

Live Nation, Inc.  
Form 10-Q  
August 09, 2007  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 10-Q**

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**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2007,

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

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**LIVE NATION, INC.**

(Exact name of registrant as specified in its charter)

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Delaware  
(State of Incorporation)

9348 Civic Center Drive

Beverly Hills, CA 90210

(Address of principal executive offices, including zip code)

20-3247759  
(I.R.S. Employer Identification No.)

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(310) 867-7000

(Registrant's telephone number, including area code)

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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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer  Accelerated filer  Non-accelerated filer

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

On August 3, 2007, there were 65,975,747 outstanding shares of the registrant's common stock, \$0.01 par value per share, excluding 1,261,165 shares held in treasury.

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**LIVE NATION, INC.**

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**Index to Financial Statements****PART I FINANCIAL INFORMATION****Item 1. Financial Statements (unaudited)****CONSOLIDATED BALANCE SHEETS**

	June 30, 2007 (unaudited)	December 31, 2006 (audited)
	(in thousands)	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 466,661	\$ 313,880
Accounts receivable, less allowance of \$16,310 as of June 30, 2007 and \$13,465 as of December 31, 2006	405,169	248,772
Prepaid expenses	339,539	136,938
Other current assets	50,642	38,519
<b>Total Current Assets</b>	<b>1,262,011</b>	<b>738,109</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Land, buildings and improvements	991,555	999,561
Furniture and other equipment	211,175	193,290
Construction in progress	36,378	43,370
	1,239,108	1,236,221
Less accumulated depreciation	374,433	360,049
	864,675	876,172
<b>INTANGIBLE ASSETS</b>		
Intangible assets net	174,132	73,398
Goodwill	357,339	423,169
<b>OTHER ASSETS</b>		
Notes receivable, less allowance of \$545 as of June 30, 2007 and as of December 31, 2006	14,229	2,613
Investments in nonconsolidated affiliates	58,334	61,342
Other assets	82,570	50,199
<b>Total Assets</b>	<b>\$ 2,813,290</b>	<b>\$ 2,225,002</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 113,204	\$ 40,646
Accrued expenses	523,307	471,414
Deferred revenue	764,988	230,179
Current portion of long-term debt	31,941	31,721
<b>Total Current Liabilities</b>	<b>1,433,440</b>	<b>773,960</b>
Long-term debt	578,024	607,425
Other long-term liabilities	83,405	88,790
Minority interest liability	59,650	76,165
Series A and Series B redeemable preferred stock	40,000	40,000
Commitments and contingent liabilities (Note 6)		
<b>SHAREHOLDERS EQUITY</b>		

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Common stock	672	672
Additional paid-in capital	763,913	757,748
Retained deficit	(154,132)	(119,005)
Cost of shares held in treasury	(21,884)	(21,472)
Accumulated other comprehensive income	30,202	20,719
<b>Total Shareholders Equity</b>	<b>618,771</b>	<b>638,662</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>\$ 2,813,290</b>	<b>\$ 2,225,002</b>

See Notes to Consolidated Financial Statements

**Index to Financial Statements****CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	(in thousands except share and per share data)			
Revenue	\$ 1,039,565	\$ 768,230	\$ 1,623,750	\$ 1,284,797
Operating expenses:				
Direct operating expenses	814,993	604,779	1,236,305	982,611
Selling, general and administrative expenses	173,163	129,187	324,496	245,203
Depreciation and amortization	25,027	16,306	52,713	31,311
Gain on sale of operating assets	(19,268)	(1,682)	(14,806)	(9,410)
Corporate expenses	9,263	7,958	19,059	15,337
Operating income	36,387	11,682	5,983	19,745
Interest expense	15,270	8,348	30,222	16,161
Interest income	(4,425)	(4,496)	(7,194)	(5,976)
Equity in earnings of nonconsolidated affiliates	(2,875)	(1,478)	(3,218)	(3,302)
Minority interest expense (income)	3,472	151	427	(684)
Other income net	(325)	(5,879)	(385)	(3,325)
Income (loss) before income taxes	25,270	15,036	(13,869)	16,871
Income tax expense (benefit):				
Current	14,931	5,884	17,137	6,051
Deferred	417	(530)	4,121	21
Net income (loss)	9,922	9,682	(35,127)	10,799
Other comprehensive income (loss), net of tax:				
Unrealized holding gain on cash flow derivatives	871	1,377	435	1,869
Foreign currency translation adjustments	9,115	11,919	9,048	15,597
Comprehensive income (loss)	\$ 19,908	\$ 22,978	\$ (25,644)	\$ 28,265
Net income (loss) per common share:				
Basic	\$ .15	\$ .15	\$ (.54)	\$ .17
Diluted	\$ .15	\$ .15	\$ (.54)	\$ .17
Weighted average common shares outstanding:				
Basic	65,521,804	64,462,679	65,510,822	64,218,450
Diluted	67,702,746	65,329,597	65,510,822	64,919,415

See Notes to Consolidated Financial Statements

**Index to Financial Statements****CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

	Six Months Ended June 30,	
	2007	2006
	(in thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$ (35,127)	\$ 10,799
Reconciling items:		
Depreciation	39,117	30,375
Amortization of intangibles	13,596	936
Deferred income tax expense	4,121	21
Amortization of debt issuance costs	618	292
Non-cash compensation expense	5,799	1,570
Gain on sale of operating assets	(14,806)	(9,410)
Loss (gain) on sale of other investments	(64)	2,051
Equity in earnings of nonconsolidated affiliates	(3,218)	(3,302)
Minority interest expense (income)	427	(684)
Decrease in other net		(39)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(152,759)	(63,170)
Increase in prepaid expenses	(217,800)	(199,189)
Increase in other assets	(43,698)	(13,828)
Increase in accounts payable, accrued expenses and other liabilities	90,429	56,397
Increase in deferred revenue	528,341	383,508
Net cash provided by operating activities	214,976	196,327
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Collection of notes receivable	1,857	2,972
Advances to notes receivable	(12,880)	(2,033)
Distributions from nonconsolidated affiliates	5,956	6,128
Investments made to nonconsolidated affiliates	(23,890)	(7,307)
Proceeds from disposal of other investments	3,616	1,743
Purchases of property, plant and equipment	(39,462)	(31,967)
Proceeds from disposal of operating assets	60,195	36,655
Acquisition of operating assets, net of cash acquired	(25,316)	(4,022)
Decrease (increase) in other net	417	(621)
Net cash provided by (used in) investing activities	(29,507)	1,548
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt, net of debt issuance costs	87,051	1,228
Payments on long-term debt	(118,765)	(6,351)
Contributions from minority interest partners		23,294
Distributions to minority interest partners		