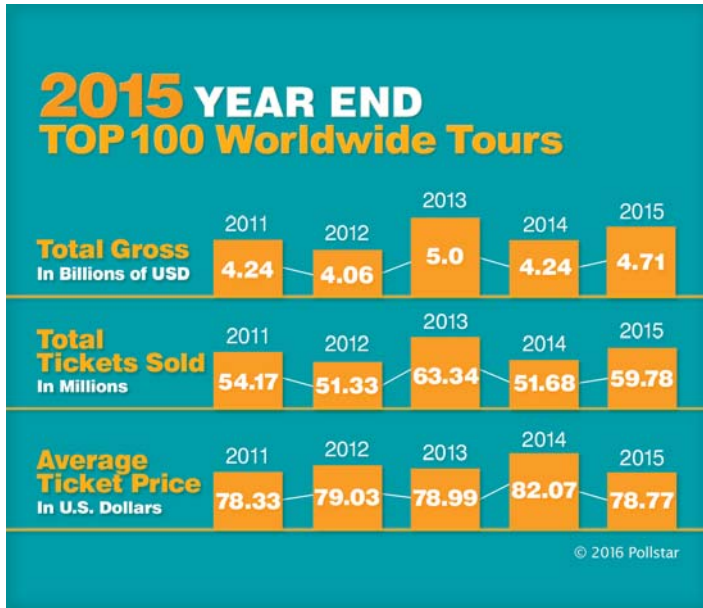


2015 POLLSTAR YEAR END Business ANALYSIS

NORTH AMERICAN Pollstar #1 TOURS For The Last 28 Years



Bullish Business

The concert industry had another good year as fans continue to buy increasingly expensive live event tickets while artists at every level became even more reliant on concert revenues as their primary source of income.

It was a record year for the North American concert business with the total gross of the Top 100 Tours hitting \$3.12 billion, which is up 14% over 2014. The 42.08 million tickets sold by just the Top 100 Tours is up

10%, which is also a record. All of this comes with a record average ticket price of \$74.25, an increase of \$2.81, or 4%, over the previous year.

It was also a good year for the global concert business with the Top 100 Worldwide Tours generating a total gross of \$4.71 billion. That is up 11% over 2014 but less than the record \$5 billion set in 2013. The total tickets sold worldwide by the Top 100 was up 16% to 59.78 million but that is still less than the record 63.34 million sold in 2013. The average

ticket price, however, declined by 4%, or \$3.30, to \$78.77.

Taylor Made Year

After sitting out last year, Taylor Swift launched a massive world tour in 2015 that generated more than \$250 million in primary ticket sales as she played to nearly 2.3 million fans.

The total of \$199.4 million she sold in North America now stands as the biggest tour to ever hit the continent as she crushed the previous record of \$162 million set by The Rolling Stones in 2005.

One Direction remained a huge global attraction as it did what may be its last big tour for some time. The group's \$210.2 million gross was second to Swift globally but with 2,364,390 tickets sold, no one played in front of more fans.

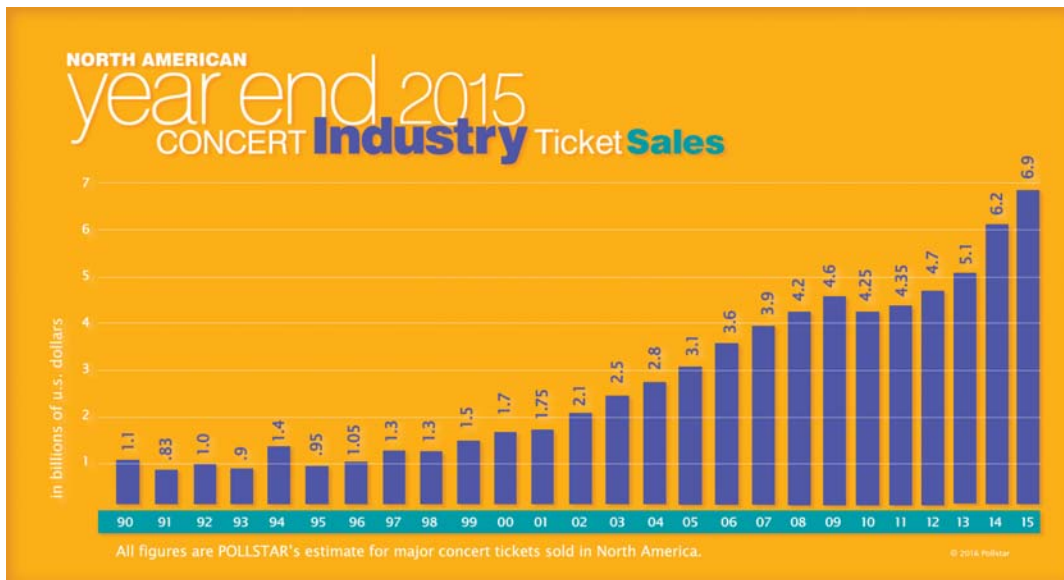
AC/DC returned to touring minus Malcolm Young and did a massive \$180 million in global ticket sales for the biggest tour in its history.

