we primarily review the revenue generated through sponsorship arrangements, the percentage of expected revenue under contract and online advertising revenue through our websites. For business that is conducted in foreign markets, we also compare the operating results from our foreign operations to prior periods without the impact of changes in foreign exchange rates.

Ticketing

Our Ticketing segment is primarily an agency business that sells tickets for events on behalf of our clients and retains a portion of the service charge for these services. We sell tickets through websites, mobile apps, ticket outlets and telephone call centers. Our ticketing sales are impacted by fluctuations in the availability of events for sale to the public, which may vary depending upon scheduling by our clients. We also offer ticket resale services, sometimes referred to as secondary ticketing, primarily through our integrated inventory platform, league/team platforms and other platforms internationally. Our Ticketing segment also manages our online activities including enhancements to our websites and product offerings. Through our websites, we sell tickets to our own events as well as tickets for our clients and provide event information. Revenue related to ticketing service charges is recognized when the ticket is sold except for our own events where our concert promoters control ticketing and then the revenue is deferred and recognized as the event occurs.

To judge the health of our Ticketing segment, we primarily review the gross transaction value and the number of tickets sold through our primary and secondary ticketing operations, the number of clients renewed or added and the

average royalty rate paid to clients who use our ticketing services. In addition, we review the number of visits to our websites, the overall number of customers in our database, the number and percentage of tickets sold via mobile, the number of app installs and gross transaction value and fees related to secondary ticket sales. For business that is conducted in foreign markets, we also compare the operating results from our foreign operations to prior periods without the impact of changes in foreign exchange rates.

Table of Contents

Artist Nation

Our Artist Nation segment primarily provides management services to music artists and other clients in exchange for a commission on the earnings of these artists. Revenue earned from our Artist Nation segment is impacted to a large degree by the touring schedules of the artists we represent and generally we experience higher revenue during the second and third quarters as the period from May through October tends to be a popular time for touring events. To judge the health of our Artist Nation segment, we primarily review the number of major clients represented. For business that is conducted in foreign markets, we also compare the operating results from our foreign operations to prior periods without the impact of foreign exchange rates.

Key Operating Metrics

	Year Ended December 31,		
	2016	2015	2014
	(in thousands except estimated events)		
Concerts ⁽¹⁾			
Estimated events:			
North America	17,554	16,846	15,941
International	8,708	8,665	6,853
Total estimated events	26,262	25,511	22,794
Estimated fans:			
North America	48,813	43,739	40,069
International	22,330	19,703	18,486
Total estimated fans	71,143	63,442	58,555
Ticketing ⁽²⁾			
Number of fee-bearing tickets sold	185,543	173,871	163,184
Number of non-fee-bearing tickets sold	298,157	298,549	300,030
Total tickets sold	483,700	472,420	463,214

(1) Events generally represent a single performance by an artist. Fans generally represent the number of people who attend an event. Festivals are counted as one event in the quarter in which the festival begins, but the number of fans is based on the days the fans were present at the festival and thus can be reported across multiple quarters.

Events and fan attendance metrics are estimated each quarter.

(2) The number of fee-bearing tickets sold includes primary and secondary tickets that are sold using our Ticketmaster systems or that we issue through affiliates. This metric includes primary tickets sold during the year regardless of event timing except for our own events where our concert promoters control ticketing which are reported as the events occur. The non-fee-bearing tickets sold reported above includes primary tickets sold using our Ticketmaster systems, through season seat packages and our venue clients' box offices, along with tickets sold on our 'do it yourself' platform.

Table of Contents

Non-GAAP Measures

Reconciliation of Segment Adjusted Operating Income (Loss)

AOI is a non-GAAP financial measure that we define as operating income (loss) before acquisition expenses (including transaction costs, changes in the fair value of accrued acquisition-related contingent consideration obligations, and acquisition-related severance and compensation), depreciation and amortization (including goodwill impairment), loss (gain) on disposal of operating assets and certain stock-based compensation expense. We use AOI to evaluate the performance of our operating segments. We believe that information about AOI assists investors by allowing them to evaluate changes in the operating results of our portfolio of businesses separate from non-operational factors that affect net income, thus providing insights into both operations and the other factors that affect reported results. AOI is not calculated or presented in accordance with GAAP. A limitation of the use of AOI as a performance measure is that it does not reflect the periodic costs of certain amortizing assets used in generating revenue in our business. Accordingly, AOI should be considered in addition to, and not as a substitute for, operating income (loss), net income (loss), and other measures of financial performance reported in accordance with GAAP. Furthermore, this measure may vary among other companies; thus, AOI as presented herein may not be comparable to similarly titled measures of other companies.

Table of Contents

The following table sets forth the reconciliation of AOI to operating income (loss):

	AOI	Non-cash and stock- based compensation expense	Loss (gain) on disposal of operating assets (in thousands)	Depreciation and amortization	Goodwill impairment	Acquisition expenses	Operating income (loss)
2016							
Concerts	\$ 138,865	\$ 6,708	\$(81)	\$ 137,605	\$ —	\$ 6,765	\$(12,132)
Sponsorship & Advertising	247,606	1,295	—	18,206	—	—	228,105
Ticketing	365,278	3,699	68	185,925	—	1,095	174,491
Artist Nation	10,273	3,751	20	57,110	—	550	(51,158)
Other and Eliminations	(13,862)	234	—	372	—	207	(14,675)
Corporate	(108,020)	17,036	117	4,433	—	85	(129,691)
Total	\$ 640,140	\$ 32,723	\$ 124	\$ 403,651	\$ —	\$ 8,702	\$ 194,940
2015							
Concerts	\$ 61,583	\$ 7,028	\$ 430	\$ 146,795	\$ —	\$ 12,635	\$(105,305)
Sponsorship & Advertising	229,859	1,574	—	9,932	—	—	218,353
Ticketing	346,463	2,860	26	184,129	—	1,219	158,229
Artist Nation	33,162	4,918	215	54,980	—	1,232	(28,183)
Other and Eliminations	(2,198)	—	—	(2,085)	—	—	(113)
Corporate	(90,813)	16,981	174	3,490	—	151	(111,609)
Total	\$ 578,056	\$ 33,361	\$ 845	\$ 397,241	\$ —	\$ 15,237	\$ 131,372
2014							
Concerts	\$ 50,547	\$ 6,685	\$(2,954)	\$ 115,088	\$ 117,013	\$ 5,171	\$(190,456)
Sponsorship & Advertising	213,410	1,396	—	4,281	—	—	207,733
Ticketing	326,121	4,129	(1,583)	204,901	—	1,381	117,293
Artist Nation	48,063	8,994	34	43,343	17,948	566	(22,822)
Other and Eliminations	(102)	—	(29)	(2,062)	—	38	1,951
Corporate	(83,175)	17,825	38	2,592	—	2,905	(106,535)
Total	\$ 554,864	\$ 39,029	\$(4,494)	\$ 368,143	\$ 134,961	\$ 10,061	\$ 7,164

Constant Currency

Constant currency is a non-GAAP financial measure. We calculate currency impacts as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior period's currency exchange rates. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations.

Table of Contents

Segment Operating Results

Concerts

Our Concerts segment operating results were, and discussions of significant variances are, as follows:

	Year Ended December 31,			% Change	% Change
	2016	2015	2014	2016 vs 2015	2015 vs 2014
	(in thousands)				
Revenue	\$5,874,089	\$4,964,991	\$4,726,877	18%	5%
Direct operating expenses	4,981,816	4,220,963	4,016,540	18%	5%
Selling, general and administrative expenses	766,881	702,108	671,646	9%	5%
Depreciation and amortization	137,605	146,795	115,088	(6)%	28%
Goodwill impairment	—	—	117,013	*	*
Loss (gain) on disposal of operating assets	(81)	430	(2,954)	*	*
Operating loss	\$(12,132)	\$(105,305)	\$(190,456)	88%	45%
Operating margin	(0.2)%	(2.1)%	(4.0)%		
AOI **	\$138,865	\$61,583	\$50,547	*	22%
AOI margin	2.4	% 1.2	% 1.1	%	

* Percentages are not meaningful.

**AOI is defined and reconciled to operating income (loss) above.

Year Ended 2016 Compared to Year Ended 2015

Revenue

Concerts revenue increased \$909.1 million, or 18%, during the year ended December 31, 2016 as compared to the prior year. Excluding the decrease of \$87.8 million related to currency impacts, revenue increased \$996.9 million, or 20%, primarily due to more shows and higher average ticket prices in our worldwide stadium, arena and theater and club events and our North America amphitheaters, increased festival activity globally and higher VIP package sales. Additionally, ancillary onsite revenue for our North America amphitheaters increased due to higher attendance and enhanced concession offerings. Concerts had incremental revenue of \$204.3 million from the acquisitions of various concert and festival promotion businesses.

Operating results

The improved operating results for Concerts for the year ended December 31, 2016 was primarily driven by strong operating results for our worldwide stadium events and North America amphitheaters and festivals partially offset by higher compensation costs associated with annual salary increases and incentive compensation as a result of the increased operating results, and loss of certain rent credits received in 2015.

Year Ended 2015 Compared to Year Ended 2014

Revenue

Concerts revenue increased \$238.1 million, or 5%, during the year ended December 31, 2015 as compared to the prior year. Excluding the decrease of \$260.6 million related to currency impacts, revenue increased \$498.7 million, or 11%, primarily due to more shows in our North America arenas and amphitheaters, touring events in Asia and Australia, and incremental revenue of \$203.3 million from the acquisitions of various festival and concert promoters. These increases were partially offset by fewer shows in North America stadiums.

Operating results

The improved operating results for Concerts for the year ended December 31, 2015 was primarily driven by a goodwill impairment of \$117.0 million related to our international concerts business that was recorded in the fourth quarter of 2014 in connection with our annual impairment test. This was partially offset by higher amortization associated with certain revenue generating contracts due to the timing of artists touring, acceleration of depreciation and amortization associated with a change in the estimated useful lives of certain intangible assets and leasehold improvements along with increased compensation costs associated with annual salary increases and headcount growth and higher valuation allowances.

Table of Contents

Sponsorship & Advertising

Our Sponsorship & Advertising segment operating results were, and discussions of significant variances are, as follows:

	Year Ended December 31,			% Change	% Change
	2016	2015	2014	2016 vs 2015	2015 vs 2014
	(in thousands)				
Revenue	\$377,618	\$333,726	\$300,279	13%	11%
Direct operating expenses	60,218	47,760	37,973	26%	26%
Selling, general and administrative expenses	71,089	57,681	50,292	23%	15%
Depreciation and amortization	18,206	9,932	4,281	83%	*
Operating income	\$228,105	\$218,353	\$207,733	4%	5%
Operating margin	60.4	% 65.4	% 69.2	%	
AOI **	\$247,606	\$229,859	\$213,410	8%	8%
AOI margin	65.6	% 68.9	% 71.1	%	

* Percentages are not meaningful.

** AOI is defined and reconciled to operating income (loss) above.

Year Ended 2016 Compared to Year Ended 2015

Revenue

Sponsorship & Advertising revenue increased \$43.9 million, or 13%, during the year ended December 31, 2016 as compared to the prior year. Excluding the decrease of \$6.8 million related to currency impacts, revenue increased \$50.7 million, or 15%, primarily due to new sponsorship programs, higher online advertising and festival activity in North America along with incremental revenue of \$9.3 million from the acquisitions of various festival promotion businesses.

Operating results

The increased operating income for the year ended December 31, 2016 was primarily driven by higher North America sponsorship and festival operating results partially offset by incremental amortization of \$9.5 million from the acquisitions noted above, higher reserves for bad debt, increased compensation costs and currency impacts.

Year Ended 2015 Compared to Year Ended 2014

Revenue

Sponsorship & Advertising revenue increased \$33.4 million, or 11%, during the year ended December 31, 2015 as compared to the prior year. Excluding the decrease of \$18.2 million related to currency impacts, revenue increased \$51.6 million, or 17%, primarily due to increased festival activity, new sponsorship programs in North America and incremental revenue of \$26.5 million from the acquisitions of various festival and concert promotion businesses.

Operating results

The increased operating income for the year ended December 31, 2015 was primarily driven by increased festival activity and the acquisitions discussed above, partially offset by currency impacts.

Table of Contents

Ticketing

Our Ticketing segment operating results were, and discussions of significant variances are, as follows:

	Year Ended December 31,			% Change	% Change
	2016	2015	2014	2016 vs 2015	2015 vs 2014
	(in thousands)				
Revenue	\$1,827,930	\$1,639,564	\$1,557,254	11%	5%
Direct operating expenses	956,956	808,697	763,280	18%	6%
Selling, general and administrative expenses	510,490	488,483	473,363	5%	3%
Depreciation and amortization	185,925	184,129	204,901	1%	(10)%
Loss (gain) on disposal of operating assets	68	26	(1,583)	*	*
Operating income	\$174,491	\$158,229	\$117,293	10%	35%
Operating margin	9.5	% 9.7	% 7.5	%	
AOI **	\$365,278	\$346,463	\$326,121	5%	6%
AOI margin	20.0	% 21.1	% 20.9	%	

* Percentages are not meaningful.

** AOI is defined and reconciled to operating income (loss) above.

Year Ended 2016 Compared to Year Ended 2015

Revenue

Ticketing revenue increased \$188.4 million, or 11%, during the year ended December 31, 2016 as compared to the prior year. Excluding the decrease of \$23.6 million related to currency impacts, revenue increased \$212.0 million, or 13%, primarily due to increased worldwide primary ticket volume and fees, higher North America resale ticket volume and incremental revenue of \$10.4 million from the acquisitions of various ticketing businesses.

Operating results

Ticketing operating income increased for the year ended December 31, 2016 primarily due to increased operating results from higher primary and North America resale ticket sales, net of the impact of royalty fees and other costs, partially offset by increased compensation costs driven by higher headcount.

Year Ended 2015 Compared to Year Ended 2014

Revenue

Ticketing revenue increased \$82.3 million, or 5%, during the year ended December 31, 2015 as compared to the prior year. Excluding the decrease of \$74.0 million related to currency impacts, revenue increased \$156.3 million, or 10%, primarily due to increased primary ticket volume, higher resale ticket fees driven by higher concerts and professional sports ticket sales and incremental revenue of \$25.3 million from the acquisitions of various ticketing businesses.

Operating results

Ticketing operating income increased for the year ended December 31, 2015 primarily due to increased primary and resale ticket sales and lower amortization associated with certain technology intangible assets that were fully amortized by the fourth quarter of 2014 and lower amortization associated with the 2014 impairment of certain indefinite-lived intangible assets. In 2014, we recorded impairment charges of \$9.2 million associated with an indefinite-lived trade name in connection with the decision to rebrand certain markets that were not currently using the Ticketmaster trade name along with the impairment of certain technology intangible assets as it was determined that the estimated undiscounted cash flows associated with the respective intangible asset were less than their carrying value. There were no impairment charges recorded in 2015. These increases were partially offset by higher compensation costs and currency impacts.

Table of Contents

Artist Nation

Our Artist Nation segment operating results were, and discussions of significant variances are, as follows:

	Year Ended December 31,			% Change	% Change
	2016	2015	2014	2016 vs 2015	2015 vs 2014
	(in thousands)				
Revenue	\$421,706	\$434,201	\$389,437	(3)%	11%
Direct operating expenses	232,555	245,781	212,302	(5)%	16%
Selling, general and administrative expenses	183,179	161,408	138,632	13%	16%
Depreciation and amortization	57,110	54,980	43,343	4%	27%
Goodwill impairment	—	—	17,948	*	*
Loss on disposal of operating assets	20	215	34	*	*
Operating loss	\$(51,158)	\$(28,183)	\$(22,822)	(82)%	(23)%
Operating margin	(12.1)%	(6.5)%	(5.9)%		
AOI **	\$10,273	\$33,162	\$48,063	(69)%	(31)%
AOI margin	2.4 %	7.6 %	12.3 %		

* Percentages are not meaningful.

**AOI is defined and reconciled to operating income (loss) above.

Year Ended 2016 Compared to Year Ended 2015

Revenue

Artist Nation revenue decreased \$12.5 million, or 3%, during the year ended December 31, 2016 as compared to the prior year. Excluding the decrease of \$4.9 million related to currency impacts, revenue decreased \$7.6 million, or 2%, primarily due to lower revenue in our management business driven by the timing of events partially offset by incremental revenue of \$15.6 million from the acquisitions of various artist management businesses.

Operating results

The increased operating loss for Artist Nation for the year ended December 31, 2016 was primarily driven by lower event activity and increased compensation costs.

Year Ended 2015 Compared to Year Ended 2014

Revenue

Artist Nation revenue increased \$44.8 million, or 11%, during the year ended December 31, 2015 as compared to the prior year. Excluding the decrease of \$6.6 million related to currency impacts, revenue increased \$51.4 million, or 13%, primarily due to higher revenue in our management business and incremental revenue of \$25.3 million from the acquisitions or prospective consolidation of various artist management businesses. These increases were partially offset by lower tour merchandise sales.

Operating results

The operating loss for Artist Nation for the year ended December 31, 2015 was relatively unchanged from 2014 as improved results in our management business and the impact of a goodwill impairment related to our artist services (non-management) business in the fourth quarter of 2014 in connection with our annual impairment test were offset by higher compensation costs.

Table of Contents

Consolidated Results of Operations

	Year Ended December 31,						% Change	
	2016			2015			2016 vs 2015	
				2014				
	As Reported	Currency	Constant	As Reported	As Reported	As	Constant	As
	(in thousands)	Impacts	Currency**			Reported	Currency	Reported
Revenue	\$8,354,934	\$123,062	\$8,477,996	\$7,245,731	\$6,866,964	15%	17%	6%
Operating expenses:								
Direct operating expenses	6,082,708	91,359	6,174,067	5,196,473	4,919,969	17%	19%	6%
Selling, general and administrative expenses	1,548,450	26,054	1,574,504	1,411,855	1,337,316	10%	12%	6%
Depreciation and amortization	403,651	7,249	410,900	397,241	368,143	2%	3%	8%
Goodwill impairment	—	—	—	—	134,961	*	*	*
Loss (gain) on disposal of operating assets	124	469	593	845	(4,494)	*	*	*
Corporate expenses	125,061	17	125,078	107,945	103,905	16%	16%	4%
Operating income	194,940	\$(2,086)	\$192,854	131,372	7,164	48%	47 %	*
Operating margin	2.3 %		2.3 %	1.8 %	0.1 %			
Interest expense	106,506			102,881	106,312			
Loss on extinguishment of debt	14,049			—	188			
Interest income	(2,573)			(3,528)	(3,606)			
Equity in losses (earnings) of nonconsolidated affiliates	17,802			(1,502)	(4,166)			
Other expense, net	10,830			27,168	8,256			
Income (loss) before income taxes	48,326			6,353	(99,820)			
Income tax expense	28,029			22,122	4,630			
Net income (loss)	20,297			(15,769)	(104,450)			
Net income (loss) attributable to noncontrolling interests	17,355			16,739	(13,643)			
	\$2,942			\$(32,508)	\$(90,807)			

Net income (loss)
attributable to
common
stockholders of
Live Nation

36

Table of Contents

	Year Ended December 31,			% Change		% Change	
	2016	2015	2014	2016 vs 2015		2015 vs 2014	
	(in thousands)						
Depreciation	\$139,288	\$134,148	\$127,168	4	%	5	%
Amortization of intangibles	178,130	173,959	154,661	2	%	12	%
Amortization of nonrecoupable ticketing contract advances ***	85,067	86,550	79,357	(2)	%	9	%
Amortization of other assets	1,166	2,584	1,001	(55)	%	*	
Impairment of indefinite-lived intangible assets	—	—	5,956	*		*	
Depreciation and amortization	\$403,651	\$397,241	\$368,143				

* Percentages are not meaningful.

** See “—Non-GAAP Measures” above for definition of constant currency.

In accounting for the merger between Live Nation and Ticketmaster in January 2010, the nonrecoupable ticketing contract advances that existed at the date of the merger were written off in acquisition accounting in accordance

*** with GAAP. Had we continued amortizing the net book value of these nonrecoupable ticketing contract advances, the amortization above would have been \$1.3 million, \$1.7 million and \$7.5 million higher for the years ended December 31, 2016, 2015 and 2014, respectively.

Corporate

Corporate expenses increased \$17.1 million, or 16%, during the year ended December 31, 2016 as compared to the prior year primarily due to costs incurred during 2016 associated with the relocation of an office and higher compensation costs driven by higher headcount.

Loss on extinguishment of debt

We recorded a loss on extinguishment of debt of \$14.0 million for the year ended December 31, 2016 in connection with the refinancing of the term loans under our senior secured credit facility and the redemption of our 7.0% senior notes in October 2016. These obligations were paid with proceeds from the amended senior secured credit facility and the issuance of 4.875% senior notes due 2024. There were no significant gains or losses on extinguishment of debt recorded in 2015 and 2014.

Equity in losses (earnings) of nonconsolidated affiliates

Equity in losses (earnings) of nonconsolidated affiliates for the year ended December 31, 2016 includes impairment charges of \$16.5 million primarily related to investments in a digital content company and an online merchandise company both located in the United States.

Other expense, net

Other expense, net was \$10.8 million, \$27.2 million and \$8.3 million for the years ended December 31, 2016, 2015 and 2014, respectively, and includes net foreign exchange rate losses of \$8.8 million, \$35.3 million and \$28.9 million, respectively, primarily from revaluation of certain foreign currency denominated net assets held internationally. The 2015 net loss was partially offset by remeasurement gains of \$9.1 million recorded in connection with the consolidation of a festival promotion business, a ticketing company and an artist management business that were all previously accounted for as equity investments, due to the acquisition of additional interests in the companies. The 2014 net loss was partially offset by a remeasurement gain of \$17.1 million recorded in connection with the consolidation of an artist management business that had been previously accounted for as an equity investment, due to a change in the governing agreements.

Income taxes

For the year ended December 31, 2016, we had a net tax expense of \$28.0 million on income before income taxes of \$48.3 million compared to a net tax expense of \$22.1 million on income before income taxes of \$6.4 million for 2015. In 2016, income tax expense consisted of \$18.2 million related to foreign entities, \$5.7 million related to United States federal income taxes and \$4.1 million related to state and local income taxes. The net increase is due primarily to

expense for valuation allowances established for certain foreign entities and a reduced benefit in 2016 for valuation allowance release in the United States related to acquired deferred tax liabilities.

For the year ended December 31, 2015, we had a net tax expense of \$22.1 million on income before income taxes of \$6.4 million compared to a net tax expense of \$4.6 million on a loss before income taxes of \$99.8 million for 2014. In 2015, income

Table of Contents

tax expense consisted of \$15.5 million related to tax expense for foreign entities and \$6.4 million related to state and local income taxes. The net increase is due to an increase in earnings in our foreign tax jurisdictions along with lower reversals of valuation allowances in 2015.

Net income (loss) attributable to noncontrolling interests

Net income (loss) attributable to noncontrolling interests increased \$30.4 million to income of \$16.7 million during the year ended December 31, 2015 as compared to the prior year primarily due to improved operating results from certain festival businesses and the portion of a 2014 goodwill impairment attributable to noncontrolling interests, partially offset by the prospective consolidation of an artist management company that occurred in 2014.

Liquidity and Capital Resources

Our working capital requirements and capital for our general corporate purposes, including acquisitions and capital expenditures, are funded from operations or from borrowings under our senior secured credit facility described below. Our cash is centrally managed on a worldwide basis. Our primary short-term liquidity needs are to fund general working capital requirements, capital expenditures and debt service requirements while our long-term liquidity needs are primarily related to acquisitions and debt repayment. Our primary sources of funds for our short-term liquidity needs will be cash flows from operations and borrowings under our senior secured credit facility, while our long-term sources of funds will be from cash flows from operations, long-term bank borrowings and other debt or equity financings. We may from time to time engage in open market purchases of our outstanding debt securities or redeem or otherwise repay such debt.

Our balance sheet reflects cash and cash equivalents of \$1.5 billion at December 31, 2016 and \$1.3 billion at December 31, 2015. Included in the December 31, 2016 and 2015 cash and cash equivalents balance is \$591.0 million and \$549.0 million, respectively, of cash received that includes the face value of tickets sold on behalf of our ticketing clients and their share of service charges that we refer to as client cash. We generally do not utilize client cash for our own financing or investing activities as the amounts are payable to clients on a regular basis. Our foreign subsidiaries held approximately \$712.5 million in cash and cash equivalents, excluding client cash, at December 31, 2016. We do not intend to repatriate these funds, but if we did, we would need to accrue and pay United States federal and state income taxes on any future repatriations, net of applicable foreign tax credits. We may from time to time enter into borrowings under our revolving credit facility. If the original maturity of these borrowings is 90 days or less, we present the borrowings and subsequent repayments on a net basis in the statement of cash flows to better represent our financing activities. Our balance sheet reflects total net debt of \$2.3 billion and \$2.0 billion at December 31, 2016 and 2015, respectively. Our weighted-average cost of debt, excluding the unamortized debt discounts and debt issuance costs on our term loans and notes, was 3.8% at December 31, 2016.

Our cash and cash equivalents are held in accounts managed by third-party financial institutions and consist of cash in our operating accounts and invested cash. Cash held in interest-bearing operating accounts in many cases exceeds the Federal Deposit Insurance Corporation insurance limits. The invested cash is in interest-bearing funds consisting primarily of bank deposits and money market funds. While we monitor cash and cash equivalent balances in our operating accounts on a regular basis and adjust the balances as appropriate, these balances could be impacted if the underlying financial institutions fail. To date, we have experienced no loss or lack of access to our cash and cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

For our Concerts segment, we generally receive cash related to ticket revenue at our owned or operated venues and festivals in advance of the event, which is recorded in deferred revenue until the event occurs. With the exception of some upfront costs and artist deposits, which are recorded in prepaid expenses until the event occurs, we pay the majority of event-related expenses at or after the event.

We view our available cash as cash and cash equivalents, less ticketing-related client cash, less event-related deferred revenue, less accrued expenses due to artists and cash collected on behalf of others, plus event-related prepaid expenses. This is essentially our cash available to, among other things, repay debt balances, make acquisitions and finance capital expenditures.

Our intra-year cash fluctuations are impacted by the seasonality of our various businesses. Examples of seasonal effects include our Concerts and Artist Nation segments, which report the majority of their revenue in the second and

third quarters. Cash inflows and outflows depend on the timing of event-related payments but the majority of the inflows generally occur prior to the event. See “—Seasonality” below. We believe that we have sufficient financial flexibility to fund these fluctuations and to access the global capital markets on satisfactory terms and in adequate amounts, although there can be no assurance that this will be the case, and capital could be less accessible and/or more costly depending on economic conditions at the time. We expect cash flows from operations and borrowings under our senior secured credit facility, along with other financing alternatives, to satisfy working capital requirements, capital expenditures and debt service requirements for at least the succeeding year.

Table of Contents

We may need to incur additional debt or issue equity to make other strategic acquisitions or investments. There can be no assurance that such financing will be available to us on acceptable terms or at all. We may make significant acquisitions in the near term, subject to limitations imposed by our financing agreements and market conditions. The lenders under our revolving loans and counterparties to our interest rate hedge agreements consist of banks and other third-party financial institutions. While we currently have no indications or expectations that such lenders and counterparties will be unable to fund their commitments as required, we can provide no assurances that future funding availability will not be impacted by adverse conditions in the financial markets. Should an individual lender default on its obligations, the remaining lenders would not be required to fund the shortfall, resulting in a reduction in the total amount available to us for future borrowings, but would remain obligated to fund their own commitments. Should any counterparty to our interest rate hedge agreements default on its obligations, we could experience higher interest rate volatility during the period of any such default.

Sources of Cash

Senior Secured Credit Facility

In October 2016, we amended our senior secured credit facility. The amended senior secured credit facility provides for (i) a \$190 million term loan A, (ii) a \$975 million term loan B and (iii) a \$365 million revolving credit facility. Subject to certain conditions, we have the right to increase the facility by an amount equal to the sum of \$625 million and the aggregate principal amount of voluntary prepayments of the term B loans and permanent reductions of the revolving credit facility commitments, in each case, other than from proceeds of long-term indebtedness, and additional amounts so long as the senior secured leverage ratio calculated on a pro-forma basis (as defined in the credit agreement) is no greater than 3.25x. The revolving credit facility provides for borrowings up to the amount of the facility with sublimits of up to (i) \$150 million for the issuance of letters of credit, (ii) \$50 million for swingline loans, (iii) \$200 million for borrowings in Euros or British Pounds and (iv) \$50 million for borrowings in one or more other approved currencies. The senior secured credit facility is secured by (i) a first priority lien on substantially all of the tangible and intangible personal property of our domestic subsidiaries that are guarantors and (ii) a pledge of substantially all of the shares of stock, partnership interests and limited liability company interests of our direct and indirect domestic subsidiaries and 65% of each class of capital stock of any first-tier foreign subsidiaries, subject to certain exceptions.

The interest rates per annum applicable to revolving credit facility loans and term loan A under the senior secured credit facility are, at our option, equal to either LIBOR plus 2.25% or a base rate plus 1.25%, subject to stepdowns based on our net leverage ratio. The interest rates per annum applicable to the term loan B are, at our option, equal to either LIBOR plus 2.50% or a base rate plus 1.50%. We are required to pay a commitment fee of 0.5% per year on the undrawn portion available under the revolving credit facility, subject to a stepdown based on our net leverage ratio, and variable fees on outstanding letters of credit.

For the term loan A, we are required to make quarterly payments increasing over time from \$2.4 million to \$28.5 million with the balance due at maturity in October 2021. For the term loan B, we are required to make quarterly payments of \$2.4 million with the balance due at maturity in October 2023. The revolving credit facility matures in October 2021. We are also required to make mandatory prepayments of the loans under the credit agreement, subject to specified exceptions, from excess cash flow, and with the proceeds of asset sales, debt issuances and specified other events.

During the year ended December 31, 2016, we made principal payments totaling \$123.3 million primarily to lenders electing not to convert their outstanding term loans in connection with the October 2016 amendment. At December 31, 2016, the outstanding balances on these term loans, excluding discounts and debt issuance costs, were \$1.2 billion. There were no borrowings under the revolving credit facility as of December 31, 2016. Based on our letters of credit of \$85.3 million, \$279.7 million was available for future borrowings.

4.875% Senior Notes

In October 2016, we issued \$575 million of 4.875% senior notes due 2024. Interest on the notes is payable semi-annually in cash in arrears on May 1 and November 1 of each year beginning on May 1, 2017, and will mature in November 2024. We may redeem some or all of the notes, at any time prior to November 1, 2019, at a price equal to 100% of the aggregate principal amount, plus any accrued and unpaid interest to the date of redemption, plus a

‘make-whole’ premium. We may redeem up to 35% of the aggregate principal amount of the notes from the proceeds of certain equity offerings prior to November 1, 2019, at a price equal to 104.875% of the aggregate principal amount, plus accrued and unpaid interest thereon, if any, to the date of redemption. In addition, on or after November 1, 2019, we may redeem some or all of the notes at any time at the redemption prices that start at 103.656% of their principal amount, plus any accrued and unpaid interest to the date of redemption. We must make an offer to redeem the notes at 101% of their aggregate principal amount, plus accrued and unpaid interest to the repurchase date, if we experience certain defined changes of control.

Table of Contents

5.375% Senior Notes

In May 2014, we issued \$250 million of 5.375% senior notes due 2022. Interest on the notes is payable semiannually in arrears on June 15 and December 15, and the notes will mature in June 2022. We may redeem some or all of the notes at any time prior to June 15, 2017 at a price equal to 100% of the principal amount, plus any accrued and unpaid interest to the date of redemption, plus a 'make-whole' premium. We may also redeem up to 35% of the aggregate principal amount of the notes from the proceeds of certain equity offerings prior to June 15, 2017, at a price equal to 105.375% of the principal amount, plus any accrued and unpaid interest. In addition, on or after June 15, 2017, we may redeem at our option some or all of the notes at redemption prices that start at 104.0313% of their principal amount, plus any accrued and unpaid interest to the date of redemption. We must make an offer to redeem the notes at 101% of the aggregate principal amount, plus any accrued and unpaid interest to the repurchase date, if we experience certain defined changes of control.

2.5% Convertible Senior Notes

In May 2014, we issued \$275 million of convertible senior notes due 2019. The notes pay interest semiannually in arrears on May 15 and November 15 at a rate of 2.5% per annum. The notes will mature in May 2019 and may not be redeemed by us prior to the maturity date. The notes will be convertible, under certain circumstances, until November 15, 2018, and on or after such date without condition, at an initial conversion rate of 28.8363 shares of our common stock per \$1,000 principal amount of notes, subject to adjustment, which represents a 52.5% conversion premium based on the last reported sale price for our common stock of \$22.74 on May 19, 2014. Upon conversion, the notes may be settled in shares of common stock or, at our election, cash or a combination of cash and shares of common stock. Assuming we fully settled the notes in shares, the maximum number of shares that could be issued to satisfy the conversion is currently 7.9 million.

If we experience a fundamental change, as defined in the indenture governing the notes, the holders of the 2.5% convertible senior notes may require us to purchase for cash all or a portion of their notes, subject to specified exceptions, at a price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any.

Extinguishment of Debt

In connection with our debt refinancing in October 2016, we issued \$575 million of 4.875% senior notes due 2024 and amended our senior secured credit facility. The amendment to the senior secured credit facility provided the existing term loan A and term loan B lenders with an option to convert their outstanding principal amounts into the new term loans. Excluding the outstanding principal amounts for lenders who elected to convert their outstanding term loans, total proceeds of \$858.5 million were used to repay \$123.3 million outstanding principal amount of our borrowings under the senior secured credit facility, to repay the entire \$425 million principal amount of our 7% senior notes due 2020 and to pay the related redemption premium of \$14.9 million on the 7% senior notes and accrued interest and fees of \$38.4 million, leaving \$256.9 million in additional cash available for general corporate purposes. We recorded \$14.0 million as a loss on extinguishment of debt related to this refinancing in 2016.

Debt Covenants

Our senior secured credit facility contains a number of restrictions that, among other things, require us to satisfy a financial covenant and restrict our and our subsidiaries' ability to incur additional debt, make certain investments and acquisitions, repurchase our stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of our business, enter into sale-leaseback transactions, transfer and sell material assets, merge or consolidate, and pay dividends and make distributions (with the exception of subsidiary dividends or distributions to the parent company or other subsidiaries on at least a pro-rata basis with any noncontrolling interest partners).

Non-compliance with one or more of the covenants and restrictions could result in the full or partial principal balance of the credit facility becoming immediately due and payable. The senior secured credit facility agreement has one covenant, measured quarterly, that relates to total leverage. The consolidated total leverage covenant requires us to maintain a ratio of consolidated total funded debt to consolidated EBITDA (both as defined in the credit agreement) of 5.50x over the trailing four consecutive quarters through September 30, 2017. The consolidated total leverage ratio will reduce to 5.25x on December 31, 2017, 5.0x on December 31, 2018, 4.75x on December 31, 2019 and 4.50x on December 31, 2020.

The indentures governing our 4.875% senior notes and 5.375% senior notes contain covenants that limit, among other things, our ability and the ability of our restricted subsidiaries to incur certain additional indebtedness and issue preferred stock, make certain distributions, investments and other restricted payments, sell certain assets, agree to any restrictions on the ability of restricted subsidiaries to make payments to us, merge, consolidate or sell all of our assets, create certain liens, and engage in transactions with affiliates on terms that are not on an arms-length basis. Certain covenants, including those pertaining to incurrence of indebtedness, restricted payments, asset sales, mergers, and transactions with affiliates will be suspended during any period in which the notes are rated investment grade by both rating agencies and no default or event of default under the indenture has occurred and is continuing. The 4.875% senior notes and the 5.375% senior notes contain two incurrence-based

Table of Contents

financial covenants, as defined, requiring a minimum fixed charge coverage ratio of 2.0x and a maximum secured indebtedness leverage ratio of 3.50x.

Some of our other subsidiary indebtedness includes restrictions on entering into various transactions, such as acquisitions and disposals, and prohibits payment of ordinary dividends. They also have financial covenants including minimum consolidated EBITDA to consolidated net interest payable, minimum consolidated cash flow to consolidated debt service and maximum consolidated debt to consolidated EBITDA, all as defined in the applicable debt agreements.

As of December 31, 2016, we believe we were in compliance with all of our debt covenants. We expect to remain in compliance with all of our debt covenants throughout 2017.

Stock Option Exercises

During 2016, 2015 and 2014 we received \$20.3 million, \$16.3 million and \$21.8 million, respectively, of proceeds from the exercise of stock options.

Uses of Cash

Acquisitions

When we make acquisitions, the acquired entity may have cash at the time of acquisition. All amounts related to the use of cash for acquisitions discussed in this section are presented net of any cash acquired. During 2016, we used \$211.6 million of cash primarily for the acquisitions of a concert promoter in Germany, controlling interests in festival and concert promoters in the United Kingdom, United States and Sweden and an artist management business with locations in the United States and Canada. These businesses had a total of \$39.0 million of cash on their balance sheets primarily related to deferred revenue for future events.

During 2015, we used \$89.8 million of cash primarily for the acquisitions of all or part of festival promoters located in the United States, the United Kingdom, and Sweden and a ticketing business located in Canada. As of the date of acquisition, these businesses had a total of \$114.6 million of cash on their balance sheets primarily related to deferred revenue for future events.

During 2014, we used \$210.2 million of cash primarily for acquisitions of a controlling interest in a festival and concert promoter located in the United States and acquisitions of artist management businesses located in the United States. As of the date of acquisition, these businesses had a total of \$34.6 million of cash on their balance sheets, primarily related to deferred revenue for future events.

Purchases and Sales of Noncontrolling Interests, net

In 2016, we used \$69.1 million of cash primarily for the acquisition of all or additional equity interests in two artist management businesses located in the United States and a festival and concert promoter located in Australia.

Capital Expenditures

Venue and ticketing operations are capital intensive businesses, requiring continual investment in our existing venues and ticketing systems in order to address audience and artist expectations, technological industry advances and various federal, state and/or local regulations.

We categorize capital outlays between maintenance capital expenditures and revenue generating capital expenditures. Maintenance capital expenditures are associated with the renewal and improvement of existing venues and technology systems, web development and administrative offices. Revenue generating capital expenditures generally relate to the construction of new venues, major renovations to existing buildings or buildings that are being added to our venue network, the development of new ticketing tools and technology enhancements. Revenue generating capital expenditures can also include smaller projects whose purpose is to increase revenue and/or improve operating income. Capital expenditures typically increase during periods when our venues are not in operation since that is the time that such improvements can be completed.

Our capital expenditures, including accruals but excluding expenditures funded by outside parties such as landlords or replacements funded by insurance proceeds, consisted of the following:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Maintenance capital expenditures	\$92,125	\$79,008	\$60,320

Revenue generating capital expenditures	94,702	65,726	73,476
Total capital expenditures	\$186,827	\$144,734	\$133,796

Table of Contents

Maintenance capital expenditures for 2016 increased from the prior year primarily associated with technology system enhancements and venue-related projects.

Revenue generating capital expenditures for 2016 increased from the prior year primarily due to development and enhancement of certain venues.

Maintenance capital expenditures for 2015 increased from the prior year primarily due to technology product enhancements.

Revenue generating capital expenditures for 2015 decreased from the prior year primarily due to lower expenditures related to the re-platforming of our ticketing system and development of our integrated resale and primary product.

For the years ended December 31, 2016, 2015 and 2014, \$2.8 million, \$0.4 million and \$4.4 million, respectively, of insurance proceeds and landlord reimbursements have been excluded from capital expenditures in the table above.

We currently expect capital expenditures to be approximately \$220 million for the year ending December 31, 2017.

Contractual Obligations and Commitments**Firm Commitments**

In addition to the scheduled maturities on our debt, we have future cash obligations under various types of contracts. We lease office space, certain equipment and many of the venues used in our concert operations under long-term operating leases. Some of our lease agreements contain renewal options and annual rental escalation clauses (generally tied to the consumer price index), as well as provisions for our payment of utilities and maintenance. We also have minimum payments associated with non-cancelable contracts related to our operations such as artist guarantee contracts and client ticketing agreements. As part of our ongoing capital projects, we will enter into construction-related commitments for future capital expenditure work. The scheduled maturities discussed below represent contractual obligations as of December 31, 2016 and thus do not represent all expected expenditures for those periods.

The scheduled maturities of our outstanding long-term debt (excluding unamortized debt discounts and issuance costs), future minimum rental commitments under non-cancelable operating lease agreements, minimum payments under other non-cancelable contracts, capital expenditure commitments and expected payments of contingent and deferred consideration liabilities as of December 31, 2016 are as follows:

	Payments Due by Period				
	Total	2017	2018-2019	2020-2021	2022 and thereafter
	(in thousands)				
Long-term debt obligations, including current maturities:					
Term loans and revolving credit facility	\$1,160,188	\$21,625	\$59,875	\$154,875	\$923,813
4.875% senior notes	575,000	—	—	—	575,000
5.375% senior notes	250,000	—	—	—	250,000
2.5% convertible senior notes ⁽¹⁾	275,000	—	275,000	—	—
Other long-term debt	104,397	31,720	28,025	39,597	5,055
Estimated interest payments ⁽²⁾	559,738	90,723	168,672	154,502	145,841
Non-cancelable operating leases ⁽³⁾	2,024,722	163,058	302,374	235,171	1,324,119
Non-cancelable contracts ⁽³⁾	1,049,893	740,202	262,645	37,410	9,636
Capital expenditures	62,624	34,179	2,600	1,769	24,076
Contingent and deferred consideration	69,529	23,301	34,139	8,944	3,145
Uncertain income tax positions ⁽⁴⁾	—	—	—	—	—
Total	\$6,131,091	\$1,104,808	\$1,133,330	\$632,268	\$3,260,685

⁽¹⁾ On or after November 15, 2018, holders may convert their 2.5% convertible senior notes.

⁽²⁾ Does not include interest on the revolving credit facility as the balance was zero as of December 31, 2016.

⁽³⁾ Commitment amounts for non-cancelable operating leases and non-cancelable contracts which stipulate an increase in the commitment amount based on an inflationary index have been estimated using an inflation factor of 1.9% for North America, 3.0% for the United Kingdom, 1.8% for Denmark and 1.7% for the Netherlands.

⁽⁴⁾ Does not include \$8.3 million of uncertain tax positions due to the unpredictable timing of the future payments.

Table of Contents

During 2006, in connection with our acquisition of a theatrical business, we guaranteed obligations related to a lease agreement. In the event of default, we could be liable for obligations which have future lease payments (undiscounted) of approximately \$16.9 million through the end of 2035 which are not reflected in the table above. The scheduled future minimum rentals for this lease for the years 2017 through 2021 are \$1.6 million each year. The venues under the lease agreement were included in the sale of our North American theatrical business in 2008. The buyer assumed our obligations under the guaranty, however we remain contingently liable to the lessor. We believe that the likelihood of a material liability being triggered under this lease is remote, and no liability has been accrued for these contingent lease obligations as of December 31, 2016.

Aggregate minimum rentals of \$57.4 million to be paid to us in years 2017 through 2023 under non-cancelable subleases are excluded from the commitment amounts in the above table.

Guarantees of Third-Party Obligations

As of December 31, 2016 and 2015, we guaranteed the debt of third parties of approximately \$18.0 million and \$13.4 million, respectively, primarily related to maximum credit limits on employee and tour-related credit cards and obligations under a venue management agreement.

Cash Flows

Year Ended December 31,
2016 2015 2014
(in thousands)

Cash provided by (used in):

Operating activities	\$597,490	\$307,854	\$292,166
Investing activities	\$(426,477)	\$(290,985)	\$(392,158)
Financing activities	\$99,212	\$(44,121)	\$225,971

Operating Activities**Year Ended 2016 Compared to Year Ended 2015**

Cash provided by operating activities increased \$289.6 million for the year ended December 31, 2016 as compared to the prior year. During 2016, our accounts payable and accrued liabilities increased based on the timing of payments, we delivered higher cash-related net income and received more cash for future events, increasing deferred revenue, partially offset by a larger increase in accounts receivable as compared to the prior year.

Year Ended 2015 Compared to Year Ended 2014

Cash provided by operating activities increased \$15.7 million for the year ended December 31, 2015 as compared to the prior year. During 2015, we made less advances to artists for future events, decreasing our prepaid expenses and other assets, partially offset by a larger increase in accounts receivable and a decrease in accounts payable and accrued liabilities based on the timing of payments as compared to the prior year.

Investing Activities**Year Ended 2016 Compared to Year Ended 2015**

Cash used in investing activities increased \$135.5 million for the year ended December 31, 2016 as compared to the prior year due to higher acquisition activity and higher purchases of property, plant and equipment partially offset by lower advances of notes receivable. See “—Uses of Cash” above for further discussion.

Year Ended 2015 Compared to Year Ended 2014

Cash used in investing activities decreased \$101.2 million for the year ended December 31, 2015 as compared to the prior year primarily due to lower net acquisition expenditures in 2015 as compared to the prior year. See “—Uses of Cash” above for further discussion.

Financing Activities**Year Ended 2016 Compared to Year Ended 2015**

Cash provided by financing activities increased \$143.3 million for the year ended December 31, 2016 as compared to the prior year primarily due to net proceeds of \$267.3 million received in 2016 from the issuance of the 4.875% senior notes and increased term loan A and term loan B borrowings, after repayment of the 7% senior notes and related costs. The higher net proceeds from the debt issuance were partially offset by higher purchases of noncontrolling interests and distributions to noncontrolling interest partners along with higher payments for deferred and contingent

consideration due to past acquisitions.

Table of Contents

Year Ended 2015 Compared to Year Ended 2014

Cash used in financing activities increased \$270.1 million for the year ended December 31, 2015 as compared to the prior year primarily as a result of net proceeds of \$293.8 million received in 2014 from the issuance of the 5.375% senior notes and 2.5% convertible senior notes after repayment of the 2.875% convertible senior notes.

Seasonality

Our Concerts, Sponsorship & Advertising and Artist Nation segments typically experience higher operating income in the second and third quarters as our outdoor venues and festivals are primarily used in or occur from May through October, and our artist touring activity is higher. In addition, the timing of when tickets are sold and the tours of top-grossing acts can impact comparability of quarterly results year over year, although annual results may not be impacted. Our Ticketing segment revenue is impacted by fluctuations in the availability of events for sale to the public, which vary depending upon scheduling by our clients.

Cash flows from our Concerts segment typically have a slightly different seasonality as payments are often made for artist performance fees and production costs for tours in advance of the date the related event tickets go on sale. These artist fees and production costs are expensed when the event occurs. Once tickets for an event go on sale, we generally begin to receive payments from ticket sales at our owned or operated venues and festivals in advance of when the event occurs. We record these ticket sales as revenue when the event occurs.

We expect these trends to continue in the future. See Item 1A.—Risk Factors—“Our operations are seasonal and our results of operations vary from quarter to quarter and year over year, so our financial performance in certain financial quarters or years may not be indicative of, or comparable to, our financial performance in subsequent quarters or years.”

Market Risk

We are exposed to market risks arising from changes in market rates and prices, including movements in foreign currency exchange rates and interest rates.