Garth Brooks continued to creep around the country one market at a time generating huge grosses from relatively modest ticket prices but doing his best to not let anyone know about it.

And in a land of giants, diminutive Kevin Hart did an enormously successful arena-level tour that did an estimated \$82.2 million making it perhaps the biggest ever tour by a stand-up comedian.

| | | |
|------|-----------------------|-------|
| 2015 | Taylor Swift | 199.4 |
| 2014 | One Direction | 127.2 |
| 2013 | Taylor Swift | 110.6 |
| 2012 | Madonna | 133.7 |
| 2011 | U2 | 156.0 |
| 2010 | Bon Jovi | 108.2 |
| 2009 | U2 | 123.0 |
| 2008 | Madonna | 105.3 |
| 2007 | The Police | 133.2 |
| 2006 | The Rolling Stones | 138.5 |
| 2005 | The Rolling Stones | 162.0 |
| 2004 | Prince | 87.4 |
| 2003 | Bruce Springsteen | 115.9 |
| 2002 | Paul McCartney | 103.3 |
| 2001 | U2 | 109.7 |
| 2000 | Tina Turner | 80.2 |
| 1999 | The Rolling Stones | 64.7 |
| 1998 | Elton John | 46.2 |
| 1997 | The Rolling Stones | 89.3 |
| 1996 | KISS | 43.6 |
| 1995 | Eagles | 63.3 |
| 1994 | The Rolling Stones | 121.2 |
| 1993 | Grateful Dead | 45.6 |
| 1992 | U2 | 67.0 |
| 1991 | Grateful Dead | 34.7 |
| 1990 | New Kids On The Block | 74.1 |
| 1989 | The Rolling Stones | 98.0 |
| 1988 | Pink Floyd | 27.6 |

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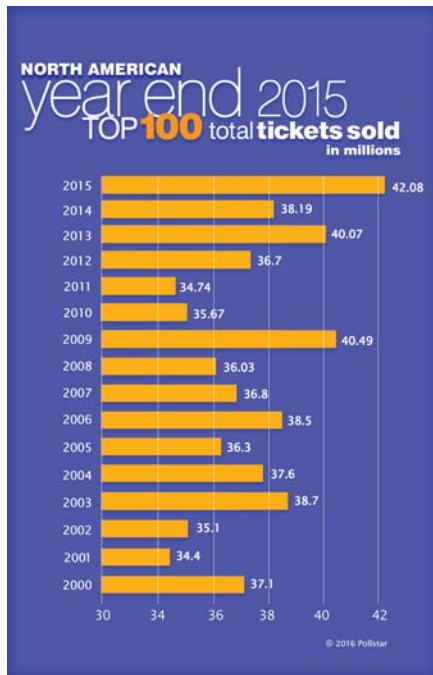


Stats Methodology

In determining chart rankings, Pollstar looks at all dates worked by the top global touring artists during the 12-month calendar year. The Pollstar box office database contains more than 46,000 show reports in 2015 for a gross of about \$7 billion. For many tours, we have 100% of the detailed box office reports but others require varying degrees of estimated projections to determine a true picture of the complete touring landscape.

Do not be confused by the numbers published last month by *Billboard*. The "Bible's" reporting period is November to November and its charts only include information it receives. They ignore, rather than make any attempt to estimate, what is missing. That's the reason AC/DC,

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Garth Brooks, and Kevin Hart were completely ignored despite having hugely successful tours.

Big Promoters

Privately held AEG Live had another strong year with nearly 15 million tickets sold around the world. The company

was behind the Rolling Stones, Kenny Chesney, and Taylor Swift tours and owns the world's most lucrative festival in Coachella with a gross of more than \$84 million in ticket sales alone.

Live Nation also had a banner year reporting more than 29 million tickets sold as the company moved into profitability. The company's stock hit an all-time high of \$29.21 on June 11 and finished the year at \$24.28 per share.

There were 16 more promoters who reported more than 1 million tickets sold in 2015 and another 20 who sold more than

a half-million ducats.

SFX Slow Motion Implosion

Robert Sillerman was successful in his first concert industry roll-up. He overpaid to buy the dominant concert promoters of their day (Delsener, BGP, Pace, Cellar Door, Sunshine, etc.) and

then managed to off-load it to Clear Channel under the guise of synergy with its radio station assets.

That proved to be a spectacularly bad deal and Clear Channel wrote off hundreds of millions of dollars before spinning it off into what is now Live Nation.

Sillerman's second SFX rollup, this time focused on EDM promoters and festivals, is on the verge of crashing. Sillerman took the com-

pany public in October, 2013 at \$13 per share.

The stock started 2015 at \$4.59 per share and was in a slow decline until it fell off a cliff in August and hit an all-time low of 16 cents on Dec. 29 after Sillerman failed to make good on various funding promises.