Foreign Currency Risk

We have operations in countries throughout the world. The financial results of our foreign operations are measured in their local currencies. Our foreign subsidiaries also carry certain net assets or liabilities that are denominated in a currency other than that subsidiary's functional currency. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we have operations. Currently, we do not operate in any hyper-inflationary countries. Our foreign operations reported operating income of \$72.0 million for the year ended December 31, 2016. We estimate that a 10% change in the value of the United States dollar relative to foreign currencies would change our operating income for the year ended December 31, 2016 by \$7.2 million. As of December 31, 2016, our most significant foreign exchange exposure included the Euro, British Pound, Australian Dollar and Canadian Dollar. This analysis does not consider the implication such currency fluctuations could have on the overall economic conditions of the United States or other foreign countries in which we operate or on the results of operations of our foreign entities. In addition, the reported carrying value of our assets and liabilities, including the total cash and cash equivalents held by our foreign operations, will also be affected by changes in foreign currency exchange rates.

We primarily use forward currency contracts, in addition to options, to reduce our exposure to foreign currency risk associated with short-term artist fee commitments. We also may enter into forward currency contracts to minimize the risks and/or costs associated with changes in foreign currency rates on forecasted operating income. At December 31, 2016, we had forward currency contracts and options outstanding with a notional amount of \$173.8 million.

Interest Rate Risk

Our market risk is also affected by changes in interest rates. We had \$2.4 billion of total debt, excluding unamortized debt discounts and issuance costs, outstanding as of December 31, 2016. Of the total amount, taking into consideration existing interest rate hedges, we had \$1.2 billion of fixed-rate debt and \$1.2 billion of floating-rate debt.

Based on the amount of our floating-rate debt as of December 31, 2016, each 25-basis point increase or decrease in interest rates would increase or decrease our annual interest expense and cash outlay by approximately \$3.0 million when the floor rate is not applicable. This potential increase or decrease is based on the simplified assumption that the level of floating-rate debt remains constant with an immediate across-the-board increase or decrease as of

December 31, 2016 with no subsequent change in rates for the remainder of the period.

We have one interest rate cap agreement with an aggregate notional amount of \$6.3 million at December 31, 2016. The interest rate cap agreement ensures that a portion of our floating-rate debt does not exceed 4.25% and expires in June 2018. This agreement has not been designated as a hedging instrument. Therefore, any change in fair value is recorded in earnings during the period of the change.

Table of Contents

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements can be found in Item 8.— Financial Statements and Supplementary Data—Note 1—The Company and Summary of Significant Accounting Policies.

Critical Accounting Policies and Estimates

The preparation of our financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. On an ongoing basis, we evaluate our estimates that are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of revenue and expenses that are not readily apparent from other sources. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such difference could be material. Management believes that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. The following narrative describes these critical accounting estimates, the judgments and assumptions and the effect if actual results differ from these assumptions where applicable.

Consolidation

Typically we consolidate entities in which we own more than 50% of the voting common stock and control operations and also VIEs for which we are the primary beneficiary. Investments in nonconsolidated affiliates in which we own more than 20% of the voting common stock or otherwise exercise significant influence over operating and financial policies, but not control of the nonconsolidated affiliate, are accounted for using the equity method of accounting. Investments in nonconsolidated affiliates in which we own less than 20% of the voting common stock are accounted for using the cost method of accounting. Intercompany accounts among the consolidated businesses have been eliminated in consolidation. Net income (loss) attributable to noncontrolling interests is reflected in the statements of operations for consolidated affiliates.

Business Combinations

We account for our business combinations under the acquisition method of accounting. Identifiable assets acquired, liabilities assumed and any noncontrolling interest in the acquiree are recognized and measured as of the acquisition date at fair value. Additionally, contingent consideration is recorded at fair value on the acquisition date and classified as a liability. Goodwill is recognized to the extent by which the aggregate of the acquisition-date fair value of the consideration transferred and any noncontrolling interest in the acquiree exceeds the recognized basis of the identifiable assets acquired, net of assumed liabilities. Determining the fair value of assets acquired, liabilities assumed and noncontrolling interest requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash flows, discount rates and asset lives among other items.

Property, Plant and Equipment

We test for possible impairment of property, plant and equipment whenever events or circumstances change, such as a current period operating cash flow loss combined with a history of, or projected, operating cash flow losses or a significant adverse change in the manner in which the asset is intended to be used, which may indicate that the carrying amount of the asset may not be recoverable. If indicators exist, we compare the estimated undiscounted future cash flows related to the assets to the carrying amount of those assets. If the carrying value is greater than the estimated undiscounted future cash flows, the cost basis of the asset is reduced to reflect the current fair value. We use various assumptions in determining the current fair value of these assets, including future expected cash flows and discount rates, as well as future salvage values and other fair value measures. Our impairment loss calculations require us to apply judgment in estimating future cash flows, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

If actual results are not consistent with our assumptions and judgments used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material to our results of operations.

Intangibles

We test for possible impairment of definite-lived intangible assets whenever events or circumstances change, such as a current period operating cash flow loss combined with a history of, or projected, operating cash flow losses or a significant adverse change in the manner in which the asset is intended to be used, which may indicate that the carrying amount of the asset may not be recoverable. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair value.

Table of Contents

We test for possible impairment of indefinite-lived intangible assets on at least an annual basis. Based on facts and circumstances, we perform either a qualitative or a quantitative assessment for impairment. If a qualitative assessment is performed, and the existence of events and circumstances indicate that it is more likely than not that an indefinite-lived intangible asset is impaired, we perform the quantitative impairment test by comparing the fair value with the carrying amount. When specific assets are determined to be impaired, the cost basis of the asset is reduced to reflect the current fair value.

When performing quantitative assessments for impairment, we use various assumptions in determining the current fair value of these definite-lived and indefinite-lived intangible assets, including future expected cash flows, discount rates and royalty rates as well as other fair value measures. For intangibles related to artist rights, we use assumptions about future revenue and operating income for the rights acquired. These projections are based on information about the artists' past results and expectations about future results. Our impairment loss calculations require us to apply judgment in estimating future cash flows, including forecasting useful lives of the assets and selecting the discount rate that reflects the risk inherent in future cash flows.

If actual results are not consistent with our assumptions and judgments used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material to our results of operations.

Goodwill

We currently have seven reporting units with goodwill balances: International Concerts and North America Concerts within the Concerts segment; Sponsorship & Advertising; International Ticketing and North America Ticketing within the Ticketing segment; and Artist Management and Artist Services (non-management) within the Artist Nation segment.

We review goodwill for impairment annually, as of October 1, using a three-step process. We also test goodwill for impairment in other periods if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount or when we change our operating segments or reporting units. The first step is a qualitative evaluation as to whether it is more likely than not that the fair value of any of our reporting units is less than its carrying value using an assessment of relevant events and circumstances. Examples of such events and circumstances include historical financial performance, industry and market conditions, macroeconomic conditions, reporting unit-specific events, historical results of goodwill impairment testing, and the timing of the last performance of a quantitative assessment. If any reporting units are concluded to be more likely than not impaired, or if that conclusion cannot be determined qualitatively, a second step is performed for that reporting unit. Regardless, it is our policy that all reporting units undergo a second step at least once every five years. This second step, used to quantitatively screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. The third step, employed for any reporting unit that fails the second step, is used to measure the amount of any potential impairment and compares the implied fair value of the reporting unit's goodwill with the carrying amount of goodwill. If a reporting unit's carrying value is negative, we do not follow this three-step process. In this case, a qualitative evaluation is performed to determine whether it is more likely than not that the reporting unit's goodwill is impaired. If it is, the comparison of the implied fair value of the reporting unit's goodwill with the carrying amount of goodwill described above is performed. In all three steps, discount rates, market multiples and sensitivity tests are derived and/or computed with the assistance of external valuation consultants. We perform sensitivity analyses when the most likely result is unclear in the first step and for both the second and third steps in our process. Generally, we test for sensitivities to discount rate, revenue growth, market multiples and customer attrition, which are the most significant assumptions.

The second and third steps that we use to evaluate goodwill for impairment involve the determination of the fair value of our reporting units. Inherent in such fair value determinations are certain judgments and estimates relating to future cash flows, including our interpretation of current economic indicators and market valuations, and assumptions about our strategic plans with regard to our operations. Due to the uncertainties associated with such estimates, actual results could differ from such estimates.

In developing fair values for our reporting units, we may employ a market multiple or a discounted cash flow methodology, or a combination thereof. The market multiple methodology compares us to similar companies on the basis of risk characteristics to determine our risk profile relative to those companies as a group. This analysis

generally focuses on both quantitative considerations, which include financial performance and other quantifiable data, and qualitative considerations, which include any factors which are expected to impact future financial performance. The most significant assumptions affecting the market multiple methodology are the market multiples and control premium. A control premium represents the additional value an investor would pay in order to obtain a controlling interest in the respective reporting unit.

The discounted cash flow methodology establishes fair value by estimating the present value of the projected future cash flows to be generated from the reporting unit less those cash flows attributable to noncontrolling interests. It is important to note that items such as depreciation, amortization and stock-based compensation expense are not part of cash flows which is

Table of Contents

more akin to our AOI metric. The discount rate applied to the projected future cash flows to arrive at the present value is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. The discounted cash flow methodology uses our estimates of future financial performance. The most significant assumptions used in the discounted cash flow methodology are the discount rate, the attrition rate and expected future revenue, which vary among reporting units.

If actual results are not consistent with our assumptions and judgments used in estimating future cash flows and asset fair values, we may be exposed to future impairment losses that could be material to our results of operations.

In 2016, all of our reporting units with goodwill were assessed under the first qualitative step. Five of the reporting units did not advance to the second step. Three of these five reporting units had improved discount rates and considerable excess of fair value over their carrying value in the most recent quantitative tests, while also having mixed results on market multiples and financial results when compared to recent financial expectations. Two out of the five reporting units had varying financial results as compared to recent financial expectations for the current year with slight decreases in market multiples, but both had a significant excess of fair value over their carrying value in the most recent quantitative tests along with improved discount rates. Any further review of these reporting units with sensitivity tests did not change our first step conclusions.

The Artist Management and Artist Services reporting units advanced to the second step and their excess of fair value over carrying value ranged from 20% to 31%. Although both of these reporting units had lower financial results in the current year and mixed results on their market multiples, they had improvements on discount rates. Sensitivity tests on the Artist Management reporting unit showed that a 300-basis point change in the discount rate, an 81% decline in the revenue growth rate, or a 235-basis point change in market multiples was needed to change the conclusion. Sensitivity tests on the Artist Services reporting unit showed that a 220-basis point change in the discount rate, a 71% decline in the revenue growth rate, or a 306-basis point change in market multiples was needed to change the conclusion.

Given the results of the tests performed, although we cannot predict future performance or market conditions, we do not currently believe any of our reporting units are at risk of failing the second step in the near future.

Revenue Recognition

Revenue from the promotion and production of an event is recognized after the show occurs. Revenue related to larger global tours is also recognized after the show occurs; however, any profits related to these tours, primarily related to music tour production and tour management services, is recognized after minimum revenue thresholds, if any, have been achieved. Revenue collected in advance of the event is recorded as deferred revenue until the event occurs.

Revenue collected from sponsorships and other revenue, which is not related to any single event, is classified as deferred revenue and generally recognized over the operating season or the term of the contract.

Revenue from our ticketing operations primarily consists of convenience and order processing fees charged at the time a ticket for an event is sold and is recorded on a net basis (net of the face value of the ticket). For tickets sold for events at our owned or operated venues in the United States, and where we control the tickets internationally, revenue is recognized after the show occurs. Revenue for these ticket service charges collected in advance of the event is recorded as deferred revenue until the event occurs and these service charges will be shared between our Ticketing and Concerts segments. For tickets sold for events at third-party venues, this revenue is recognized at the time of the sale and is recorded by our Ticketing segment.

We account for taxes that are externally imposed on revenue producing transactions on a net basis, as a reduction of revenue.

Litigation Accruals

We are currently involved in certain legal proceedings and, as required, have accrued our estimate of the probable costs for the resolution of these claims. Management's estimates used have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings.

Income Taxes

We account for income taxes using the liability method in accordance with the FASB guidance for income taxes.

Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting

bases and tax bases of assets and liabilities and are measured using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. Deferred tax assets are reduced by valuation allowances if we believe it is more likely than not that some portion or the entire asset will not be realized. As almost all earnings from our continuing foreign operations are permanently reinvested and not distributed, our income tax provision does not include additional United States taxes on those foreign operations. The amount of earnings at December 31, 2016 that has been earned over time, and permanently reinvested, was approximately \$1.4 billion. It is not practical to determine the amount

Table of Contents

of federal and state income taxes, if any, that might become due in the event that any remaining available cash associated with these earnings were distributed.

The FASB guidance for income taxes prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is more likely than not to be realized upon ultimate settlement.

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges is as follows:

Year Ended December 31,

2016 2015 2014 2013 2012

1.38 1.03 * * *

* For the years ended December 31, 2014, 2013 and 2012, fixed charges exceeded earnings from continuing operations before income taxes and fixed charges by \$104.0 million, \$6.0 million and \$142.1 million, respectively.

The ratio of earnings to fixed charges was computed on a total company basis. Earnings represent income from continuing operations before income taxes less equity in undistributed net income (loss) of nonconsolidated affiliates plus fixed charges. Fixed charges represent interest, amortization of debt discounts, debt issuance costs and premium and the estimated interest portion of rental charges. Rental charges exclude variable rent expense for events in third-party venues.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Required information is within Item 7.— Management’s Discussion and Analysis of Financial Condition and Results of Operations—Market Risk.

Table of Contents

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Live Nation Entertainment, Inc.

We have audited the accompanying consolidated balance sheets of Live Nation Entertainment, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, changes in equity and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the index at Item 15(a)2. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Live Nation Entertainment, Inc. at December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Live Nation Entertainment, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Los Angeles, California

February 23, 2017

Table of ContentsLIVE NATION ENTERTAINMENT, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2016	2015
	(in thousands, except share data)	
ASSETS		
Current assets		
Cash and cash equivalents	\$1,526,591	\$1,303,125
Accounts receivable, less allowance of \$29,634 and \$17,168 in 2016 and 2015, respectively	568,936	452,600
Prepaid expenses	528,250	496,226
Other current assets	49,774	36,364
Total current assets	2,673,551	2,288,315
Property, plant and equipment		
Land, buildings and improvements	838,545	840,032
Computer equipment and capitalized software	524,571	505,233
Furniture and other equipment	256,765	233,271
Construction in progress	125,430	47,684
	1,745,311	1,626,220
Less accumulated depreciation	993,775	894,938
	751,536	731,282
Intangible assets		
Definite-lived intangible assets, net	812,031	777,763
Indefinite-lived intangible assets	368,766	369,317
Goodwill	1,747,088	1,604,315
Other long-term assets	411,294	385,249
Total assets	\$6,764,266	\$6,156,241
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable, client accounts	\$726,475	\$662,941
Accounts payable	55,030	58,607
Accrued expenses	781,494	686,664
Deferred revenue	804,973	618,640
Current portion of long-term debt, net	53,317	42,352
Other current liabilities	39,055	32,002
Total current liabilities	2,460,344	2,101,206
Long-term debt, net	2,259,736	2,002,662
Long-term deferred income taxes	197,811	199,472
Other long-term liabilities	149,791	142,267
Commitments and contingent liabilities		
Redeemable noncontrolling interests	347,068	263,715
Stockholders' equity		
Preferred stock—Series A Junior Participating, \$.01 par value; 20,000,000 shares authorized; no shares issued and outstanding	—	—
Preferred stock, \$.01 par value; 30,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$.01 par value; 450,000,000 shares authorized; 204,475,849 and 202,891,231 shares issued and 204,067,825 and 202,483,207 shares outstanding in 2016 and 2015, respectively	2,034	2,020

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Additional paid-in capital	2,381,011	2,428,566
Accumulated deficit	(1,073,457)	(1,075,111)
Cost of shares held in treasury (408,024 shares)	(6,865)	(6,865)
Accumulated other comprehensive loss	(176,707)	(111,657)
Total Live Nation stockholders' equity	1,126,016	1,236,953
Noncontrolling interests	223,500	209,966
Total equity	1,349,516	1,446,919
Total liabilities and equity	\$6,764,266	\$6,156,241

See Notes to Consolidated Financial Statements

50

Table of ContentsLIVE NATION ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2016	2015	2014
	(in thousands except share and per share data)		
Revenue	\$8,354,934	\$7,245,731	\$6,866,964
Operating expenses:			
Direct operating expenses	6,082,708	5,196,473	4,919,969
Selling, general and administrative expenses	1,548,450	1,411,855	1,337,316
Depreciation and amortization	403,651	397,241	368,143
Goodwill impairment	—	—	134,961
Loss (gain) on disposal of operating assets	124	845	(4,494)
Corporate expenses	125,061	107,945	103,905
Operating income	194,940	131,372	7,164
Interest expense	106,506	102,881	106,312
Loss on extinguishment of debt	14,049	—	188
Interest income	(2,573)	(3,528)	(3,606)
Equity in losses (earnings) of nonconsolidated affiliates	17,802	(1,502)	(4,166)
Other expense, net	10,830	27,168	8,256
Income (loss) before income taxes	48,326	6,353	(99,820)
Income tax expense	28,029	22,122	4,630
Net income (loss)	20,297	(15,769)	(104,450)
Net income (loss) attributable to noncontrolling interests	17,355	16,739	(13,643)
Net income (loss) attributable to common stockholders of Live Nation	\$2,942	\$(32,508)	\$(90,807)
Basic and diluted net loss per common share available to common stockholders of Live Nation	\$(0.23)	\$(0.33)	\$(0.49)
Weighted average common shares outstanding:			
Basic and diluted	202,076,243	200,973,485	198,874,019
Reconciliation to net loss available to common stockholders of Live Nation:			
Net income (loss) attributable to common stockholders of Live Nation	\$2,942	\$(32,508)	\$(90,807)
Accretion of redeemable noncontrolling interests	(49,952)	(33,179)	(5,660)
Basic and diluted net loss available to common stockholders of Live Nation	\$(47,010)	\$(65,687)	\$(96,467)

See Notes to Consolidated Financial Statements

Table of Contents

LIVE NATION ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Net income (loss)	\$20,297	\$(15,769)	\$(104,450)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(64,947)	(41,895)	(67,724)
Other	(103)	248	84
Comprehensive loss	(44,753)	(57,416)	(172,090)
Comprehensive income (loss) attributable to noncontrolling interests	17,355	16,739	(13,643)
Comprehensive loss attributable to common stockholders of Live Nation	\$(62,108)	\$(74,155)	\$(158,447)

See Notes to Consolidated Financial Statements

52

Table of ContentsLIVE NATION ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Live Nation Stockholders' Equity

	Common Shares Issued	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Cost of Shares Held in Treasury	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
	(in thousands, except share data)								(in thousands)
Balances at December 31, 2013	197,764,109	\$1,978	\$2,368,281	\$(951,796)	\$(6,865)	\$(2,370)	\$180,578	\$1,589,806	\$61,041
Non-cash and stock-based compensation	—	—	39,029	—	—	—	—	39,029	—
Common stock issued under stock plans, net of shares withheld for employee taxes	897,973	9	(14,902)	—	—	—	—	(14,893)	—
Exercise of stock options	1,769,194	17	21,780	—	—	—	—	21,797	—
Fair value of convertible debt conversion feature, net of issuance costs	—	—	21,444	—	—	—	—	21,444	—
Acquisitions	—	—	—	—	—	—	37,484	37,484	108,104
Purchases of noncontrolling interests	—	—	(3,796)	—	—	—	310	(3,486)	(5,017)
Sales of noncontrolling interests	—	—	(11,748)	—	—	—	(159)	(11,907)	19,246
Redeemable noncontrolling interests fair value adjustments	—	—	(5,660)	—	—	—	—	(5,660)	5,660
Noncontrolling interests contributions	—	—	—	—	—	—	106	106	—
Cash distributions	—	—	—	—	—	—	(30,520)	(30,520)	(1,993)
Other	—	—	—	—	—	—	(5,449)	(5,449)	—

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Comprehensive income (loss):										
Net income (loss)	—	—	—	(90,807)	—	—	4,543	(86,264)	(18,186)	
Foreign currency translation adjustments	—	—	—	—	—	(67,724)	—	(67,724)	—	
Other						84		84		
Balances at December 31, 2014	200,431,276	2,004	2,414,428	(1,042,603)	(6,865)	(70,010)	186,893	1,483,847	168,855	
Non-cash and stock-based compensation	—	—	33,361	—	—	—	—	33,361	—	
Common stock issued under stock plans, net of shares withheld for employee taxes	460,418	5	(7,657)	—	—	—	—	(7,652)	—	
Exercise of stock options	1,138,891	11	16,269	—	—	—	—	16,280	—	
Acquisitions	—	—	—	—	—	—	30,627	30,627	83,263	
Purchases of noncontrolling interests	—	—	(6,555)	—	—	—	(3,585)	(10,140)	—	
Sales of noncontrolling interests	—	—	11,899	—	—	—	720	12,619	(9,652)	
Redeemable noncontrolling interests fair value adjustments	—	—	(33,179)	—	—	—	—	(33,179)	33,179	
Noncontrolling interests contributions	—	—	—	—	—	—	255	255	—	
Cash distributions	—	—	—	—	—	—	(24,693)	(24,693)	(5,953)	
Other	—	—	—	—	—	—	(5,182)	(5,182)	2,215	
Comprehensive income (loss):										
Net income (loss)	—	—	—	(32,508)	—	—	24,931	(7,577)	(8,192)	
Foreign currency translation adjustments	—	—	—	—	—	(41,895)	—	(41,895)	—	
Other	—	—	—	—	—	248	—	248	—	
	202,030,585	2,020	2,428,566	(1,075,111)	(6,865)	(111,657)	209,966	1,446,919	263,715	

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Balances at
December 31,
2015

Non-cash and stock-based compensation	—	—	34,011	(1,288)	—	—	—	32,723	—
Common stock issued under stock plans, net of shares withheld for employee taxes	302,545	3	(4,110	)	—	—	—	—	(4,107) —
Exercise of stock options	1,062,936	11	20,288	—	—	—	—	—	20,299	—
Acquisitions	—	—	—	—	—	—	—	40,697	40,697	72,560
Divestitures	—	—	—	—	—	—	—	(1,856	) (1,856) —
Purchases of noncontrolling interests	—	—	(49,111	)	—	—	—	(14,049	) (63,160	) (12,674)
Sales of noncontrolling interests	—	—	1,424	—	—	—	—	427	1,851	—
Redeemable noncontrolling interests fair value adjustments	—	—	(49,952	)	—	—	—	—	(49,952	) 49,952
Cash distributions	—	—	—	—	—	—	—	(34,285	) (34,285	) (20,846)
Other	—	—	(105	)	—	—	—	(399	) (504	) 5
Comprehensive income (loss):										
Net income (loss)	—	—	—	2,942	—	—	—	22,999	25,941	(5,644)
Foreign currency translation adjustments	—	—	—	—	—	—	(64,947	) —	(64,947) —
Other	—	—	—	—	—	—	(103	) —	(103) —
Balances at December 31, 2016	203,396,066	\$2,034	\$2,381,011	\$(1,073,457)	\$(6,865)	\$(176,707)	\$223,500	\$1,349,516	\$347,068	

See Notes to Consolidated Financial Statements

Table of ContentsLIVE NATION ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2016	2015	2014
	(as adjusted)		
	(in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$20,297	\$(15,769)	\$(104,450)
Reconciling items:			
Depreciation	139,288	134,148	127,168
Amortization	264,363	263,093	240,975
Goodwill impairment	—	—	134,961
Deferred income tax benefit	(7,891)	(9,611)	(17,664)
Amortization of debt issuance costs, discounts and premium, net	12,594	10,885	16,038
Provision for uncollectible accounts receivable and advances	21,681	19,505	6,540
Loss on extinguishment of debt	14,049	—	188
Non-cash compensation expense	32,723	33,361	39,029
Equity in losses (earnings) of nonconsolidated affiliates, net of distributions	27,498	9,436	3,698
Gain on consolidation of nonconsolidated affiliates	(501)	(8,685)	(16,356)
Other, net	(8,801)	5,170	(11,313)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Increase in accounts receivable	(146,128)	(67,235)	(14,356)
Increase in prepaid expenses and other assets	(129,748)	(122,872)	(231,560)
Increase in accounts payable, accrued expenses and other liabilities	193,775	3,480	45,538
Increase in deferred revenue	164,291	52,948	73,730
Net cash provided by operating activities	597,490	307,854	292,166
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances of notes receivable	(17,227)	(28,288)	(34,395)
Investments made in nonconsolidated affiliates	(28,922)	(21,998)	(19,600)
Purchases of property, plant and equipment	(173,827)	(142,491)	(139,587)
Cash paid for acquisitions, net of cash acquired	(211,624)	(89,780)	(210,243)
Purchases of intangible assets	(6,234)	(12,267)	(3,350)
Other, net	11,357	3,839	15,017
Net cash used in investing activities	(426,477)	(290,985)	(392,158)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt, net of debt issuance costs	844,451	57,276	515,385
Payments on long-term debt including extinguishment costs	(606,831)	(63,569)	(253,773)
Distributions to noncontrolling interests	(55,131)	(30,645)	(32,513)
Purchases and sales of noncontrolling interests, net	(69,106)	(9,752)	(4,391)
Proceeds from exercise of stock options	20,299	16,280	21,797
Payments for deferred and contingent consideration	(20,451)	(6,770)	(5,722)
Other, net	(14,019)	(6,941)	(14,812)
Net cash provided by (used in) financing activities	99,212	(44,121)	225,971
Effect of exchange rate changes on cash and cash equivalents	(46,759)	(51,652)	(43,134)
Net increase (decrease) in cash and cash equivalents	223,466	(78,904)	82,845
Cash and cash equivalents at beginning of period	1,303,125	1,382,029	1,299,184
Cash and cash equivalents at end of period	\$1,526,591	\$1,303,125	\$1,382,029

SUPPLEMENTAL DISCLOSURE

Cash paid during the year for:

Interest, net of interest income	\$96,678	\$92,620	\$89,343
Income taxes, net of refunds	\$30,312	\$44,287	\$41,471

See Notes to Consolidated Financial Statements

54

Table of Contents

LIVE NATION ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History

Live Nation was incorporated in Delaware on August 2, 2005 in preparation for the contribution and transfer by Clear Channel of substantially all of its entertainment assets and liabilities to the Company. The Company completed this separation on December 21, 2005 and became a publicly traded company on the New York Stock Exchange trading under the symbol “LYV.” Prior to this separation, Live Nation was a wholly-owned subsidiary of Clear Channel. On January 25, 2010, the Company merged with Ticketmaster and it became a wholly-owned subsidiary of Live Nation. Effective with the merger, Live Nation, Inc. changed its name to Live Nation Entertainment, Inc.

Seasonality

Due to the seasonal nature of shows at outdoor amphitheaters and festivals, which primarily occur from May through October, the Concerts and Sponsorship & Advertising segments experience higher revenue during the second and third quarters. The Artist Nation segment’s revenue is impacted, to a large degree, by the touring schedules of artists it represents and generally experiences higher revenue during the second and third quarters as the period from May through October tends to be a popular time for touring events. The Ticketing segment’s revenue is impacted by fluctuations in the availability of events for sale to the public, which vary depending upon scheduling by its clients. The Company’s seasonality also results in higher balances in cash and cash equivalents, accounts receivable, prepaid expenses, accrued expenses and deferred revenue at different times in the year.

Basis of Presentation and Principles of Consolidation

The Company’s consolidated financial statements include all accounts of the Company, its majority owned and controlled subsidiaries and VIEs for which the Company is the primary beneficiary. Intercompany accounts among the consolidated businesses have been eliminated in consolidation. Net income (loss) attributable to noncontrolling interests is reflected in the statements of operations.

Typically the Company consolidates entities in which the Company owns more than 50% of the voting common stock and controls operations and also VIEs for which the Company is the primary beneficiary. Investments in nonconsolidated affiliates in which the Company owns more than 20% of the voting common stock or otherwise exercises significant influence over operating and financial policies but not control of the nonconsolidated affiliate are accounted for using the equity method of accounting. Investments in nonconsolidated affiliates in which the Company owns less than 20% of the voting common stock and does not exercise significant influence over operating and financial policies are accounted for using the cost method of accounting.

All cash flow activity reflected on the consolidated statements of cash flows for the Company is presented net of any non-cash transactions so the amounts reflected may be different than amounts shown in other places in the Company’s financial statements that are based on accrual accounting and therefore include non-cash amounts. For example, the purchases of property, plant and equipment reflected on the consolidated statements of cash flows reflects the amount of cash paid during the year for these purchases and does not include the impact of the changes in accrued expenses related to capital expenditures during the year.

Variable Interest Entities

In the normal course of business, the Company enters into joint ventures or makes investments in companies that will allow it to expand its core business and enter new markets. In certain instances, such ventures or investments may be considered a VIE because the equity at risk is insufficient to permit it to carry on its activities without additional financial support from its equity owners. In determining whether the Company is the primary beneficiary of a VIE, it assesses whether it has the power to direct activities that most significantly impact the economic performance of the entity and has the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. The activities the Company believes most significantly impact the economic performance of its VIEs include the unilateral ability to approve the annual budget, the unilateral ability to terminate key management and the unilateral ability to approve entering into agreements with artists, among others. The Company has certain rights and obligations related to its involvement in the VIEs, including the requirement to provide operational cash

flow funding. As of December 31, 2016 and 2015, excluding intercompany balances and allocated goodwill and intangible assets, there were \$186.4 million and \$188.6 million of assets and \$98.9 million and \$91.7 million of liabilities, respectively, related to VIEs included in the balance sheets. None of the Company's VIEs are significant on an individual basis.

Table of Contents

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less. The Company's cash and cash equivalents consist primarily of domestic and foreign bank accounts as well as interest-bearing accounts consisting primarily of bank deposits and money market accounts managed by third-party financial institutions. These balances are stated at cost, which approximates fair value.

Included in the December 31, 2016 and 2015 cash and cash equivalents balance is \$591.0 million and \$549.0 million, respectively, of cash received that includes the face value of tickets sold on behalf of ticketing clients and the clients' share of service charges ("client cash"). The Company generally does not utilize client cash for its own financing or investing activities as the amounts are payable to clients on a regular basis. These amounts due to clients are included in accounts payable, client accounts.

Cash held in interest-bearing operating accounts in many cases exceeds the Federal Deposit Insurance Corporation insurance limits. To reduce its credit risk, the Company monitors the credit standing of the financial institutions that hold the Company's cash and cash equivalents; however, these balances could be impacted in the future if the underlying financial institutions fail. To date, the Company has experienced no loss or lack of access to its cash or cash equivalents; however, the Company can provide no assurances that access to its cash and cash equivalents will not be impacted in the future by adverse conditions in the financial markets.

Allowance for Doubtful Accounts

The Company evaluates the collectability of its accounts receivable based on a combination of factors. Generally, it records specific reserves to reduce the amounts recorded to what it believes will be collected when a customer's account ages beyond typical collection patterns, or the Company becomes aware of a customer's inability to meet its financial obligations.

The Company believes that the credit risk with respect to trade receivables is limited due to the large number and the geographic diversification of its customers.

Prepaid Expenses

The majority of the Company's prepaid expenses relate to event expenses including show advances and deposits and other costs directly related to future concert events. For advances that are expected to be recouped over a period of more than 12 months, the long-term portion of the advance is classified as other long-term assets. These prepaid costs are charged to operations upon completion of the related events.

Ticketing contract advances, which can be either recoupable or non-recoupable, represent amounts paid in advance to the Company's clients pursuant to ticketing agreements and are reflected in prepaid expenses or in other long-term assets if the amount is expected to be recouped or recognized over a period of more than 12 months. Recoupable ticketing contract advances are generally recoupable against future royalties earned by the clients, based on the contract terms, over the life of the contract. Non-recoupable ticketing contract advances, excluding those amounts paid to support clients' advertising costs, are fixed additional incentives occasionally paid by the Company to secure exclusive rights with certain clients and are normally amortized over the life of the contract on a straight-line basis. Amortization of these non-recoupable ticketing contract advances is included in depreciation and amortization in the statements of operations. For the years ended December 31, 2016, 2015 and 2014, the Company amortized \$85.1 million, \$86.6 million and \$79.4 million, respectively, related to non-recoupable ticketing contract advances.

Business Combinations

During 2016, 2015 and 2014, the Company completed several acquisitions that were accounted for as business combinations under the acquisition method of accounting. These acquisitions were not significant either on an individual basis or in the aggregate.

The Company accounts for its business combinations under the acquisition method of accounting. Identifiable assets acquired, liabilities assumed and any noncontrolling interest in the acquiree are recognized and measured as of the acquisition date at fair value. Additionally, any contingent consideration is recorded at fair value on the acquisition date and classified as a liability. Goodwill is recognized to the extent by which the aggregate of the acquisition-date fair value of the consideration transferred and any noncontrolling interest in the acquiree exceeds the recognized basis of the identifiable assets acquired, net of assumed liabilities. Determining the fair value of assets acquired, liabilities assumed and noncontrolling interests requires management's judgment and often involves the use of significant

estimates and assumptions, including assumptions with respect to future cash flows, discount rates and asset lives among other items.

Table of Contents

Property, Plant and Equipment

Property, plant and equipment are stated at cost or fair value at the date of acquisition. Depreciation, which is recorded for both owned assets and assets under capital leases, is computed using the straight-line method over their estimated useful lives, which are typically as follows:

Buildings and improvements - 10 to 50 years

Computer equipment and capitalized software - 3 to 10 years

Furniture and other equipment - 3 to 10 years

Leasehold improvements are depreciated over the shorter of the economic life or associated lease term assuming the Company exercises renewal periods, if appropriate. Expenditures for maintenance and repairs are charged to operations as incurred, whereas expenditures for asset renewal and improvements are capitalized.

The Company tests for possible impairment of property, plant and equipment whenever events or circumstances change, such as a current period operating cash flow loss combined with a history of, or projected, operating cash flow losses or a significant adverse change in the manner in which the asset is intended to be used, which may indicate that the carrying amount of the asset may not be recoverable. If indicators exist, the Company compares the estimated undiscounted future cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the estimated undiscounted future cash flow amount, an impairment charge is recorded based on the difference between the fair value and the carrying value. Any such impairment charge is recorded in depreciation and amortization in the statements of operations. The impairment loss calculations require management to apply judgment in estimating future cash flows and the discount rates that reflect the risk inherent in future cash flows.

Intangible Assets

The Company classifies intangible assets as definite-lived or indefinite-lived. Definite-lived intangibles include revenue-generating contracts, client/vendor relationships, non-compete agreements, venue management and leasehold agreements, technology and trademarks and naming rights, all of which are amortized either on a straight-line basis over the respective lives of the agreements, typically 3 to 15 years, or on a basis more representative of the time pattern over which the benefit is derived. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived intangible assets. These assets are stated at cost or fair value at the date of acquisition. Indefinite-lived intangibles primarily include trade names. Indefinite-lived intangibles are not subject to amortization, but are reviewed for impairment at least annually.

The Company tests for possible impairment of definite-lived intangible assets whenever events or circumstances change, such as a current period operating cash flow loss combined with a history of, or projected, operating cash flow losses or a significant adverse change in the manner in which the asset is intended to be used, which may indicate that the carrying amount of the asset may not be recoverable. If indicators exist, the Company compares the estimated undiscounted future cash flows related to the asset to the carrying value of the asset. If the carrying value is greater than the estimated undiscounted future cash flow amount, an impairment charge is recorded based on the difference between the fair value and the carrying value. Any such impairment charge is recorded in depreciation and amortization in the statements of operations.

The Company tests for possible impairment of indefinite-lived intangible assets at least annually. Depending on facts and circumstances, qualitative factors may first be assessed to determine whether the existence of events and circumstances indicate that it is more likely than not that an indefinite-lived intangible asset is impaired. If it is concluded that it is more likely than not impaired, the Company performs a quantitative impairment test by comparing the fair value with the carrying amount. If the qualitative assessment is not performed first, the Company performs only this quantitative test. When specific assets are determined to be impaired, the cost basis of the asset is reduced to reflect the current fair value. Any such impairment charge is recorded in depreciation and amortization in the statements of operations. The impairment loss calculations require management to apply judgment in estimating future cash flows, projected expected revenue, discount rates and royalty rates that reflect the risk inherent in future cash flows.

Goodwill

The Company reviews goodwill for impairment annually, as of October 1, using a three-step process. It also tests goodwill for impairment in other periods if an event occurs or circumstances change that would more likely than not

reduce the fair value of a reporting unit below its carrying amount or when the Company changes its operating segments or reporting units. The first step is a qualitative evaluation as to whether it is more likely than not that the fair value of any of the Company's reporting units is less than its carrying value using an assessment of relevant events and circumstances. Examples of such events and circumstances include historical financial performance, industry and market conditions, macroeconomic conditions, reporting unit-specific events, historical results of goodwill impairment testing and the timing of the last performance of a quantitative assessment. If any reporting units are concluded to be more likely than not impaired, or if that

Table of Contents

conclusion cannot be determined qualitatively, a second step is performed for that reporting unit. Regardless, all reporting units undergo a second step at least once every five years. This second step, used to quantitatively screen for potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. The third step, employed for any reporting unit that fails the second step, is used to measure the amount of any potential impairment and compares the implied fair value of the reporting unit's goodwill with the carrying amount of goodwill. If a reporting unit's carrying value is negative, the Company does not follow this three-step process. In this case, a qualitative evaluation is performed to determine whether it is more likely than not that the reporting unit's goodwill is impaired. If it is, the comparison of the implied fair value of the reporting unit's goodwill with the carrying amount of goodwill described above is performed. In all three steps, discount rates, market multiples, and sensitivity tests are derived and/or computed with the assistance of external valuation consultants.

The second and third steps that the Company uses to evaluate goodwill for impairment involve the determination of the fair value of the Company's reporting units. Inherent in such fair value determinations are certain judgments and estimates relating to future cash flows, including the Company's interpretation of current economic indicators and market valuations, and assumptions about the Company's strategic plans with regard to its operations. Due to the uncertainties associated with such estimates, actual results could differ from such estimates.

In developing fair values for its reporting units, the Company employs a market multiple or a discounted cash flow methodology, or a combination thereof. The market multiple methodology compares the Company to similar companies on the basis of risk characteristics to determine its risk profile relative to those companies as a group. This analysis generally focuses on both quantitative considerations, which include financial performance and other quantifiable data, and qualitative considerations, which include any factors which are expected to impact future financial performance. The most significant assumptions affecting the market multiple methodology are the market multiples used and control premium. A control premium represents the additional value an investor would pay in order to obtain a controlling interest in the respective reporting unit.

The discounted cash flow methodology establishes fair value by estimating the present value of the projected future cash flows to be generated from the reporting unit. It is important to note that items such as depreciation, amortization and stock-based compensation expense are not part of cash flows which is more akin to the Company's AOI metric. The discount rate applied to the projected future cash flows to arrive at the present value is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. The discounted cash flow methodology uses the Company's estimates of future financial performance. The most significant assumptions used in the discounted cash flow methodology are the discount rate, attrition rate and expected future revenue, which vary among reporting units.

Nonconsolidated Affiliates

In general, nonconsolidated investments in which the Company owns more than 20% of the common stock or otherwise exercises significant influence over an affiliate are accounted for under the equity method. The Company recognizes gains or losses upon the issuance of securities by any of its equity method investees. The Company reviews the value of equity method investments and records impairment charges in the statements of operations for any decline in value that is determined to be other-than-temporary. If the Company obtains control of a nonconsolidated affiliate through the purchase of additional ownership interest or changes in the governing agreements, it remeasures its investment to fair value first and then applies the accounting guidance for business combinations. Any gain or loss resulting from the remeasurement to fair value is recorded as a component of other expense, net in the statements of operations.

Accounts Payable, Client Accounts

Accounts payable, client accounts consists of contractual amounts due to ticketing clients which includes the face value of tickets sold and the clients' share of service charges.

Income Taxes

The Company accounts for income taxes using the liability method which results in deferred tax assets and liabilities based on differences between financial reporting bases and tax bases of assets and liabilities and are measured using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax asset or liability is expected to be realized or settled. Deferred tax assets are reduced by valuation allowances if the Company believes it

is more likely than not that some portion of or the entire asset will not be realized. As almost all earnings from the Company's continuing foreign operations are permanently reinvested and not distributed, the Company's income tax provision does not include additional United States taxes on those foreign operations. The amount of earnings at December 31, 2016 that has been earned over time, and permanently reinvested, was approximately \$1.4 billion. It is not practical to determine the amount of federal and state income taxes, if any, that might become due in the event that any remaining available cash associated with these earnings were distributed.

The FASB guidance for income taxes prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be

Table of Contents

recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that is more likely than not to be realized upon ultimate settlement.

The Company has established a policy of including interest related to tax loss contingencies in income tax expense (benefit) in the statements of operations.

Revenue Recognition

Revenue from the promotion and production of an event in the Concerts segment is recognized after the show occurs. Revenue related to larger global tours is also recognized after the show occurs; however, any profits related to these tours, primarily related to music tour production and tour management services, is recognized after minimum revenue guarantee thresholds, if any, have been achieved. Revenue collected in advance of the event is recorded as deferred revenue until the event occurs. Revenue collected from sponsorships and other revenue, which is not related to any single event, is classified as deferred revenue and generally recognized over the operating season or the term of the contract.

Revenue from the Company's ticketing operations primarily consists of service fees charged at the time a ticket for an event is sold. For tickets sold to events at the Company's owned or operated venues and festivals in the United States, and where the Company controls the tickets internationally, the revenue for the associated ticket service charges collected in advance of the event is recorded as deferred revenue until the event occurs and these service charges are shared between the Company's Ticketing and Concerts segments. For tickets sold for events at third-party venues, the revenue is recognized at the time of the sale and is recorded by the Company's Ticketing segment.

The Company accounts for taxes that are externally imposed on revenue producing transactions on a net basis.

Gross versus Net Revenue Recognition

The Company reports revenue on a gross or net basis based on management's assessment of whether the Company acts as a principal or agent in the transaction. To the extent the Company acts as the principal, revenue is reported on a gross basis. The determination of whether the Company acts as a principal or an agent in a transaction is based on an evaluation of whether the Company has the substantial risks and rewards of ownership under the terms of an arrangement. The Ticketing segment's revenue, which primarily consists of service fees from its ticketing operations, is recorded net of the face value of the ticket as the Company generally acts as an agent in these transactions.

Foreign Currency

Results of operations for foreign subsidiaries and foreign equity investees are translated into United States dollars using the average exchange rates during the year. The assets and liabilities of those subsidiaries and investees are translated into United States dollars using the exchange rates at the balance sheet date. The related translation adjustments are recorded in a separate component of stockholders' equity in AOCI. Foreign currency transaction gains and losses are included in the statements of operations and include the impact of revaluation of certain foreign currency denominated net assets or liabilities held internationally. For the years ended December 31, 2016, 2015 and 2014, the Company recorded net foreign currency transaction losses of \$8.8 million, \$35.3 million and \$28.9 million, respectively. The Company does not currently have operations in highly inflationary countries.

Advertising Expense

The Company records advertising expense in the year that it is incurred. Throughout the year, general advertising expenses are recognized as they are incurred, but event-related advertising for concerts is recognized once the show occurs. However, all advertising costs incurred during the year and not previously recognized are expensed at the end of the year. Advertising expenses of \$311.9 million, \$275.6 million and \$242.9 million for the years ended December 31, 2016, 2015 and 2014, respectively, were recorded as a component of direct operating expenses. Advertising expenses of \$33.2 million, \$28.6 million and \$28.8 million for the years ended December 31, 2016, 2015 and 2014, respectively, were recorded as a component of selling, general and administrative expenses.

Direct Operating Expenses

Direct operating expenses include artist fees, show-related marketing and advertising expenses, royalties paid to clients for a share of service charges, rent expense for events in third-party venues, credit card fees, telecommunication and data communication costs associated with the Company's call centers, commissions paid on tickets distributed through independent sales outlets away from the box office, and salaries and wages related to

seasonal employees at the Company's venues along with other costs, including ticket stock and shipping. These costs are primarily variable in nature.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include salaries and other compensation costs related to full-time employees, fixed rent, travel and entertainment, legal expenses and consulting along with other costs.

Table of Contents

Depreciation and Amortization

The Company's depreciation and amortization is presented as a separate line item in the statements of operations. There is no depreciation or amortization included in direct operating expenses, selling, general and administrative expenses or corporate expenses.

Non-cash and Stock-based Compensation

The Company follows the fair value recognition provisions in the FASB guidance for stock compensation.

Stock-based compensation expense recognized includes compensation expense for all share-based payments using the estimated grant date fair value. Stock-based compensation expense is adjusted for forfeitures as they occur.

The fair value for options in Live Nation stock is estimated on the date of grant using the Black-Scholes option-pricing model. The fair value of the options is amortized to expense on a straight-line basis over the options' vesting period. The Company uses an expected volatility based on an even weighting of its own traded options and historical volatility. Through December 31, 2016, the Company used the simplified method for estimating the expected life within the valuation model which is the period of time that options granted are expected to be outstanding. The Company used the simplified method as it did not believe its historical experience provided a reasonable basis with which to estimate the expected term due to the impact of a number of divestitures after its inception, the varying vesting terms of awards issued since the Company's inception and the impact from the type and amount of awards converted pursuant to the Company's merger with Ticketmaster. Beginning in 2017, the Company will use a weighted-average expected life based on historical experience calculated with the assistance of outside consultants. The risk-free rate for periods within the expected life of the option is based on the United States Treasury note rate.

The fair value of restricted stock, which is generally the stock price on the date of issuance, is amortized to expense on a straight-line basis over the vesting period except for restricted stock awards with minimum performance targets as their vesting condition. These performance awards are amortized to expense on a graded basis over the vesting period to the extent that it is probable that the performance criteria will be met.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the amounts reported in the financial statements and accompanying notes including, but not limited to, legal, tax and insurance accruals, acquisition accounting and impairments. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Reclassifications

In connection with the modified retrospective application of new accounting guidance for employee share-based payment transactions as discussed below, for the years ended December 31, 2015 and 2014, the Company has reclassified \$7.7 million and \$14.9 million, respectively, of payments for employee taxes, where shares were withheld upon the vesting or exercise of equity awards in order to satisfy the withholding obligation, from operating activities to financing activities within the consolidated statements of cash flows.

Recent Accounting Pronouncements

Recently Adopted Pronouncements

In April 2015, the FASB amended its guidance on internal-use software providing clarification to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The Company adopted this guidance prospectively on January 1, 2016 and it did not have a material effect on the Company's financial position or results of operations. In March 2016, the FASB issued guidance that simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for forfeitures, employer tax withholding on share-based compensation and the financial statement presentation of excess tax benefits or deficiencies, as well as classification in the statement of cash flows. The Company adopted this guidance effective January 1, 2016 using a modified retrospective transition method with a cumulative-effect adjustment to retained earnings for the changes to the

accounting for forfeitures and excess tax benefits or deficiencies. Upon adoption of this guidance, the Company no longer estimates forfeitures in advance and now recognizes forfeitures as they occur and has reflected a cumulative effect adjustment to accumulated deficit in the consolidated balance sheets of \$1.3 million.

Table of Contents

Recently Issued Pronouncements

In May 2014, the FASB issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under GAAP. The new standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The core principle of the guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The FASB continues to issue important guidance clarifying certain guidelines of the standard including (1) reframing the indicators in the principal versus agent guidance to focus on evidence that a company is acting as a principal rather than agent and (2) identifying performance obligations and licensing. The standard is effective for annual periods beginning after December 15, 2017 and interim periods within that year. Early adoption of the standard is only permitted for annual periods beginning after December 15, 2016 and interim periods within that year. The guidance should be applied retrospectively, either to each prior period presented in the financial statements, or only to the most current reporting period presented in the financial statements with a cumulative-effect adjustment as of the date of adoption.