SFX investors are clamoring for a sale of all or part of the company to Live Nation. While it may seem logical for that to happen, don't bet the farm on it.

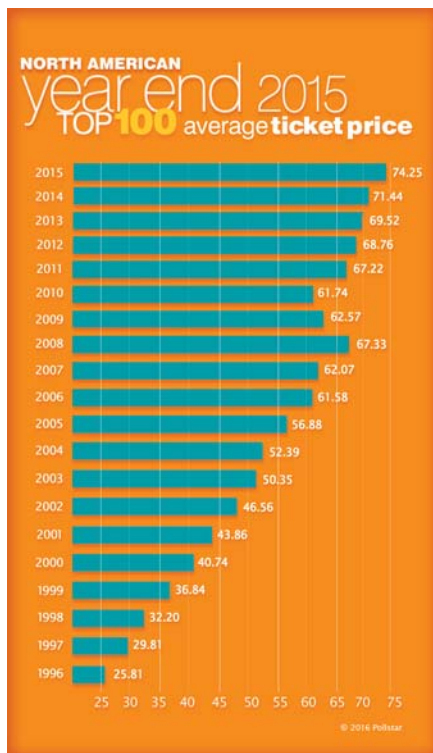
While SFX does have some marquee assets that would fit well with Live Nation, there are two reasons for the company not to buy them.



The first is that Live Nation can likely just wait for SFX to go into liquidation and then start its own competing EDM events in their place without paying a dime.

The second, and likely most important reason, is that any discounted sale of assets by SFX will probably lead to years of lawsuits from disgruntled investors who got hosed on the stock.

As we move into the new year, it's hard to imagine SFX will still be around when we look back at 2016. ★



NORTH AMERICAN year end 2015 TOP 50 grossing tours of all time

| | GROSS | ARTIST | YEAR |
|----|-------|----------------------------------|------|
| 1 | 199.4 | Taylor Swift | 2015 |
| 2 | 162.0 | The Rolling Stones | 2005 |
| 3 | 156.0 | U2 | 2011 |
| 4 | 138.9 | U2 | 2005 |
| 5 | 138.5 | The Rolling Stones | 2006 |
| 6 | 133.7 | Madonna | 2012 |
| 7 | 133.2 | The Police | 2007 |
| 8 | 127.2 | One Direction | 2014 |
| 9 | 123.0 | U2 | 2009 |
| 10 | 121.2 | The Rolling Stones | 1994 |
| 11 | 116.4 | Kenny Chesney | 2015 |
| 12 | 115.9 | Bruce Springsteen & E St. Band | 2003 |
| 13 | 114.9 | Garth Brooks | 2015 |
| 14 | 112.9 | Cirque du Soleil/Michael Jackson | 2012 |
| 15 | 110.6 | Taylor Swift | 2013 |
| 16 | 109.7 | Rolling Stones | 2015 |
| 17 | 109.7 | U2 | 2001 |
| 18 | 108.2 | Bon Jovi | 2010 |
| 19 | 107.3 | Bon Jovi | 2013 |
| 20 | 105.3 | Madonna | 2008 |
| 21 | 104.7 | Bruce Springsteen & E St. Band | 2012 |
| 22 | 103.5 | Pink Floyd | 1994 |
| 23 | 103.3 | Paul McCartney | 2002 |
| 24 | 98.0 | The Rolling Stones | 1989 |
| 25 | 97.7 | Taylor Swift | 2011 |
| 26 | 96.5 | Kenny Chesney/Tim McGraw | 2012 |
| 27 | 96.0 | Beyonce / JayZ | 2014 |
| 28 | 94.5 | Bruce Springsteen & E St. Band | 2009 |
| 29 | 94.3 | Katy Perry | 2014 |
| 30 | 94.0 | Celine Dion | 2008 |
| 31 | 92.5 | Barbra Streisand | 2006 |
| 32 | 90.9 | Kenny Chesney | 2013 |
| 33 | 90.2 | Roger Waters | 2012 |
| 34 | 89.5 | Roger Waters | 2010 |
| 35 | 89.3 | The Rolling Stones | 1997 |
| 36 | 88.8 | Tim McGraw / Faith Hill | 2006 |
| 37 | 88.0 | Elton John / Billy Joel | 2009 |
| 38 | 87.9 | The Rolling Stones | 2002 |
| 39 | 87.7 | The Rolling Stones | 2013 |
| 40 | 87.4 | Prince | 2004 |
| 41 | 86.8 | *Nsync | 2001 |
| 42 | 85.9 | Madonna | 2006 |
| 43 | 84.6 | Kenny Chesney | 2011 |
| 44 | 83.3 | Justin Timberlake | 2014 |
| 45 | 82.5 | Britney Spears | 2009 |
| 46 | 82.2 | Kevin Hart | 2015 |
| 47 | 82.1 | Backstreet Boys | 2001 |
| 48 | 80.2 | Tina Turner | 2000 |
| 49 | 79.9 | U2 | 1997 |
| 50 | 79.5 | Madonna | 2004 |