To assess the impact of the standard, the Company is dedicating certain of its personnel to lead the implementation effort and supplementing them with additional external resources. These personnel read the amended guidance and subsequent clarifications and attended multiple training sessions in order to understand the potential impact the new standard could have on the Company's revenue streams. Surveys were sent to and completed by divisional finance managers in order to obtain a more detailed understanding of the contracts within each division and follow-up meetings with these divisions were then conducted. Based on the results of these surveys and meetings, the Company judgmentally selected a sample of contracts based on size and complexity and ensuring all major revenue streams were represented. The Company has completed its preliminary review of all the selected contracts and is in the process of compiling and summarizing the results for additional review and analysis.

Based on the work to date, the Company believes it has identified all material contract types and costs that may be impacted by this amended guidance. While it has not completed its assessment, the Company has not identified any changes to the revenue streams representing the majority of reported revenue. For example, the Concerts business represents 70% of the Company's revenue and the Company believes that the bulk of this revenue will continue to be deferred until the event date under the new standard.

During 2017, the Company will finalize its conclusions and ensure that it can produce the data necessary for the required disclosures along with assessing changes to internal controls and processes that may be required to comply with the new revenue recognition and disclosure requirements. The Company will adopt this standard on January 1, 2018, and is currently assessing which adoption method it will apply.

In January 2016, the FASB issued amendments for the recognition, measurement, presentation, and disclosure of financial instruments. Among other things, the guidance requires equity investments that do not result in consolidation and are not accounted for under the equity method to be measured at fair value with any change in fair value recognized in net income unless the investments do not have readily determinable fair values. The amendments are effective for annual periods beginning after December 15, 2017 and interim periods within that year. Early adoption is not permitted for most of the amendments. The amendments are to be applied through a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption with the exception of equity investments without readily determinable fair values, which will be applied prospectively. The Company will adopt this standard on January 1, 2018, and is currently evaluating the impact that the standard will have on its financial position and results of operations.

In February 2016, the FASB issued guidance that requires lessees to recognize most leases on their balance sheet as a lease liability and a right-of-use asset, and to disclose key information about leasing arrangements. The guidance is effective for annual periods beginning after December 15, 2018 and interim periods within that year, and early adoption is permitted. The guidance should be applied on a modified retrospective basis. The Company expects to adopt this standard on January 1, 2019, and is currently evaluating the impact that the standard will have on its financial position and results of operations.

In March 2016, the FASB issued guidance clarifying that the assessment of whether an embedded contingent put or call option is clearly and closely related to the debt instrument only requires an analysis pursuant to the four-step decision sequence outlined in the guidance for embedded derivatives. The guidance is effective for fiscal years beginning after December 15, 2016 and interim periods within that year. The guidance should be applied to existing debt instruments using a modified retrospective method as of the beginning of the period of adoption. The Company will adopt this standard on January 1, 2017, and the adoption will not impact its financial position or results of operations.

In October 2016, the FASB issued guidance that requires companies to recognize the income tax effects of intercompany sales and transfers of assets, other than inventory, in the period in which the transfer occurs. That is a change from current guidance which requires companies to defer the income tax effects of intercompany transfers of assets until the asset has been sold to an outside party or otherwise recognized. The guidance is effective for annual periods beginning after December 15, 2017 and interim periods within that year, and early adoption is permitted. The guidance should be applied on a modified

Table of Contents

retrospective basis. The Company expects to adopt this standard on January 1, 2018, and is currently evaluating the impact that the standard will have on its financial position and results of operations.

In October 2016, the FASB issued guidance that requires a single decision maker evaluating whether it is the primary beneficiary of a variable interest entity to consider its indirect interests held by related parties that are under common control on a proportionate basis as opposed to considering those interests in their entirety as required by current guidance. The guidance is effective for annual periods beginning after December 15, 2016 and interim periods within that year, and early adoption is permitted. The guidance should be applied retrospectively. The Company will adopt this standard on January 1, 2017, and the adoption will not have a material effect on its financial position and results of operations.

In December 2016, the FASB issued guidance making technical corrections and improvements, which includes an update that directs entities to existing guidance, clarifying how to account for arrangements that include a license to use internal-use software acquired from third-parties. This is a change from current guidance, which did not specify how to account for these types of arrangements. The guidance for this specific technical improvement is effective for annual periods beginning after December 15, 2016 and interim periods within that year, and early adoption is permitted. The guidance should be applied retrospectively. The Company will adopt this guidance on January 1, 2017, and it is not expected to have a material effect on its financial position or results of operations.

In January 2017, the FASB issued guidance that changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of transferred assets and activities is not a business. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs. The guidance is effective for annual periods beginning after December 15, 2017 and interim periods within that year, and early adoption is permitted. The guidance should be applied prospectively to any transactions occurring within the period of adoption. The Company expects to adopt this standard on January 1, 2018, and will apply it prospectively to acquisitions beginning on or after January 1, 2018.

In January 2017, the FASB issued guidance that eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The guidance is effective for annual periods beginning after December 15, 2019 and interim periods within that year, and early adoption is permitted. The guidance should be applied prospectively to goodwill impairment tests performed within the period of adoption. The Company is considering early adoption and will apply it prospectively to impairment tests beginning in the year of adoption, but in any event no later than on or after January 1, 2020.

NOTE 2—LONG-LIVED ASSETS

Property, Plant and Equipment

In 2012, an amphitheater in New York that is operated by the Company sustained substantial damage during Hurricane Sandy. During 2014, the Company received the final insurance recovery and recorded a gain of \$3.8 million as a component of loss (gain) on disposal of operating assets in the Concerts segment representing the proceeds received in excess of the carrying value of the assets.

Table of Contents

Definite-lived Intangible Assets

The following table presents the changes in the gross carrying amount and accumulated amortization of definite-lived intangible assets for the years ended December 31, 2016 and 2015:

	Revenue- generating contracts	Client / vendor relationships	Trademarks and naming rights	Non-compete agreements	Technology	Venue management and leaseholds	Other	Total
(in thousands)								
Balance as of December 31, 2014:								
Gross carrying amount	\$635,127	\$355,992	\$24,266	\$123,552	\$15,330	\$83,322	\$3,581	\$1,241,170
Accumulated amortization	(272,071)	(123,195)	(8,701)	(98,512)	(4,246)	(50,490)	(1,242)	(558,457)
Net	363,056	232,797	15,565	25,040	11,084	32,832	2,339	682,713
Gross carrying amount:								
Acquisitions—current year	119,482	39,113	62,953	5,110	16,230	10,574	17	253,479
Acquisitions—prior year	48,366)	(4,694)	—	49,851	11	—	—	36,802
Foreign exchange	(15,332)	(8,474)	(664)	(2,159)	(1,306)	(3,784)	—	(31,719)
Other ⁽¹⁾	(30,116)	(2,655)	1	—	—	(24,061)	—	(56,831)
Net change	65,668	23,290	62,290	52,802	14,935	(17,271)	17	201,731
Accumulated amortization:								
Amortization	(78,281)	(51,116)	(6,218)	(22,869)	(4,402)	(10,684)	(389)	(173,959)
Foreign exchange	6,494	2,036	340	62	46	1,468	—	10,446
Other ⁽¹⁾	30,115	2,655	1	—	—	24,061	—	56,832
Net change	(41,672)	(46,425)	(5,877)	(22,807)	(4,356)	14,845	(389)	(106,681)
Balance as of December 31, 2015:								
Gross carrying amount	700,795	379,282	86,556	176,354	30,265	66,051	3,598	1,442,901
Accumulated amortization	(313,743)	(169,620)	(14,578)	(121,319)	(8,602)	(35,645)	(1,631)	(665,138)
Net	387,052	209,662	71,978	55,035	21,663	30,406	1,967	777,763
Gross carrying amount:								
Acquisitions—current year	136,029	42,861	5,100	9,550	24,804	1,449	412	220,205
Acquisitions—prior year	1,404	782	3,618	1,500	—	1,174	—	18,478
Dispositions	—	(2,299)	—	—	—	(1,225)	—	(3,524)
Foreign exchange	(25,360)	(4,528)	(930)	(4,260)	(1,364)	(3,848)	(2)	(40,292)
Other ⁽¹⁾	(62,470)	(14,089)	(6)	(117,152)	(627)	(9,600)	6	(203,938)
Net change	59,603	22,727	7,782	(110,362)	22,813	(12,050)	416	(9,071)
Accumulated amortization:								
Amortization	(76,484)	(60,815)	(9,623)	(19,195)	(6,153)	(5,406)	(454)	(178,130)
Dispositions	—	599	—	—	—	22	—	621
Foreign exchange	10,555	1,962	477	1,188	491	1,765	(27)	16,411
Other ⁽¹⁾	62,872	14,089	—	117,227	627	9,600	22	204,437
Net change	(3,057)	(44,165)	(9,146)	99,220	(5,035)	5,981	(459)	43,339
Balance as of December 31, 2016:								
Gross carrying amount	760,398	402,009	94,338	65,992	53,078	54,001	4,014	1,433,830
Accumulated amortization	(316,800)	(213,785)	(23,724)	(22,099)	(13,637)	(29,664)	(2,090)	(621,799)
Net	\$443,598	\$188,224	\$70,614	\$43,893	\$39,441	\$24,337	\$1,924	\$812,031

Table of Contents

(1) Other includes netdowns of fully amortized or impaired assets.

Included in the current year acquisitions amount above for 2016 are definitive-lived intangible assets primarily associated with the acquisitions of controlling interests in festival and concert promoters located in the United States, Australia, Sweden and the United Kingdom, a controlling interest in an artist management business with locations in the United States and Canada, a controlling interest in a digital content company located in the United States, and the remaining interest in a ticketing-related technology business that had previously been accounted for as a cost method investment.

Included in the prior year acquisitions amount above for 2016 are definite-lived intangible assets primarily associated with the acquisition of a controlling interest in a festival promoter located in the United States.

Included in the current year acquisitions amount above for 2015 are definite-lived intangible assets primarily associated with the acquisitions of all or a controlling interest in festival promoters, a venue management business, an artist management business, and a ticketing business all located in the United States and the United Kingdom.

Included in the prior year acquisitions amount above for 2015 are definite-lived intangible assets primarily associated with the prospective consolidation of an artist management business located in the United Kingdom.

The 2016 and 2015 additions to definite-lived intangible assets from acquisitions have weighted-average lives as follows:

	Weighted-Average Life (years)	
	2016	2015
Revenue-generating contracts	8	8
Client/vendor relationships	6	6
Trademarks and naming rights	10	10
Non-compete agreements	5	5
Technology	5	6
Venue management and leaseholds	5	8
All categories	7	8

During all years presented, the Company reviewed the carrying value of certain definite-lived intangible assets that management determined would not be renewed or that had an indicator that future operating cash flows may not support its carrying value. It was determined that certain assets were impaired since the estimated undiscounted future cash flows associated with those assets were less than their carrying value. For the year ended December 31, 2014, the Company recorded impairment charges related to definite-lived intangible assets of \$11.1 million as a component of depreciation and amortization primarily related to client/vendor relationship intangible assets in the Artist Nation segment and technology intangible assets in the Ticketing segment. See Note 5—Fair Value Measurements for further discussion of the inputs used to determine the fair values. There were no significant impairment charges recorded in 2016 and 2015.

Amortization of definite-lived intangible assets for the years ended December 31, 2016, 2015 and 2014 was \$178.1 million, \$174.0 million and \$154.7 million, respectively.

The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets that exist at December 31, 2016:

(in thousands)
2017\$ 177,921
2018\$ 155,754
2019\$ 131,077
2020\$ 111,003
2021\$ 77,837

As acquisitions and dispositions occur in the future and the valuations of intangible assets for recent acquisitions are completed, amortization may vary.

Table of Contents

Indefinite-lived Intangibles

The Company has indefinite-lived intangible assets which consists of trade names. These indefinite-lived intangible assets had a carrying value of \$368.8 million and \$369.3 million as of December 31, 2016 and 2015, respectively. The Company tests for possible impairment of indefinite-lived intangible assets on at least an annual basis. For the year ended December 31, 2014, the Company recorded an impairment charge of \$6.0 million as a component of depreciation and amortization in the Ticketing segment. During 2014, the Company made a decision to rebrand certain of its markets that were not using the Ticketmaster trade name. In connection with the rebranding, it was determined that an indefinite-lived intangible asset for a certain market was fully impaired since the transition to the Ticketmaster trade name was substantially completed for that market during the year. See Note 5—Fair Value Measurements for further discussion of the inputs used to determine the fair value. There were no impairment charges of indefinite-lived intangible assets recorded in 2016 and 2015.

Goodwill

The Company currently has seven reporting units with goodwill balances: International Concerts and North America Concerts within the Concerts segment; Sponsorship & Advertising; International Ticketing and North America Ticketing within the Ticketing segment; and Artist Management and Artist Services (non-management) within the Artist Nation segment. The Company reviews goodwill for impairment annually, as of October 1, using a three-step process: a qualitative review, a quantitative analysis, and a measurement of implied goodwill. In 2016, as part of the Company's annual test for impairment of goodwill, five reporting units were assessed under the initial qualitative evaluation and did not require a quantitative analysis. These reporting units account for approximately 80% of the Company's goodwill at December 31, 2016. Considerations included the considerable excess of fair values over carrying values in the most recent quantitative analysis performed together with the following comparison of current information to the most recent quantitative analysis: (a) improved discount rates, (b) varying results on market multiples and (c) for two of the reporting units, financial results outperforming prior expectations and for the other reporting units, financial results that did not meet prior expectations.

Finally, for two reporting units that account for approximately 20% of the Company's goodwill at December 31, 2016, although these reporting units showed improved discount rates and varying results on market multiples, the qualitative analysis was inconclusive due to declines in recent financial performance against prior expectations. As such, quantitative analysis was performed for these reporting units, but did not require the final step to measure potential impairment as it was determined that no impairment was needed.

The Company performed the quantitative analysis using a combination of a discounted cash flows methodology, which uses both market-based and internal assumptions, and a market multiple methodology, which uses primarily market-based assumptions.

Based upon the results of the annual tests performed, there were no impairment charges recorded in 2016 and 2015. In 2014, the Company recorded impairment charges of \$117.0 million and \$17.9 million related to its International Concerts and Artist Services (non-management) reporting units, respectively.

Table of Contents

The following table presents the changes in the carrying amount of goodwill in each of the Company's reportable segments for the years ended December 31, 2016 and 2015:

	Concerts	Sponsorship & Advertising	Ticketing	Artist Nation	Total
	(in thousands)				
Balance as of December 31, 2014:					
Goodwill	\$577,891	\$ 302,865	\$657,631	\$345,513	\$1,883,900
Accumulated impairment losses	(386,915)	—	—	(17,948)	(404,863)
Net	190,976	302,865	657,631	327,565	1,479,037
Acquisitions—current year	57,792	43,248	77,951	15,051	194,042
Acquisitions—prior year	(28,472)	(3,274)	10,341	(17,968)	(39,373)
Foreign exchange	(4,440)	(10,758)	(12,098)	(2,095)	(29,391)
Balance as of December 31, 2015:					
Goodwill	602,771	332,081	733,825	340,501	2,009,178
Accumulated impairment losses	(386,915)	—	—	(17,948)	(404,863)
Net	215,856	332,081	733,825	322,553	1,604,315
Acquisitions—current year	98,936	45,376	8,671	25,016	177,999
Acquisitions—prior year	(18,906)	18,302	(108)	449	(263)
Dispositions	—	—	—	(323)	(323)
Foreign exchange	(29,143)	67	(3,283)	(2,281)	(34,640)
Balance as of December 31, 2016:					
Goodwill	653,658	395,826	739,105	363,362	2,151,951
Accumulated impairment losses	(386,915)	—	—	(17,948)	(404,863)
Net	\$266,743	\$ 395,826	\$739,105	\$345,414	\$1,747,088

Included in the current year acquisitions amount above for 2016 is goodwill associated with the acquisitions of controlling interests in festival and concert promoters located in the United States, Australia and the United Kingdom, a controlling interest in an artist management business with locations in the United States and Canada, and a digital content company located in the United States.

Included in the prior year acquisitions amount above for 2016 are net reductions in goodwill resulting from the finalization of accounting for the acquisitions of a controlling interest in a festival promoter located in the United States and a venue management business in New Zealand.

Included in the current year acquisitions amount above for 2015 is goodwill primarily associated with the acquisitions of all or a controlling interest in festival promoters and a ticketing business, all located in the United States.

Included in the prior year acquisitions amount above for 2015 is a reduction of goodwill primarily associated with the finalization of accounting for the acquisition of a controlling interest in a festival and concert promoter in the United States and prospective consolidation of an artist management business located in the United Kingdom.

For the goodwill recognized in connection with the 2016 and 2015 acquisitions, \$60.2 million and \$107.9 million, respectively, is expected to be deductible for tax purposes.

The Company is in various stages of finalizing its acquisition accounting for recent acquisitions, which include the use of external valuation consultants, and the completion of this accounting could result in a change to the associated purchase price allocations, including goodwill and its allocation between segments.

Table of Contents

Investments in Nonconsolidated Affiliates

The Company has investments in various affiliates which are not consolidated and are accounted for under the equity method of accounting. The Company records its investments in these entities in the balance sheet as investments in nonconsolidated affiliates reported as part of other long-term assets. The Company's interests in these operations are recorded in the statements of operations as equity in losses (earnings) of nonconsolidated affiliates. For the year ended December 31, 2016, the Company's investments in Venta de Boletos por Computadora S.A. de C.V, a 33% owned ticketing distribution services company, and Vice Nation, LLC, a 60% owned digital content company, are considered significant on an individual basis. In September 2016, a decision was made to change the way the Company creates digital content and not to continue to operate the Vice Nation, LLC joint venture. Summarized balance sheet and income statement information for these entities is as follows (at 100%):

	December 31,	
	2016	2015
	(in thousands)	
Current assets	\$45,432	\$63,455
Noncurrent assets	\$2,908	\$4,474
Current liabilities	\$28,510	\$38,319
Noncontrolling interests	\$355	\$403

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Revenue	\$47,757	\$51,629	\$43,490
Operating income	\$10,750	\$18,062	\$19,903
Net income	\$4,729	\$11,100	\$14,452
Net income attributable to the common stockholders of the equity investees	\$4,747	\$11,019	\$14,311

The company reviews its nonconsolidated affiliates for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. For the year ended December 31, 2016, the Company recorded impairment charges related to these investments of \$16.5 million as equity in losses (earnings) of nonconsolidated affiliates, primarily related to investments in a digital content company and an online merchandise company that are located in the United States. See Note 5—Fair Value Measurements for further discussion of the inputs used to determine the fair values. There were no significant impairments of investments in nonconsolidated affiliates during 2015 and 2014.

Table of Contents

NOTE 3—LONG-TERM DEBT

Long-term debt, which includes capital leases, consisted of the following:

	December 31,	
	2016	2015
	(in thousands)	
Senior		
Secured		
Credit		
Facility:		
Term		
loan	\$187,625	\$93,438
A		
Term		
loan	972,563	928,625
B		
4.875%		
Senior		
Notes	575,000	—
due		
2024		
5.375%		
Senior		
Notes	250,000	250,000
due		
2022		
2.5%		
Convertible		
Senior		
Notes	275,000	275,000
due		
2019		
7%		
Senior		
Notes	—	425,000
due		
2020		
Other		
long-term	104,397	108,350
debt		
Total		
principal	2,364,585	2,080,413
amount		
Less		
unamortized		
discounts		
and	(51,532)	(41,399)
debt		
issuance		
costs		

Plus		
unamortized	6,000	
premium		
Total		
long-term		
debt		
net of		
unamortized		
discount	13,053	2,045,014
premium		
and		
debt		
issuance		
costs		
Less:		
current	53,317	42,352
portion		
Total		
long-term	2,259,736	\$2,002,662
debt,		
net		

Future maturities of long-term debt at December 31, 2016 are as follows:

	(in
	thousands)
2017	\$53,345
2018	321,147
2019	41,753
2020	81,552
2021	112,920
Thereafter	1,753,868
Total	\$2,364,585

All long-term debt without a stated maturity date is considered current and is reflected as maturing in the earliest period shown in the table above. See Note 5—Fair Value Measurements for discussion of fair value measurement of the Company's long-term debt.

Table of Contents

Senior Secured Credit Facility

In October 2016, the Company amended its senior secured credit facility and now has (i) a \$190 million term loan A facility with a maturity of five years, (ii) a \$975 million term loan B facility with a maturity of seven years and (iii) a \$365 million revolving credit facility with a maturity of five years. Subject to certain conditions, the Company has the right to increase such facilities by an amount equal to the sum of \$625 million and the aggregate principal amount of voluntary prepayments of the term B loans and permanent reductions of the revolving credit facility commitment, in each case, other than from proceeds of long-term indebtedness, and additional amounts so long as the senior secured leverage ratio calculated on a pro-forma basis (as defined in the credit agreement) is no greater than 3.25x. The revolving credit facility provides for borrowings up to the amount of the facility with sublimits of up to (i) \$150 million for the issuance of letters of credit, (ii) \$50 million for swingline loans, (iii) \$200 million for borrowings in Euros or British Pounds and (iv) \$50 million for borrowings in one or more other approved currencies. The senior secured credit facility is secured by (i) a first priority lien on substantially all of the tangible and intangible personal property of the Company and the domestic subsidiaries that are guarantors and (ii) a pledge of substantially all of the shares of stock, partnership interests and limited liability company interests of the Company's direct and indirect domestic subsidiaries and 65% of each class of capital stock of any first-tier foreign subsidiaries, subject to certain exceptions.

The interest rates per annum applicable to revolving credit facility loans and the term loan A under the senior secured credit facility are, at the Company's option, equal to either LIBOR plus 2.25% or a base rate plus 1.25%, subject to stepdowns based on the Company's net leverage ratio. The interest rates per annum applicable to the term loan B are, at the Company's option, equal to either LIBOR plus 2.50% or a base rate plus 1.50%. The Company is required to pay a commitment fee of 0.5% per year on the undrawn portion available under the revolving credit facility, subject to a stepdown based on the Company's net leverage ratio, and variable fees on outstanding letters of credit.

For the term loan A, the Company is required to make quarterly payments increasing over time from \$2.4 million to \$28.5 million with the balance due at maturity in October 2021. For the term loan B, the Company is required to make quarterly payments of \$2.4 million with the balance due at maturity in October 2023. The Company is also required to make mandatory prepayments of the loans under the credit agreement, subject to specified exceptions, from excess cash flow and with the proceeds of asset sales, debt issuances and specified other events.

Based on the Company's outstanding letters of credit of \$85.3 million, \$279.7 million was available for future borrowings under the revolving credit facility at December 31, 2016.

4.875% Senior Notes

In October 2016, the Company issued \$575 million of 4.875% senior notes due 2024. Interest on the notes is payable semi-annually in cash in arrears on May 1 and November 1 of each year beginning on May 1, 2017, and will mature on November 1, 2024. The Company may redeem some or all of the notes, at any time prior to November 1, 2019, at a price equal to 100% of the aggregate principal amount, plus any accrued and unpaid interest to the date of redemption, plus a 'make-whole' premium. The Company may redeem up to 35% of the aggregate principal amount of the notes from the proceeds of certain equity offerings prior to November 1, 2019, at a price equal to 104.875% of the aggregate principal amount, plus accrued and unpaid interest thereon, if any, to the date of redemption. In addition, on or after November 1, 2019, the Company may redeem some or all of the notes at any time at the redemption prices that start at 103.656% of their principal amount, plus any accrued and unpaid interest to the date of redemption. The Company must make an offer to redeem the notes at 101% of their aggregate principal amount, plus accrued and unpaid interest to the repurchase date, if it experiences certain defined changes of control.

5.375% Senior Notes

At December 31, 2016, the Company had \$250 million of 5.375% senior notes due 2022 outstanding. Interest on the notes is payable semiannually in arrears on June 15 and December 15, and the notes will mature on June 15, 2022. The Company may redeem some or all of the notes at any time prior to June 15, 2017 at a price equal to 100% of the principal amount, plus any accrued and unpaid interest to the date of redemption, plus a 'make-whole' premium. The Company may also redeem up to 35% of the aggregate principal amount of the notes from the proceeds of certain equity offerings prior to June 15, 2017, at a price equal to 105.375% of the principal amount, plus any accrued and unpaid interest. In addition, on or after June 15, 2017, the Company may redeem at its option some or all of the notes

at redemption prices that start at 104.0313% of their principal amount, plus any accrued and unpaid interest to the date of redemption. The Company must make an offer to redeem the notes at 101% of the aggregate principal amount, plus any accrued and unpaid interest to the repurchase date, if it experiences certain defined changes of control.

2.5% Convertible Senior Notes

At December 31, 2016, the Company had \$275 million of convertible senior notes due 2019 outstanding. The notes pay interest semiannually in arrears on May 15 and November 15 at a rate of 2.5% per annum. The notes will mature on May 15, 2019, and may not be redeemed by the Company prior to the maturity date. The notes will be convertible, under certain

Table of Contents

circumstances, until November 15, 2018, and on or after such date without condition, at an initial conversion rate of 28.8363 shares of the Company's common stock per \$1,000 principal amount of notes, subject to adjustment, which represents a 52.5% conversion premium based on the last reported sale price for the Company's common stock of \$22.74 on May 19, 2014. Upon conversion, the notes may be settled in shares of common stock or, at the Company's election, cash or a combination of cash and shares of common stock. Assuming the Company fully settled the notes in shares, the maximum number of shares that could be issued to satisfy the conversion is currently 7.9 million.

If the Company experiences a fundamental change, as defined in the indenture governing the notes, the holders of the 2.5% convertible senior notes may require the Company to purchase for cash all or a portion of their notes, subject to specified exceptions, at a price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any.

The carrying amount of the equity component of the notes is \$22.0 million and the principal amount of the liability component (face value of the notes) is \$275 million. As of December 31, 2016, the remaining period for the debt discount was approximately two years and the value of the notes, if converted and fully settled in shares, did not exceed the principal amount of the notes. As of December 31, 2016 and 2015, the effective interest rate on the liability component of the notes was 5.0%.

The following table summarizes the amount of pre-tax interest cost recognized on the 2.5% convertible senior notes and the Company's 2.875% convertible senior notes which were redeemed in September 2014:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Interest cost recognized relating to:			
Contractual interest coupon	\$6,875	\$6,856	\$8,701
Amortization of debt discount	4,833	4,599	10,165
Amortization of debt issuance costs	1,358	1,355	1,175
Total interest cost recognized on the notes	\$13,066	\$12,810	\$20,041

Other Long-term Debt

As of December 31, 2016, other long-term debt includes capital leases of \$10.0 million, debt to noncontrolling interest partners of \$35.9 million and \$31.2 million of a subsidiary's term loan and revolving credit facility. Total notes payable consist primarily of 28 notes with a weighted average cost of debt of 4.2% and maturities of up to five years.

Debt Extinguishment

In connection with its debt refinancing in October 2016, the Company issued \$575 million of 4.875% senior notes due 2024 and amended its senior secured credit facility. The amendment to the senior secured credit facility provided the existing term loan A and term loan B lenders with an option to convert their outstanding principal amounts into the new term loans. Excluding the outstanding principal amounts for lenders who elected to convert their outstanding term loans, total proceeds of \$858.5 million were used to repay \$123.3 million outstanding principal amount of the Company's borrowings under the senior secured credit facility, to repay the entire \$425 million principal amount of the Company's 7% senior notes due 2020 and to pay the related redemption premium of \$14.9 million on the 7% senior notes and accrued interest and fees of \$38.4 million, leaving \$256.9 million in additional cash available for general corporate purposes. The Company recorded \$14.0 million as a loss on extinguishment of debt related to this refinancing in 2016.

In May 2014, the Company issued \$250 million of 5.375% senior notes due 2022 and \$275 million of 2.5% convertible senior notes due 2019 and paid related fees and expenses of \$9.8 million. In July 2014, the holders of \$29.3 million of aggregate outstanding principal of the 2.875% convertible senior notes exercised their right to redeem their notes for cash and in late September 2014, pursuant to the Company's option under the indenture governing the notes, the Company redeemed the remainder of these notes using the net proceeds noted above. In addition to redeeming the \$220 million principal amount of these notes, the Company paid total accrued interest of \$1.1 million and related fees and expenses of \$0.2 million for the redemption, leaving \$293.9 million in additional cash available for general corporate purposes. The loss on extinguishment of debt related to the redemption of the 2.875% convertible senior notes was not significant in 2014.

Table of Contents

Debt Covenants

The Company's senior secured credit facility contains a number of restrictions that, among other things, require the Company to satisfy a financial covenant and restrict the Company's and its subsidiaries' ability to incur additional debt, make certain investments and acquisitions, repurchase its stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of its business, enter into sale-leaseback transactions, transfer and sell material assets, merge or consolidate, and pay dividends and make distributions (with the exception of subsidiary dividends or distributions to the parent company or other subsidiaries on at least a pro-rata basis with any noncontrolling interest partners). Non-compliance with one or more of the covenants and restrictions could result in the full or partial principal balance of the credit facility becoming immediately due and payable. The senior secured credit facility agreement has a covenant, measured quarterly, that relates to total leverage. The consolidated total leverage covenant requires the Company to maintain a ratio of consolidated total funded debt to consolidated EBITDA (both as defined in the credit agreement) of 5.50x over the trailing four consecutive quarters through September 30, 2017. The consolidated total leverage ratio will reduce to 5.25x on December 31, 2017, 5.0x on December 31, 2018, 4.75x on December 31, 2019 and 4.50x on December 31, 2020.

The indentures governing the 4.875% senior notes and the 5.375% senior notes contain covenants that limit, among other things, the Company's ability and the ability of its restricted subsidiaries to incur certain additional indebtedness and issue preferred stock, make certain distributions, investments and other restricted payments, sell certain assets, agree to any restrictions on the ability of restricted subsidiaries to make payments to the Company, merge, consolidate or sell all of the Company's assets, create certain liens, and engage in transactions with affiliates on terms that are not arms-length. Certain covenants, including those pertaining to incurrence of indebtedness, restricted payments, asset sales, mergers and transactions with affiliates will be suspended during any period in which the notes are rated investment grade by both rating agencies and no default or event of default under the indenture has occurred and is continuing. The 4.875% senior notes and the 5.375% senior notes contain two incurrence-based financial covenants, as defined, requiring a minimum fixed charge coverage ratio of 2.0x and a maximum secured indebtedness leverage ratio of 3.50x.

Some of the Company's other subsidiary indebtedness includes restrictions on entering into various transactions, such as acquisitions and disposals, and prohibits payment of ordinary dividends. They also have financial covenants including minimum consolidated EBITDA to consolidated net interest payable, minimum consolidated cash flow to consolidated debt service and maximum consolidated debt to consolidated EBITDA, all as defined in the applicable debt agreements.

As of December 31, 2016, the Company believes it was in compliance with all of its debt covenants. The Company expects to remain in compliance with all of these covenants throughout 2017.

NOTE 4—DERIVATIVE INSTRUMENTS

The Company primarily uses forward currency contracts and options to reduce its exposure to foreign currency risk associated with short-term artist fee commitments. The Company may also enter into forward currency contracts to minimize the risks and/or costs associated with changes in foreign currency rates on forecasted operating income. At December 31, 2016 and 2015, the Company had forward currency contracts and options outstanding with notional amounts of \$173.8 million and \$71.1 million, respectively. These instruments have not been designated as hedging instruments and any change in fair value is reported in earnings during the period of the change. The Company's foreign currency derivative activity, including the related fair values, are not material to any period presented.

Additionally, the Company has entered into an interest rate cap agreement to limit its exposure to variable interest rates, related to a portion of the Company's outstanding debt, with a notional amount of \$6.3 million and \$8.2 million at December 31, 2016 and 2015, respectively. The interest rate cap agreement has not been designated as a hedging instrument. The Company's interest rate cap activity, including the related fair values, is not material to any period presented.

The Company does not enter into derivative instruments for speculative or trading purposes and does not anticipate any significant recognition of derivative activity through the income statement in the future related to the instruments currently held. See Note 5—Fair Value Measurements for further discussion and disclosure of the fair values for the Company's derivative instruments.

NOTE 5—FAIR VALUE MEASUREMENTS

The Company currently has various financial instruments carried at fair value, such as marketable securities, derivatives and contingent consideration, but does not currently have nonfinancial assets and liabilities that are required to be measured at fair value on a recurring basis. The Company's financial assets and liabilities are measured using inputs from all levels of the fair value hierarchy as defined in the FASB guidance for fair value. For this categorization, only inputs that are significant to the fair value are considered. The three levels are defined as follows: Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date.

Table of Contents

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data by correlation or other means (i.e., market corroborated inputs).

Level 3—Unobservable inputs that reflect assumptions about what market participants would use in pricing the asset or liability. These inputs would be based on the best information available, including the Company's own data.

In accordance with the fair value hierarchy described above, the following table shows the fair value of the Company's financial assets and liabilities that are required to be measured at fair value on a recurring basis, which are classified on the balance sheets as cash and cash equivalents, other current assets, other long-term assets, other current liabilities and other long-term liabilities:

	Fair Value Measurements at December 31, 2016				Fair Value Measurements at December 31, 2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(in thousands)				(in thousands)			
Assets:								
Cash equivalents	\$55,081	\$—	\$—	\$55,081	\$30,102	\$—	\$—	\$30,102
Forward currency contracts	—	2,957	—	2,957	—	979	—	979
Total	\$55,081	\$2,957	\$—	\$58,038	\$30,102	\$979	\$—	\$31,081
Liabilities:								
Interest rate cap	\$—	\$—	\$—	\$—	\$—	\$—	\$1	\$1
Forward currency contracts	—	363	—	363	—	680	—	680
Put option	—	—	5,147	5,147	—	—	7,258	7,258
Contingent consideration	—	—	44,195	44,195	—	—	19,877	19,877
Total	\$—	\$363	\$49,342	\$49,705	\$—	\$680	\$27,136	\$27,816

Cash equivalents consist of money market funds. Fair values for cash equivalents are based on quoted prices in an active market. Fair values for forward currency contracts are based on observable market transactions of spot and forward rates. Fair values for the interest rate swaps are based on inputs corroborated by observable market data with similar tenors.

A third party has a put option to sell its noncontrolling interest in one of the Company's subsidiaries to the Company and is carried at fair value using Level 3 inputs because the redemption date and redemption amount are not fixed. The put option is triggered by the occurrence of specific events, one of which is certain to occur, and requires the Company to buy the noncontrolling interest. The redemption amount for this put option is a variable amount based on a formula linked to historical earnings. The Company has recorded a current liability for this put option which is valued based on the historic results of that subsidiary. Changes in the fair value are recorded in selling, general and administrative expenses.

The Company has certain contingent consideration obligations related to acquisitions which are measured at fair value using Level 3 inputs. The amounts due to the sellers are based on the achievement of agreed-upon financial performance metrics by the acquired companies where the contingent obligation is either earned or not earned. The Company records the liability at the time of the acquisition based on the present value of management's best estimates of the future results of the acquired companies compared to the agreed-upon metrics. Subsequent to the date of acquisition, the Company updates the original valuation to reflect current projections of future results of the acquired companies and the passage of time. Accretion of, and changes in the valuations of, contingent consideration are reported in selling, general and administrative expenses. See Note 6—Commitments and Contingent Liabilities for additional information related to the contingent payments.

Due to their short maturity, the carrying amounts of accounts receivable, accounts payable and accrued expenses approximated their fair values at December 31, 2016 and 2015.

The Company's outstanding debt held by third-party financial institutions is carried at cost, adjusted for premium, discounts or debt issuance costs. The Company's debt is not publicly traded and the carrying amounts typically

approximate fair value for debt that accrues interest at a variable rate, which are considered to be Level 2 inputs. The estimated fair values of the Company's 5.375% senior notes, 4.875% senior notes and the 2.5% convertible senior notes were \$259.7 million, \$578.5 million and \$294.6 million, respectively, at December 31, 2016. The estimated fair values of the 7% senior notes, 5.375% senior notes and the 2.5% convertible senior notes were \$443.1 million, \$249.4 million and \$280.2 million, respectively, at

Table of Contents

December 31, 2015. The estimated fair value of the Company's third-party fixed-rate debt is based on quoted market prices in active markets for the same or similar debt, which are considered to be Level 2 inputs. The Company has fixed rate debt held by noncontrolling interest partners with a face value of \$35.9 million and \$33.2 million at December 31, 2016 and 2015, respectively. The Company is unable to determine the fair value of this debt. The following table shows the fair value of the Company's financial assets that have been adjusted to fair value on a non-recurring basis which had a significant impact on the Company's results of operations for the years ended December 31, 2016 and 2015:

Description	Fair Value Measurements Using				Loss (Gain)
	Fair Value Measurement (in thousands)	Level 2	Level 3		
2016					
Investment in nonconsolidated affiliates	\$—	\$—	\$—	\$—	\$16,455

2015

Investments in nonconsolidated affiliates	\$-\$	—	\$	—	\$	—\$(9,124)
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As discussed in Note 2—Long-Lived Assets, during 2016, the Company believed certain of its investment balances were impaired based on financial information received regarding the bankruptcy or dissolution of two nonconsolidated affiliates, which are considered Level 3 inputs.

During 2015 and 2014 the Company recorded net gains related to investments in nonconsolidated affiliates of \$9.1 million and \$16.4 million, respectively, as a component of other expense, net. The 2015 gain was related to the acquisitions of a controlling interest in a festival promoter and an artist management business, and the remaining interest in a ticketing business, which were previously accounted for under the equity method. The 2014 net gain was related to changes in the governing agreements of two artist management businesses resulting in those businesses being consolidated by the Company on a prospective basis. Prior to consolidation in both years, the Company remeasured these investments to fair value using a discounted cash flow methodology. The key inputs in these fair value measurements include future cash flow projections, including revenue and profit margins, discount rates and attrition rates. The key inputs used for these non-recurring fair value measurements are considered Level 3 inputs. During 2014, the Company recorded impairment charges related to definite-lived intangible assets of \$11.1 million as a component of depreciation and amortization. The impairment charge primarily related to intangible assets for client/vendor relationships in the Artist Nation segment and technology in the Ticketing segment. In all these cases it was determined that these assets were impaired since the most recent estimated undiscounted future cash flows associated with these assets were less than their carrying value or that the technology would no longer be used. These impairments were then calculated using operating cash flows which were discounted to approximate fair value. The key inputs in these calculations include future cash flow projections, including revenue and profit margins, attrition rates as applicable, and, for the fair value computation, a discount rate. The key inputs used for these non-recurring fair value measurements are considered Level 3 inputs.

During 2014, goodwill impairments were recorded for the International Concerts reporting unit in the Concerts segment and the Artist Services (non-management) reporting unit in the Artist Nation segment in the amounts of \$117.0 million and \$17.9 million, respectively, in conjunction with the Company's annual impairment tests. The Company calculated these impairments using a combination of a discounted cash flows methodology, which uses both Level 2 and Level 3 inputs, and a market multiple methodology, which uses primarily Level 2 inputs. These key inputs include discount rates, market multiples, control premiums, revenue growth, estimates of future financial performance and attrition rates. See Note 1—The Company and Summary of Significant Accounting Policies and Note 2—Long-Lived Assets for further discussion of the Company's methodology and these impairments.

During 2014, the Company recorded an impairment charge related to indefinite-lived intangible assets of \$6.0 million as a component of depreciation and amortization. The Company made a decision to rebrand certain of its markets that were not using the Ticketmaster trade name. In connection with the rebranding, it was determined that an indefinite-lived intangible asset for a certain market was fully impaired since the transition to the Ticketmaster trade

name was substantially completed for that market during the third quarter. The fair value of this asset was calculated using a relief from royalty method. The relief from royalty method applied a royalty rate to the projected earnings attributable to the indefinite-lived intangible asset. The projected earnings for this non-recurring fair value measurement are considered Level 3 inputs.

Table of Contents**NOTE 6—COMMITMENTS AND CONTINGENT LIABILITIES**

The Company leases office space, certain equipment and many of its concert venues. Some of the lease agreements contain renewal options and annual rental escalation clauses (generally tied to the consumer price index), as well as provisions for the payment of utilities and maintenance by the Company. The Company also has non-cancelable contracts related to minimum performance payments with various artists, other event-related costs and nonrecoupable ticketing contract advances. In addition, the Company has commitments relating to additions to property, plant, and equipment under certain construction commitments for facilities and venues.

As of December 31, 2016, the Company's future minimum rental commitments under non-cancelable operating lease agreements, minimum payments under non-cancelable contracts and capital expenditure commitments consist of the following:

	Non-cancelable Operating Leases (in thousands)	Non-cancelable Contracts	Capital Expenditures
2017	\$ 163,058	\$ 740,202	\$ 34,179
2018	155,992	146,409	1,811
2019	146,382	116,236	789
2020	132,253	30,791	685
2021	102,918	6,619	1,084
Thereafter	1,324,119	9,636	24,076
Total	\$ 2,024,722	\$ 1,049,893	\$ 62,624

Commitment amounts for non-cancelable operating leases and non-cancelable contracts which stipulate an increase in the commitment amount based on an inflationary index have been estimated using an inflation factor of 1.9% for North America, 3.0% for the United Kingdom, 1.8% for Denmark and 1.7% for the Netherlands.

Aggregate minimum rentals of \$57.4 million to be paid to the Company in years 2017 through 2023 under non-cancelable subleases are excluded from the commitment amounts in the above table.

Total rent expense charged to operations for 2016, 2015 and 2014 was \$196.0 million, \$159.5 million and \$155.7 million, respectively. In addition to the minimum rental commitments included in the table above, the Company has leases that contain contingent payment requirements for which payments vary depending on revenue, tickets sold or other variables. Contingent rent expense charged to operations for 2016, 2015 and 2014 was \$49.0 million, \$43.7 million and \$28.9 million, respectively. The above table above does not include contingent rent or rent expense for events in third-party venues.

In connection with asset and business disposals, the Company generally provides indemnifications to the buyers including claims resulting from employment matters, commercial claims and governmental actions that may be taken against the assets or businesses sold. Settlement of these claims is subject to various statutory limitations that are dependent upon the nature of the claim.

Certain agreements relating to acquisitions provide for deferred purchase consideration payments at future dates. A liability is established at the time of the acquisition for these fixed payments. For obligations payable at a date greater than twelve months from the acquisition date, the Company applies a discount rate to calculate the present value of the obligations. As of December 31, 2016, the Company has accrued \$18.1 million in other current liabilities and \$7.2 million in other long-term liabilities and, as of December 31, 2015, the Company had accrued \$12.4 million in other current liabilities and \$26.8 million in other long-term liabilities, related to these deferred purchase consideration payments.

The Company has contingent obligations related to acquisitions which are accounted for as business combinations. Contingent consideration associated with business combinations is recorded at fair value at the time of the acquisition and reflected at current fair value for each subsequent reporting period thereafter until settled. The Company records these fair value changes in its statements of operations as selling, general and administrative expenses. The contingent consideration is generally subject to payout following the achievement of future performance targets and a portion is expected to be payable in the next twelve months. As of December 31, 2016, the Company has accrued \$5.2 million in

other current liabilities and \$39.0 million in other long-term liabilities and, as of December 31, 2015, the Company had accrued \$2.3 million in other current liabilities and \$17.6 million in other long-term liabilities, representing the fair value of these estimated payments. The last contingency period for which the Company has an outstanding contingent payment is for the period ending January 2022. See Note 5—Fair Value Measurements for further discussion related to the valuation of these contingent payments.

During 2006, in connection with the Company's acquisition of a theatrical business, the Company guaranteed obligations related to a lease agreement. In the event of default, the Company could be liable for obligations through the end of 2035 which

Table of Contents

have future lease payments (undiscounted) of approximately \$16.9 million as of December 31, 2016. The scheduled future minimum rentals for this lease for the years 2017 through 2021 are \$1.6 million each year. The venues under the lease agreement were included in the sale of the Company's North American theatrical business in 2008. The buyer has assumed the Company's obligations under the guaranty, however the Company remains contingently liable to the lessor. The Company believes that the likelihood of a material liability being triggered under this lease is remote, and no liability has been accrued for these contingent lease obligations as of December 31, 2016.

As of December 31, 2016 and 2015, the Company guaranteed the debt of third parties of approximately \$18.0 million and \$13.4 million, respectively, primarily related to maximum credit limits on employee and tour-related credit cards and obligations under a venue management agreement.

Litigation**Ticketing Fees Consumer Class Action Litigation**

On March 18, 2016, all appeals relating to a settlement agreement reached by the plaintiffs and Ticketmaster in respect of a ticketing fees consumer class action litigation matter originally filed in October 2003 against Ticketmaster were dismissed, thus resolving this matter and allowing the implementation of the terms of the settlement. On March 30, 2016, the Company funded a portion of the settlement primarily related to the plaintiffs' attorney fees and paid other costs related to the settlement throughout 2016. Ticketmaster and its parent, Live Nation, have not acknowledged any violations of law or liability in connection with the matter.

As of December 31, 2016, the Company has accrued \$14.0 million, its best estimate of the probable remaining costs associated with the settlement referred to above, which was recorded in prior years. The calculation of this liability is based in part upon an estimated redemption rate. Any difference between the Company's estimated redemption rate and the actual redemption rate it experiences will impact the final settlement amount; however, the Company does not expect this difference to be material.

Other Litigation

From time to time, the Company is involved in other legal proceedings arising in the ordinary course of its business, including proceedings and claims based upon purported violations of antitrust laws, intellectual property rights and tortious interference, which could cause the Company to incur significant expenses. The Company has also been the subject of personal injury and wrongful death claims relating to accidents at its venues in connection with its operations. As required, the Company has accrued its estimate of the probable settlement or other losses for the resolution of any outstanding claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, including, in some cases, estimated redemption rates for the settlement offered, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in the Company's assumptions or the effectiveness of its strategies related to these proceedings.

NOTE 7—CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS**Transactions Involving Related Parties**

The following table provides details of the total revenue earned and expenses incurred from the transactions noted below:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Related-party revenue	\$123,117	\$109,720	\$3,393
Related-party expenses	\$8,751	\$8,470	\$471

As of December 31, 2016 and 2015, the Company has payable balances of \$20.8 million and \$23.2 million, respectively, due to certain of the companies noted below.

Liberty Media

Two current members of our board of directors were originally nominated by Liberty Media pursuant to a stockholder agreement. These directors receive directors' fees and stock-based awards on the same basis as other non-employee members of the Company's board of directors.

The Company provides ticketing services to a sports franchise owned by Liberty Media and pays royalty fees and non-recoupable ticketing contract advances to the sports franchise. The Company also receives transaction fees from the sports

Table of Contents

franchise for tickets the sports franchise sells using the Company's ticketing software. From time to time, the Company purchases advertising from a satellite radio company that is a subsidiary of Liberty Media.

Legends

The Company's Chief Executive Officer became a member of the board of directors of Legends Hospitality Holding Company, LLC ("Legends") in February 2015. Legends provides concession services to certain of the Company's owned or operated amphitheaters. The Company receives fees based on concession sales at each of the amphitheaters.

Senior Management

The Company conducts certain transactions in the ordinary course of business with companies that are owned, in part or in total, by certain members of senior management of the Company. These transactions primarily relate to ticketing services.

Transactions Involving Equity Method Investees

The Company conducts business with certain of its equity method investees in the ordinary course of business. Transactions primarily relate to venue rentals and ticketing services. Revenue of \$2.5 million, \$2.0 million and \$1.0 million were earned in 2016, 2015 and 2014, respectively, and expenses of \$3.2 million, \$1.5 million and \$0.5 million were incurred in 2016, 2015 and 2014, respectively, from these equity investees for services rendered or provided in relation to these business ventures.

NOTE 8—INCOME TAXES

Significant components of the provision for income tax expense are as follows:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Current:			
Federal	\$564	\$543	\$17
Foreign	29,902	23,811	12,727
State	5,454	7,379	9,550
Total current	35,920	31,733	22,294
Deferred:			
Federal	5,113	(355)	(10,827)
Foreign	(11,703)	(8,278)	(4,249)
State	(1,301)	(978)	(2,588)
Total deferred	(7,891)	(9,611)	(17,664)
Income tax expense	\$28,029	\$22,122	\$4,630

The domestic income (loss) before income taxes was \$1.1 million, \$(21.4) million and \$(16.2) million for 2016, 2015 and 2014, respectively. Foreign income (loss) before income taxes was \$47.2 million, \$27.8 million and \$(83.6) million for 2016, 2015 and 2014, respectively.

Table of Contents

Significant components of the Company's deferred tax liabilities and assets are as follows:

	December 31,	
	2016	2015
	(in thousands)	
Deferred tax liabilities:		
Intangible assets	\$189,131	\$209,316
Prepaid expenses	8,770	6,429
Long-term debt	3,835	5,644
Other	6,077	20,759
Total deferred tax liabilities	207,813	242,148
Deferred tax assets:		
Accrued expenses	45,839	41,113
Net operating loss carryforwards	563,461	578,805
Foreign tax credit carryforwards	59,977	56,282
Equity compensation	32,452	26,432
Other	—	1,949
Total gross deferred tax assets	701,729	704,581
Valuation allowance	681,566	658,104
Total deferred tax assets	20,163	46,477
Net deferred tax liabilities	\$(187,650)	\$(195,671)

Each reporting period, the Company evaluates the realizability of all of its deferred tax assets in each tax jurisdiction. As of December 31, 2016, the Company continued to maintain a full valuation allowance against its net deferred tax assets in certain jurisdictions due to sustained pre-tax losses. As a result of the valuation allowances, no tax benefits have been recognized for losses incurred in those tax jurisdictions in 2016, 2015 and 2014.

During 2016 and 2015, the Company recorded net deferred tax liabilities of \$15.9 million and \$29.2 million, respectively, due principally to differences in financial reporting and tax bases in assets acquired in business combinations.

As of December 31, 2016, the Company has United States federal, state and foreign deferred tax assets related to net operating loss carryforwards of \$232.6 million, \$68.2 million and \$262.7 million, respectively. Based on current statutory carryforward periods, these losses will expire on various dates beginning in 2025. The Company's federal net operating loss is subject to statutory limitations on the amount that can be used in any given year.

Table of Contents

The reconciliation of income tax computed at the United States federal statutory rates to income tax expense (benefit) is:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Income tax expense (benefit) at United States statutory rates	\$16,914	\$2,223	\$(34,937)
State income taxes, net of federal tax benefits	3,264	3,959	7,548
Differences between foreign and United States statutory rates	(11,116)	(5,356)	(10,735)
Non-United States income inclusions and exclusions	(1,678)	1,206	(284)
United States income inclusions and exclusions	(1,317)	2,095	(1,396)
Nondeductible items	3,210	4,736	55,469
Tax contingencies	2,390	2,063	950
Tax expense from acquired goodwill	5,936	4,483	1,299
Tax return to accrual	(1,071)	(551)	(7,013)
Change in valuation allowance	11,820	7,116	(7,467)
Other, net	(323)	148	1,196
	\$28,029	\$22,122	\$4,630

Income tax expense is principally attributable to the Company's earnings in foreign tax jurisdictions along with state income taxes.

Amounts included in differences between foreign and United States statutory rates are impacted by changes in the mix of international earnings subject to various tax rates which can differ greatly in their proximity to the United States statutory rate. In 2015, there was an increase in taxable foreign earnings in jurisdictions whose statutory rates are closer to the United States statutory rate which reduced the amount of this difference as compared to other years. The differences between statutory rates is also impacted by the Company's Luxembourg affiliates and tax rulings which include the application of a reduced Luxembourg effective rate to the net income before tax resulting from the Company's financing activities in Luxembourg.

Nondeductible items in 2014 are primarily the Company's goodwill impairment in its International Concerts reporting unit, which was not deductible for income tax purposes. There were no impairments of goodwill in 2016 or 2015.

In 2014, the Company had higher tax return to accrual impacts from its international operations as compared to 2016 and 2015, primarily related to deductions that were able to be carried back to prior returns and therefore created a tax benefit.

The increase in the change in valuation allowance in 2016 resulted primarily from an increase in the income within jurisdictions with full valuation allowances, including the United States. The increase in 2015 was attributable to an increase in net operating losses in certain international jurisdictions that are fully valued for tax purposes.

Table of Contents

The following table summarizes the activity related to the Company's unrecognized tax benefits:

	Year Ended December 31,			
	2016	2015	2014	
	(in thousands)			
Balance at January 1	\$14,022	\$12,619	\$12,860	
Additions:				
Increase for current year positions	—	1,606	306	
Increase for prior year positions	1,978	274	1,089	
Decrease for prior year positions	(3) —	—	
Interest and penalties for prior years	546	525	511	
Reductions:				
Expiration of applicable statute of limitations	—	—	(236)
Settlements for prior year positions	(1,188) (852) (1,225)
Foreign exchange	(238) (150) (686)
Balance at December 31	\$15,117	\$14,022	\$12,619	

All of these unrecognized tax benefits would favorably impact the effective tax rate if recognized at some point in the future. It is not expected that the total amounts of unrecognized tax benefits will increase or decrease materially within the next 12 months.

The Company regularly assesses the likelihood of additional assessments in each taxing jurisdiction resulting from current and subsequent years' examinations. Liabilities for income taxes are established for future income tax assessments when it is probable there will be future assessments and the amount can be reasonably estimated. Once established, liabilities for uncertain tax positions are adjusted only when there is more information available or when an event occurs necessitating a change to the liabilities. The Company believes that the resolution of income tax matters for open years will not have a material effect on its consolidated financial statements although the resolution of income tax matters could impact the Company's effective tax rate for a particular future period.

The tax years 2005 through 2016 remain open to examination by the tax jurisdictions to which the company is subject.

NOTE 9—EQUITY**Dividends**

The Company currently intends to retain future earnings, if any, to finance the expansion of its business. Therefore, it does not expect to pay any cash dividends in the foreseeable future. Moreover, the terms of the Company's senior secured credit facility limit the amount of funds that the Company will have available to declare and distribute as dividends on its common stock. Payment of future cash dividends, if any, will be at the discretion of the Company's board of directors in accordance with applicable laws after taking into account various factors, including the financial condition, operating results, current and anticipated cash needs, plans for expansion and contractual restrictions with respect to the payment of dividends.

Common Stock

Issued shares of common stock reported on the balance sheets include 1.1 million and 0.9 million, at December 31, 2016 and 2015, respectively, of unvested restricted stock awards that have not been included in the common shares issued reported on the statements of changes in equity. These shares will be reflected in the statements of changes in equity at the time of vesting.

During 2016, 2015 and 2014, the Company issued 1.4 million, 1.6 million and 2.7 million shares, respectively, of common stock in connection with stock option exercises and vesting of restricted stock awards.

Common Stock Reserved for Future Issuance

Common stock of approximately 29.3 million shares as of December 31, 2016 is reserved for future issuances under the stock incentive plan (including 16.3 million options and 1.1 million restricted stock awards currently granted).

Noncontrolling Interests

Common securities held by the noncontrolling interests that do not include put arrangements exercisable outside of the control of the Company are recorded in equity, separate from the Company's stockholders' equity.

Table of Contents

The purchase or sale of additional ownership in an already controlled subsidiary is recorded as an equity transaction with no gain or loss recognized in net income (loss) or comprehensive income (loss) as long as the subsidiary remains a controlled subsidiary. In 2016, the Company acquired all or additional equity interests in two artist management businesses located in the United States along with other smaller companies. In 2015, a subsidiary of the Company exchanged their equity interest in a ticketing business for a noncontrolling interest in the Company's subsidiary that acquired the remaining equity interest of that ticketing business. In addition, the Company acquired the remaining equity interest in an artist management business in the United Kingdom. In 2014, in connection with the acquisition of an artist management business, the Company exchanged a noncontrolling interest in certain of its existing artist management businesses. In addition, the Company acquired the remaining equity interests in a festival promoter based in Ireland along with other smaller companies. The following schedule reflects the change in ownership interests for these transactions:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Net income (loss) attributable to common stockholders of Live Nation	\$2,942	\$(32,508)	\$(90,807)
Transfers of noncontrolling interest:			
Changes in Live Nation's additional paid-in capital for purchases of noncontrolling interests, net of transaction costs	(49,111)	(6,555)	(3,796)
Changes in Live Nation's additional paid-in capital for sales of noncontrolling interests, net of transaction costs	1,424	11,899	(11,748)
Net transfers of noncontrolling interest	(47,687)	5,344	(15,544)
Change from net income (loss) attributable to common stockholders of Live Nation and net transfers of noncontrolling interests	\$(44,745)	\$(27,164)	\$(106,351)

Redeemable Noncontrolling Interests

The Company is subject to put arrangements where the holders of the noncontrolling interests can require the Company to repurchase their shares at specified dates in the future or within specified periods in the future. Certain of these puts can be exercised earlier upon the occurrence of triggering events as specified in the agreements. The redemption amounts for these puts are either at a fixed amount, at fair value at the time of exercise or a variable amount based on a formula linked to earnings. In accordance with the FASB guidance for business combinations, the redeemable noncontrolling interests are recorded at their fair value at acquisition date. For puts not redeemable at fair value, when these put arrangements are not currently redeemable, the Company accretes up to the estimated redemption value over the period from the date of issuance to the earliest redemption date of the individual puts, with the offset recorded to additional paid-in capital. Decreases in accretion are only recognized to the extent that increases had been previously recognized. The estimated redemption values that are based on a formula linked to future earnings are computed using projected cash flows each reporting period which take into account the current expectations regarding profitability and the timing of revenue-generating events. The balances are reflected in the Company's balance sheets as redeemable noncontrolling interests outside of permanent equity. The increase during the current year is primarily due to the acquisitions of controlling interests in festival and concert promoter businesses located in the United States and Australia.

The Company's estimate of redemption amounts for puts that are redeemable at fixed or determinable prices on fixed or determinable dates for the years ended December 31, 2017, 2018, 2019, 2020 and 2021 are \$3.5 million, \$153.1 million, \$59.6 million, \$124.7 million and \$48.9 million, respectively.

Table of Contents

Accumulated Other Comprehensive Income (Loss)

The following table presents changes in the components of AOCI, net of taxes, for the years ended December 31, 2016, 2015 and 2014:

	Gains and Losses on Cash Flow Hedges (in thousands)	Defined Benefit Pension Items	Foreign Currency Items	Total
Balance at December 31, 2013	\$(79)	\$ (611)	\$(1,680)	\$(2,370)
Other comprehensive income before reclassifications	(6)	30	(67,724)	(67,700)
Amount reclassified from AOCI	60	—	—	60
Net other comprehensive income	54	30	(67,724)	(67,640)
Balance at December 31, 2014	(25)	(581)	(69,404)	(70,010)
Other comprehensive income (loss) before reclassifications	—	223	(41,895)	(41,672)
Amount reclassified from AOCI	25	—	—	25
Net other comprehensive income (loss)	25	223	(41,895)	(41,647)
Balance at December 31, 2015	—	(358)	(111,299)	(111,657)
Other comprehensive income (loss) before reclassifications	—	(103)	(64,947)	(65,050)
Amount reclassified from AOCI	—	—	—	—
Net other comprehensive income (loss)	—	(103)	(64,947)	(65,050)
Balance at December 31, 2016	\$—	\$ (461)	\$(176,246)	\$(176,707)

The realized loss on cash flow hedges reclassified from AOCI consists of one interest rate swap agreement that expired on June 30, 2015.

Earnings per Share

Basic net income (loss) per common share is computed by dividing the net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net income per common share adjusts basic net income per common share for the effects of stock options, restricted stock and other potentially dilutive financial instruments only in the periods in which such effect is dilutive. The Company's convertible senior notes are considered in the calculation of diluted net income per common share, if dilutive.

The calculation of diluted net income per common share includes the effects of the assumed exercise of any outstanding stock options, the assumed vesting of shares of restricted stock awards and the assumed conversion of the convertible senior notes where dilutive. For the years ended December 31, 2016, 2015 and 2014 there were no reconciling items to the weighted average common shares outstanding in the calculation of diluted net income per common share. The following table shows securities excluded from the calculation of diluted net income per common share because such securities were anti-dilutive:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Options to purchase shares of common stock	16,283	16,309	16,999
Restricted stock awards—unvested	1,080	861	1,171
Conversion shares related to convertible senior notes	7,930	7,930	7,930
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	25,293	25,100	26,100

NOTE 10—STOCK-BASED COMPENSATION

In December 2005, the Company adopted its 2005 Stock Incentive Plan, which has been amended and/or restated on several occasions. In connection with the Company's merger with Ticketmaster, the Company adopted the Amended and Restated Ticketmaster 2008 Stock & Annual Incentive Plan. The plans authorize the Company to grant stock option awards, director shares, stock appreciation rights, restricted stock and deferred stock awards, other equity-based awards and

Table of Contents

performance awards. The Company has granted restricted stock awards and options to purchase its common stock to employees, directors and consultants of the Company and its affiliates under the stock incentive plans at no less than the fair market value of the underlying stock on the date of grant. The stock incentive plans contain anti-dilutive provisions that require the adjustment of the number of shares of the Company's common stock represented by, and the exercise price of, each option for any stock splits or stock dividends.

The following is a summary of stock-based compensation expense recorded by the Company during the respective periods:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Selling, general and administrative expenses	\$15,687	\$16,380	\$21,204
Corporate expenses	17,036	16,981	17,825
Total	\$32,723	\$33,361	\$39,029

As of December 31, 2016, there was \$31.2 million of total unrecognized compensation cost related to stock-based compensation arrangements for stock options and restricted stock awards. This cost is expected to be recognized over a weighted-average period of 1.6 years.

Stock Options

Stock options are granted for a term not exceeding ten years and the nonvested options are generally forfeited in the event the employee or director terminates his or her employment or relationship with the Company or one of its affiliates. Any options that have vested at the time of termination are forfeited to the extent they are not exercised within the applicable post-employment exercise period provided in their option agreements. These options vest over two to five years.

The following assumptions were used to calculate the fair value of the Company's options on the date of grant:

	Year Ended December 31,		
	2016	2015	2014
Risk-free interest rate	1.24% - 1.49%	1.47% - 1.75%	1.67% - 2.00%
Dividend yield	0.0	% 0.0	% 0.0
Volatility factors	29.42% - 36.11%	34.18% - 43.36%	42.41% - 47.00%
Weighted average expected life (in years)	5.76	5.94	6.06

The following table presents a summary of the Company's stock options outstanding at, and stock option activity ("Price" reflects the weighted average exercise price per share):

	Year Ended December 31,					
	2016		2015		2014	
	Options	Price	Options	Price	Options	Price
	(in thousands, except per share data)					
Outstanding January 1	16,309	\$ 13.54	16,999	\$ 13.78	16,628	\$ 12.68
Granted	1,103	19.53	1,667	25.32	2,345	21.03
Exercised	(1,063)	19.10	(1,098)	14.50	(1,769)	12.32
Forfeited or expired	(66)	22.39	(1,259)	31.58	(205)	19.58
Outstanding December 31	16,283	\$ 13.55	16,309	\$ 13.54	16,999	\$ 13.78
Exercisable December 31	12,628	\$ 12.01	11,177	\$ 11.54	10,669	\$ 13.68
Weighted average fair value per option granted		\$ 6.98		\$ 9.93		\$ 9.82

Table of Contents

The total intrinsic value of stock options exercised during the years ended December 31, 2016, 2015 and 2014 was \$8.5 million, \$14.1 million and \$20.2 million, respectively. Cash received from stock option exercises for the years ended December 31, 2016, 2015 and 2014 was \$20.3 million, \$16.3 million and \$21.8 million, respectively. There were 11.9 million shares available for future grants under the stock incentive plan at December 31, 2016. Upon share option exercise or vesting of restricted stock, the Company issues new shares or treasury shares to fulfill these grants. Vesting dates on the stock options range from March 2017 to October 2020, and expiration dates range from February 2017 to October 2026 at exercise prices and average contractual lives as follows:

Range of Exercise Prices	Outstanding as of 12/31/16 (in thousands)	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Exercisable as of 12/31/16 (in thousands)	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
\$2.75 - \$4.99	2,228	2.2	\$ 2.84	2,228	2.2	\$ 2.84
\$5.00 - \$9.99	4,757	5.8	\$ 8.81	3,917	5.7	\$ 8.82
\$10.00 - \$14.99	3,108	4.1	\$ 11.40	3,108	4.1	\$ 11.40
\$15.00 - \$19.99	1,582	7.0	\$ 19.05	466	2.3	\$ 18.38
\$20.00 - \$24.99	3,030	5.4	\$ 22.03	2,267	4.8	\$ 22.29
\$25.00 - \$29.99	1,578	8.1	\$ 25.37	642	8.1	\$ 25.34

The total intrinsic value of options outstanding and options exercisable as of December 31, 2016 was \$433.1 million and \$335.9 million, respectively.

Restricted Stock

The Company has granted restricted stock awards to its employees and directors under its stock incentive plans. These common shares carry a legend which restricts their transferability for a term of one to five years and are forfeited in the event the recipient's employment or relationship with the Company is terminated prior to the lapse of the restriction. In addition, certain restricted stock awards require the Company or the recipient to achieve minimum performance targets in order for these awards to vest.

In 2016, the Company granted 0.4 million shares of restricted stock and 0.4 million shares of performance-based awards, respectively, under the Company's stock incentive plans. These awards will vest over one or four years with the exception of the performance-based awards which will generally vest within two years if the performance criteria are met.

In 2015, the Company granted 0.3 million shares of restricted stock and 0.2 million shares of performance-based awards, respectively, under the Company's stock incentive plans. These awards will generally vest over one or four years with the exception of the performance-based awards which will generally vest within two years if the performance criteria are met. As of December 31, 2016, the performance-based criteria for these awards have been met unless otherwise forfeited.

In 2014, the Company granted 0.4 million shares of restricted stock and 0.3 million shares of market-based or performance-based awards under the Company's stock incentive plans. These awards will all generally vest over one or four years with the exception of the market-based awards which will vest within two years if the performance criteria are met. As of December 31, 2016, the performance or market-based criteria for these awards have been met unless otherwise forfeited.

Table of Contents

The following table presents a summary of the Company's unvested restricted stock awards outstanding at December 31, 2016, 2015 and 2014 ("Price" reflects the weighted average share price at the date of grant):

	Restricted Stock Awards Price (in thousands, except per share data)	
Unvested at December 31, 2013	2,210	\$ 10.68
Granted	752	21.64
Forfeited	(237)	12.64
Vested	(1,554)	11.50
Unvested at December 31, 2014	1,171	\$ 16.18
Granted	456	26.11
Forfeited	(6)	10.02
Vested	(760)	14.74
Unvested at December 31, 2015	861	\$ 22.67
Granted	751	20.65
Forfeited	(50)	21.63
Vested	(482)	21.73
Unvested at December 31, 2016	1,080	\$ 21.67

The total grant date fair market value of the shares issued upon the vesting of restricted stock awards during the years ended December 31, 2016, 2015 and 2014 was \$10.5 million, \$11.2 million and \$17.9 million, respectively. As of December 31, 2016, there were 0.4 million restricted stock awards outstanding which require the Company or the recipient to achieve minimum performance targets in order for the awards to vest.

Table of Contents

NOTE 11—OTHER INFORMATION

	December 31,	
	2016	2015
	(in thousands)	
The following details the components of “Other current assets”:		
Cash held in escrow	\$2,983	\$1,736
Inventory	15,114	14,388
Other	31,677	20,240
Total other current assets	\$49,774	\$36,364
The following details the components of “Other long-term assets”:		
Long-term advances	\$208,977	\$192,311
Investments in nonconsolidated affiliates	82,032	81,811
Other	120,285	111,127
Total other long-term assets	\$411,294	\$385,249
The following details the components of “Accrued expenses”:		
Accrued compensation and benefits	\$192,167	\$157,013
Accrued event expenses	192,599	170,613
Accrued insurance	65,941	56,279
Accrued legal	22,904	47,740
Collections on behalf of others	31,233	32,140
Other	276,650	222,879
Total accrued expenses	\$781,494	\$686,664
The following details the components of “Other current liabilities”:		
Contingent and deferred purchase consideration	\$23,301	\$16,413
Other	15,754	15,589
Total other current liabilities	\$39,055	\$32,002
The following details the components of “Other long-term liabilities”:		
Accrued rent	\$61,282	\$57,041
Deferred revenue	5,506	6,128
Contingent and deferred purchase consideration	46,228	44,395
Other	36,775	34,703
Total other long-term liabilities	\$149,791	\$142,267

Table of Contents

NOTE 12—SEGMENT DATA

For all periods presented, the Company's reportable segments are Concerts, Sponsorship & Advertising, Ticketing and Artist Nation. The Concerts segment involves the promotion of live music events globally in the Company's owned or operated venues and in rented third-party venues, the production of music festivals, the operation and management of music venues and the creation of associated content. The Sponsorship & Advertising segment manages the development of strategic sponsorship programs in addition to the sale of international, national and local sponsorships and placement of advertising such as signage, promotional programs, rich media offerings, including advertising associated with live streaming and music-related content, and ads across the Company's distribution network of venues, events and websites. The Ticketing segment involves the management of the Company's global ticketing operations, including providing ticketing software and services to clients, ticket resale services and online access for customers relating to ticket and event information, and is responsible for the Company's primary websites, www.livenation.com and www.ticketmaster.com. The Artist Nation segment provides management and other services to artists. Beginning in 2017, the Company will combine its Concerts and Artist Nation segments based on its belief that the strategy behind artist management is to provide a full range of services related to concert promotion and to expand the Concerts line of business. In connection with this, there has been a change in the way the chief operating decision maker, as defined in the FASB guidance, makes decisions around allocations of resources and management responsibilities for this business. Going forward, the Company will have three reportable segments: Concerts, Sponsorship & Advertising and Ticketing. However, the Company does not believe this will result in a change to its reporting units reviewed for goodwill impairment.

Revenue and expenses earned and charged between segments are eliminated in consolidation. The Company's capital expenditures below include accruals and expenditures funded by outside parties such as landlords or replacements funded by insurance proceeds.

The Company manages its working capital on a consolidated basis. Accordingly, segment assets are not reported to, or used by, the Company's management to allocate resources to or assess performance of the segments, and therefore, total segment assets have not been presented.

There were no customers that individually accounted for more than 10% of the Company's consolidated revenue in any year.

The following table presents the results of operations for the Company's reportable segments for the years ending December 31, 2016, 2015 and 2014:

	Concerts	Sponsorship & Advertising	Ticketing	Artist Nation	Other	Corporate	Eliminations	Consolidated
	(in thousands)							
2016								
Revenue	\$5,874,089	\$ 377,618	\$1,827,930	\$421,706	\$7,978	\$—	\$(154,387)	\$8,354,934
Direct operating expenses	4,981,816	60,218	956,956	232,555	2,902	—	(151,739)	6,082,708
Selling, general and administrative expenses	766,881	71,089	510,490	183,179	16,811	—	—	1,548,450
Depreciation and amortization	137,605	18,206	185,925	57,110	2,940	4,433	(2,568)	403,651
Loss (gain) on disposal of operating assets	(81)	—	68	20	—	117	—	124
Corporate expenses	—	—	—	—	—	125,141	(80)	125,061
Operating income (loss)	\$(12,132)	\$ 228,105	\$174,491	\$(51,158)	\$(14,675)	\$(129,691)	\$—	\$194,940

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Intersegment revenue	\$ 142,240	\$ —	\$ 1,150	\$ 10,997	\$ —	\$ —	\$(154,387)	\$ —
Capital expenditures	\$ 85,958	\$ 2,161	\$ 91,285	\$ 1,348	\$ 1,028	\$ 7,824	\$ —	\$ 189,604

86

Table of Contents

	Concerts	Sponsorship & Advertising	Ticketing	Artist Nation (in thousands)	Other	Corporate	Eliminations	Consolidated
2015								
Revenue	\$4,964,991	\$ 333,726	\$ 1,639,564	\$434,201	\$3,176	\$—	\$(129,927)	\$7,245,731
Direct operating expenses	4,220,963	47,760	808,697	245,781	1,068	—	(127,796)	5,196,473
Selling, general and administrative expenses	702,108	57,681	488,483	161,408	2,175	—	—	1,411,855
Depreciation and amortization	146,795	9,932	184,129	54,980	46	3,490	(2,131)	397,241
Loss on disposal of operating assets	430	—	26	215	—	174	—	845
Corporate expenses	—	—	—	—	—	107,945	—	107,945
Operating income (loss)	\$(105,305)	\$ 218,353	\$ 158,229	\$(28,183)	\$(113)	\$(111,609)	\$—	\$ 131,372
Intersegment revenue	\$ 113,391	\$ —	\$ 1,150	\$ 15,386	\$—	\$—	\$(129,927)	\$—
Capital expenditures	\$40,053	\$ 4,836	\$93,323	\$ 1,924	\$—	\$5,011	\$—	\$ 145,147
2014								
Revenue	\$4,726,877	\$ 300,279	\$ 1,557,254	\$389,437	\$3,171	\$—	\$(110,054)	\$6,866,964
Direct operating expenses	4,016,540	37,973	763,280	212,302	(2,174)	—	(107,952)	4,919,969
Selling, general and administrative expenses	671,646	50,292	473,363	138,632	3,383	—	—	1,337,316
Depreciation and amortization	115,088	4,281	204,901	43,343	40	2,592	(2,102)	368,143
Goodwill impairment	117,013	—	—	17,948	—	—	—	134,961
Loss (gain) on disposal of operating assets	(2,954)	—	(1,583)	34	(29)	38	—	(4,494)
Corporate expenses	—	—	—	—	—	103,905	—	103,905
Operating income (loss)	\$(190,456)	\$ 207,733	\$ 117,293	\$(22,822)	\$ 1,951	\$(106,535)	\$—	\$ 7,164
Intersegment revenue	\$97,642	\$ —	\$ 1,150	\$ 11,262	\$—	\$—	\$(110,054)	\$—
Capital expenditures	\$35,006	\$ 1,834	\$89,990	\$ 1,892	\$6	\$9,490	\$—	\$ 138,218

Table of Contents

The following table provides revenue and long-lived assets for the Company's foreign operations included in the consolidated financial statements:

	United Kingdom Operations (in thousands)	Other Foreign Operations	Total Foreign Operations	Total Domestic Operations	Consolidated Total
2016					
Revenue	\$683,457	\$1,882,590	\$2,566,047	\$5,788,887	\$8,354,934
Long-lived assets	\$69,380	\$104,780	\$174,160	\$577,376	\$751,536
2015					
Revenue	\$672,802	\$1,534,629	\$2,207,431	\$5,038,300	\$7,245,731
Long-lived assets	\$74,517	\$126,194	\$200,711	\$530,571	\$731,282
2014					
Revenue	\$772,445	\$1,591,643	\$2,364,088	\$4,502,876	\$6,866,964
Long-lived assets	\$71,269	\$105,937	\$177,206	\$518,131	\$695,337

Table of Contents

NOTE 13—QUARTERLY RESULTS OF OPERATIONS (Unaudited)

	March 31, 2016		June 30, 2016		September 30, 2016		December 31, 2016	
	2015		2015		2015		2015	
	(in thousands)							
Revenue	\$1,207,716	\$1,120,312	\$2,179,258	\$1,765,777	\$3,170,416	\$2,622,917	\$1,797,544	\$1,736,725
Operating income (loss)	\$(33,290)	\$(23,935)	\$74,159	\$42,245	\$191,286	\$153,510	\$(37,215)	\$(40,448)
Net income (loss)	\$(55,954)	\$(66,526)	\$36,461	\$20,212	\$132,761	\$104,382	\$(92,971)	\$(73,837)
Net income (loss) attributable to common stockholders of Live Nation	\$(44,518)	\$(58,279)	\$37,741	\$15,056	\$111,079	\$89,049	\$(101,360)	\$(78,334)
Basic net income (loss) per common share available to common stockholders of Live Nation	\$(0.29)	\$(0.31)	\$0.13	\$0.06	\$0.51	\$0.39	\$(0.58)	\$(0.47)
Diluted net income (loss) per common share available to common stockholders of Live Nation	\$(0.29)	\$(0.31)	\$0.13	\$0.06	\$0.49	\$0.38	\$(0.58)	\$(0.47)

The following summarizes unusual or infrequent items effecting the quarterly results of operations:
2016

In the third quarter of 2016, the Company recorded impairment charges of \$15.1 million related to investments in a digital content company and an online merchandise company as a component of equity in losses (earnings) of nonconsolidated affiliates. See Note 5—Fair Value Measurements for further discussion of the inputs used to determine the fair values.

In the fourth quarter of 2016, the Company recorded a \$14.0 million loss on extinguishment of debt related to the refinancing of certain of its debt. See Note 3—Long-Term Debt for further discussion.

The Company recorded net foreign exchange rate gains of \$7.8 million in the first quarter of 2016 and net foreign exchange rate losses of \$6.6 million, \$1.9 million and \$8.0 million in the second, third and fourth quarters of 2016, respectively, as a component of other expense, net.

2015

The Company recorded remeasurement gains of \$10.0 million in the second quarter of 2015 as a component of other expense, net in connection with the consolidation of a festival promotion business and a ticketing company that were previously accounted for as equity investments. See Note 5—Fair Value Measurements for further discussion.

The Company recorded net foreign exchange rate losses of \$20.8 million, \$10.6 million and \$4.1 million in the first, third and fourth quarters of 2015, respectively, as a component of other expense, net.

Table of Contents

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information relating to our company, including our consolidated subsidiaries, is made known to the officers who certify our financial reports and to other members of senior management and our board of directors.

Based on their evaluation as of December 31, 2016, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective to ensure that (1) the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) the information we are required to disclose in such reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal controls will prevent all possible errors and fraud. Our disclosure controls and procedures are, however, designed to provide reasonable assurance of achieving their objectives, and our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective at that reasonable assurance level.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Based on its evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2016.

Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting. The attestation report is included herein.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Live Nation Entertainment, Inc.

We have audited Live Nation Entertainment, Inc.'s internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Live Nation Entertainment Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Live Nation Entertainment, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Live Nation Entertainment, Inc. as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, changes in equity, and cash flows for each of the three years in the period ended December 31, 2016 and our report dated February 23, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Los Angeles, California
February 23, 2017

Table of Contents

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than the information set forth under Item 1. Business—Executive Officers, the information required by this Item is incorporated by reference to our Definitive Proxy Statement, expected to be filed within 120 days of our fiscal year end.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to our Definitive Proxy Statement, expected to be filed within 120 days of our fiscal year end.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference to our Definitive Proxy Statement, expected to be filed within 120 days of our fiscal year end.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference to our Definitive Proxy Statement, expected to be filed within 120 days of our fiscal year end.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated by reference to our Definitive Proxy Statement, expected to be filed within 120 days of our fiscal year end.

Table of Contents

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)1. Financial Statements.

The following consolidated financial statements are included in Item 8:

Consolidated Balance Sheets as of December 31, 2016 and 2015 50

Consolidated Statements of Operations for the Years Ended December 31, 2016, 2015 and 2014 51

Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2016, 2015 and 2014 52

Consolidated Statements of Changes in Equity for the Years Ended December 31, 2016, 2015 and 2014 53

Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2015 and 2014 54

Notes to Consolidated Financial Statements 55

(a)2. Financial Statement Schedule.

The following financial statement schedule for the years ended December 31, 2016, 2015 and 2014 is filed as part of this report and should be read in conjunction with the consolidated financial statements.

Schedule II Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted.

(a)3. Exhibits.

The information in the Exhibit Index of the Annual Report on Form 10-K is incorporated into this Item 15.(a)3 by reference.

(c) Separate financial statements of subsidiaries not consolidated and fifty percent or less owned persons.

Under Rule 3-09 of Regulation S-X, we are required to file separate audited financial statements of Venta de Boletos por Computadora S.A. de C.V., for the years ended December 31, 2016 and 2015. We expect to file those financial statements by amendment to our Annual Report on Form 10-K/A on or before June 30, 2017.

Table of Contents

LIVE NATION ENTERTAINMENT, INC.
 SCHEDULE II
 VALUATION AND QUALIFYING ACCOUNTS
 Allowance for Doubtful Accounts

Description	Balance at Beginning of Period (in thousands)	Charges of Costs, Expenses and Other	Write-off of Accounts Receivable	Other	Balance at End of Period
Year ended December 31, 2014	\$ 19,850	\$ 3,684	\$ (4,763)	\$ (1,282) ⁽¹⁾	\$ 17,489
Year ended December 31, 2015	\$ 17,489	\$ 19,525	\$ (18,703)	\$ (1,143) ⁽¹⁾	\$ 17,168
Year ended December 31, 2016	\$ 17,168	\$ 16,699	\$ (3,927)	\$ (306) ⁽¹⁾	\$ 29,634

⁽¹⁾ Foreign currency adjustments and acquisitions.

Table of Contents

LIVE NATION ENTERTAINMENT, INC.
SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
Deferred Tax Asset Valuation Allowance

Description	Balance at Beginning of Period (in thousands)	Charges of Costs, Expenses and Other	Deletions	Other ⁽¹⁾	Balance at End of Period
Year ended December 31, 2014	\$580,594	\$(6,168)	\$	—\$18,879	\$593,305
Year ended December 31, 2015	\$593,305	\$7,116	\$	—\$57,683	\$658,104
Year ended December 31, 2016	\$658,104	\$11,820	\$	—\$11,642	\$681,566

⁽¹⁾ During 2016, 2015 and 2014, the valuation allowance was adjusted for acquisitions, divestitures and foreign currency adjustments.

Table of Contents

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference		Filing Date	Filed By	Filed Herewith
		Form	File No.			
3.1	Amended and Restated Certificate of Incorporation of Live Nation Entertainment, Inc., as amended.	10-K	001-32601	3.1	2/25/2010	Live Nation
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Live Nation Entertainment, Inc.	8-K	001-32601	3.1	6/7/2013	Live Nation
3.3	Fifth Amended and Restated Bylaws of Live Nation Entertainment, Inc.	8-K	001-32601	3.2	6/7/2013	Live Nation
4.1	Amended and Restated Rights Agreement, dated as of December 18, 2015, between Live Nation Entertainment, Inc. and Computershare Inc.	8-K	001-32601	4.1	12/24/2015	Live Nation
4.2	Form of Certificate of Designations of Series A Junior Participating Preferred Stock.	8-K	001-32601	4.2	12/23/2005	Live Nation
4.3	Form of Right Certificate.	8-K	001-32601	4.1 (Annex B)	12/23/2005	Live Nation
10.1	Stockholder Agreement, dated February 10, 2009, among Live Nation, Inc., Liberty Media Corporation, Liberty USA Holdings, LLC and Ticketmaster Entertainment, Inc.	8-K	001-32601	10.2	2/13/2009	Live Nation
10.2	Registration Rights Agreement, dated January 25, 2010, among Live Nation, Inc., Liberty Media Corporation and Liberty Media Holdings USA, LLC.	8-K	001-32601	10.1	1/29/2010	Live Nation
10.3	Tax Matters Agreement, dated December 21, 2005, among CCE Spingo, Inc., CCE Holdco #2, Inc. and Clear Channel Communications, Inc.	8-K	001-32601	10.2	12/23/2005	Live Nation
10.4	Tax Sharing Agreement, dated August 20, 2008, among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc.	8-K	001-34064	10.2	8/25/2008	Ticketmaster
10.5	Form of Indemnification Agreement. Live Nation Entertainment, Inc. 2005 Stock	10-K	001-32601	10.23	2/25/2010	Live Nation
10.6 §	Incentive Plan, as amended and restated as of March 19, 2015.	8-K	001-32601	10.2	6/11/2015	Live Nation
10.7 §	Amended and Restated Ticketmaster Entertainment, Inc. 2008 Stock and Annual Incentive Plan.	S-8	333-164507	10.1	1/26/2010	Live Nation
10.8 §	Amendment No. 1 to the Amended and Restated Ticketmaster Entertainment, Inc. 2008 Stock and Annual Incentive Plan.	10-Q	001-32601	10.1	11/4/2010	Live Nation
10.9 §	Live Nation Entertainment, Inc. 2006 Annual Incentive Plan, as amended and restated as of March 19, 2015.	8-K	001-32601	10.1	6/11/2015	Live Nation

Table of Contents

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		FormFile No.	Exhibit No.	Filing Date	Filed By	
10.10 §	Form Stock Option Agreement for the Live Nation Entertainment, Inc. 2005 Stock Incentive Plan, as amended and restated as of March 19, 2015.	10-K 001-32601	10.12	2/25/2016	Live Nation	
10.11 §	Form Restricted Stock Agreement for the Live Nation Entertainment, Inc. 2005 Stock Incentive Plan, as amended and restated as of March 19, 2015.	10-K 001-32601	10.13	2/25/2016	Live Nation	
10.12 §	Form Stock Option Agreement for the Amended and Restated Ticketmaster Entertainment, Inc. 2008 Stock and Annual Incentive Plan.	10-K 001-32601	10.14	2/25/2016	Live Nation	
10.13 §	Form Restricted Stock Agreement for the Amended and Restated Ticketmaster Entertainment, Inc. 2008 Stock and Annual Incentive Plan.	10-K 001-32601	10.15	2/25/2016	Live Nation	
10.14 §	Amended and Restated Live Nation, Inc. Stock Bonus Plan.	8-K 001-32601	10.1	1/25/2010	Live Nation	
10.15 §	Employment Agreement, dated October 21, 2009, among Live Nation, Inc., Live Nation Worldwide, Inc. and Michael Rapino.	8-K 001-32601	10.1	10/22/2009	Live Nation	
10.16 §	First Amendment to Employment Agreement, dated December 27, 2012 by and between Live Nation Entertainment, Inc. and Michael Rapino.	10-K 001-32601	10.29	2/26/2013	Live Nation	
10.17 §	Employment Agreement, effective January 1, 2014, between Live Nation Entertainment, Inc. and Joe Berchtold.	10-K 001-32601	10.24	2/24/2014	Live Nation	
10.18 §	Employment Agreement, effective January 1, 2014, between Live Nation Entertainment, Inc. and Michael Rowles.	10-K 001-32601	10.17	2/24/2014	Live Nation	
10.19 §	Employment Agreement, effective January 1, 2014, between Live Nation Entertainment, Inc. and Kathy Willard.	10-K 001-32601	10.19	2/24/2014	Live Nation	
10.20 §	Employment Agreement, effective December 17, 2007, between Live Nation Worldwide, Inc. and Brian Capo.	10-Q 001-32601	10.4	8/7/2008	Live Nation	
10.21 §	First Amendment to Employment Agreement, effective December 31, 2008, between Live Nation Worldwide, Inc. and Brian Capo.	10-K 001-32601	10.30	3/5/2009	Live Nation	
10.22 §	Second Amendment to Employment Agreement, effective October 22, 2009, between Live Nation Worldwide, Inc. and Brian Capo.	10-K 001-32601	10.55	2/25/2010	Live Nation	

Table of Contents

Exhibit No.	Exhibit Description	Incorporated by Reference		Filed By	Filed Herewith
		FormFile No.	ExhibitFiling No. Date		
10.23	Credit Agreement entered into as of May 6, 2010, among Live Nation Entertainment, Inc., the Foreign Borrowers party thereto, the Guarantors identified therein, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Agent and J.P. Morgan Europe Limited, as London Agent. Amendment No. 1, to the Credit Agreement, dated as of June 29, 2012, entered into by and among Live Nation Entertainment, Inc., the relevant Credit Parties identified therein, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as administrative agent for the Lenders.	10-Q 001-32601	10.4 8/5/2010	Live Nation	
10.24	Amendment No. 2 to the Credit Agreement, dated as of August 16, 2013, entered into by and among Live Nation Entertainment, Inc., the Guarantors identified therein, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent for the Lenders, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian agent and J.P. Morgan Europe Limited, as London agent.	10-Q 001-32601	10.2 8/7/2012	Live Nation	
10.25	Amendment No. 3 to the Credit Agreement, dated as of October 31, 2016, entered into by and among Live Nation Entertainment, Inc., the Guarantors identified therein, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian agent, J.P. Morgan Europe Limited, as London agent and the lenders from time to time party thereto.	10-Q 001-32601	10.2 5/6/2014	Live Nation	
10.26	Incremental Term Loan Joinder Agreement No. 1, dated August 20, 2012, by and among Live Nation Entertainment, Inc., JPMorganChase Bank, N.A., as administrative agent, each Incremental Term Loan Lender defined therein and the relevant Credit Parties identified therein.				X
10.27	Indenture, dated August 20, 2012, by and among Live Nation Entertainment, Inc., the Guarantors defined therein, and the Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q 001-32601	10.2 11/5/2012	Live Nation	
10.28		10-Q 001-32601	10.1 11/5/2012	Live Nation	

Table of Contents

Exhibit No.	Exhibit Description	Incorporated by Reference		Filing Date	Filed By	Filed Herewith
		Form	File No.			
10.29	First Supplemental Indenture, entered into as of October 4, 2012, among Live Nation Entertainment, Inc., the Guarantors listed in Appendix I attached thereto, Live Nation UshTours (USA), LLC, and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.3	11/5/2012	Live Nation
10.30	Second Supplemental Indenture, entered into as of August 13, 2013, among Live Nation Entertainment, Inc., the Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	8-K	001-32601	10.1	8/16/2013	Live Nation
10.31	Third Supplemental Indenture, dated as of February 6, 2014 among Live Nation Entertainment, Inc., BigChampagne, LLC, the Existing Guarantors Party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.1	5/6/2014	Live Nation
10.32	Fourth Supplemental Indenture, dated as of May 27, 2014, among Live Nation Entertainment, Inc., Reigndeer Entertainment Corp., the Existing Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.3	7/31/2014	Live Nation
10.33	Fifth Supplemental Indenture, dated as of August 27, 2014, among Live Nation Entertainment, Inc., Ticketstoday, LLC, the Existing Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.2	10/30/2014	Live Nation
10.34	Sixth Supplemental Indenture, dated as of October 31, 2014, among Live Nation Entertainment, Inc., EXMO Inc., Artist Nation Management, Inc., Guyo Entertainment, Inc., the Existing Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-K	001-32601	10.3	2/26/2014	Live Nation
10.35	Seventh Supplemental Indenture, dated as of March 27, 2015 among Live Nation Entertainment, Inc., Country Nation, LLC, the existing Guarantors Party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.2	4/30/2015	Live Nation
10.36	Eight Supplemental Indenture, dated as of August 13, 2015, among Live Nation Entertainment, Inc., the guarantors listed in Appendix I thereto, FG Acquisition Co, LLC, Front Gate Holdings, LLC, and Front Gate Ticketing Solutions, LLC and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.2	10/29/2015	Live Nation

Table of Contents

Exhibit No.	Exhibit Description	Incorporated by Reference		Filing Date	Filed By	Filed Herewith
		Form	File No.			
10.37	Indenture, dated as of May 23, 2014, among Live Nation Entertainment, Inc., the Guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.1	7/31/2014	Live Nation
10.38	First Supplemental Indenture, dated as of August 27, 2014, among Live Nation Entertainment, Inc., Ticketstoday, LLC, the Existing Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.1	10/30/2014	Live Nation
10.39	Second Supplemental Indenture, dated as of October 31, 2014, among Live Nation Entertainment, Inc., EXMO, Inc., Artist Nation Management, Inc., Guyo Entertainment, Inc., the Existing Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-K	001-32601	10.33	2/26/2014	Live Nation
10.40	Third Supplemental Indenture, dated as of March 27, 2015 among Live Nation Entertainment, Inc., Country Nation, LLC, the Existing Guarantors Party thereto and The Bank of New York Mellon Trust Company N.A., as trustee.	10-Q	001-32601	10.1	4/30/2015	Live Nation
10.41	Fourth Supplemental Indenture, dated as of August 13, 2015, among Live Nation Entertainment, Inc., the guarantors listed in Appendix I thereto, FG Acquisition Co, LLC, Front Gate Holdings, LLC and Front Gate Ticketing Solutions, LLC and The Bank of New York Mellon Trust Company, N.A., as trustee.	10-Q	001-32601	10.2	10/29/2015	Live Nation
10.42	Fifth Supplemental Indenture, dated as of October 31, 2016 among Live Nation Entertainment, Inc., the Guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee.					X
10.43	Indenture, dated as of May 23, 2014, between Live Nation Entertainment, Inc., and HSBC Bank USA, National Association, as trustee.	10-Q	001-32601	10.2	7/31/2014	Live Nation
10.44	Indenture, dated as of October 31, 2016, by and among Live Nation Entertainment, Inc. the Guarantors defined therein and The Bank of New York Mellon Trust Company, N.A., as trustee.					X
12.1	Computation of Ratio of Earnings to Fixed Charges.					X
14.1	Code of Business Conduct and Ethics.					X
21.1	Subsidiaries of the Company.					X
23.1	Consent of Ernst & Young LLP.					X
24.1	Power of Attorney (see signature page).					X

Table of Contents

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit No.	Filing Date Filed By	
31.1	Certification of Chief Executive Officer.					X
31.2	Certification of Chief Financial Officer.					X
32.1	Section 1350 Certification of Chief Executive Officer.					X
32.2	Section 1350 Certification of Chief Financial Officer.					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Schema Document.					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document.					X

§ Management contract or compensatory plan or arrangement.

The Company has not filed long-term debt instruments of its subsidiaries where the total amount under such instruments is less than ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. However, the Company will furnish a copy of such instruments to the Commission upon request.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 23, 2017.

LIVE NATION ENTERTAINMENT,
INC.

By: /s/ Michael Rapino
Michael Rapino
President and Chief Executive Officer

Table of Contents

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints, jointly and severally, Michael Rapino and Kathy Willard, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Michael Rapino Michael Rapino	President and Chief Executive Officer and Director	February 23, 2017
/s/ Kathy Willard Kathy Willard	Chief Financial Officer	February 23, 2017
/s/ Brian Capo Brian Capo	Chief Accounting Officer	February 23, 2017
/s/ Mark Carleton Mark Carleton	Director	February 23, 2017
/s/ Jonathan Dolgen Jonathan Dolgen	Director	February 23, 2017
/s/ Ariel Emanuel Ariel Emanuel	Director	February 23, 2017
/s/ Robert Ted Enloe, III Robert Ted Enloe, III	Director	February 23, 2017
/s/ Jeffrey T. Hinson Jeffrey T. Hinson	Director	February 23, 2017

/s/ Jimmy Iovine	Director	February 23, 2017
Jimmy Iovine		
/s/ Margaret L. Johnson	Director	February 23, 2017
Margaret L. Johnson		
/s/ James S. Kahan	Director	February 23, 2017
James S. Kahan		
/s/ Gregory B. Maffei	Director	February 23, 2017
Gregory B. Maffei		
/s/ Randall T. Mays	Director	February 23, 2017
Randall T. Mays		
/s/ Mark S. Shapiro	Director	February 23, 2017
Mark S. Shapiro		