

**Consent to certain actions for the purposes of the initial undertakings
accepted by the Office of Fair Trading on 9 November 2009**

**Completed acquisition by Ambassador Theatres Group Limited (ATG) and
ultimately, its parent company, Exponent Private Equity LLP (Exponent),
of the portfolio of theatres formerly owned by Live Nation (Venues) UK
Limited (LN business)**

We refer to your letter dated 9 November 2009 requesting that the OFT
consent to derogations to the Initial Undertakings of 9 November 2009
(the Initial Undertakings).

Under the Initial Undertakings, save for by written consent by the OFT,
provision was made that ATG, its holding company, Diplomatic Applause
Limited (DAL) and its ultimate parent company, Exponent would hold
separate from LN business. After due consideration of your request for
derogations to the Initial Undertakings, ATG, DAL and Exponent may
carry out the following actions, in respect of the specific paragraphs:

2(a) Initial Undertaking

- ATG is permitted to change the email addresses for LN theatres and staff to e-mail addresses which refer to "@theambassadors.com".
- ATG is permitted to use the ATG brand in respect of the LN business.

2(c) and 2(j) (i) Initial Undertakings

- During the specified period, the LN business will be managed on a day to day basis by [redacted] as the Chief Executive Officer. [redacted] from ATG's finance department will be seconded to the LN business. [redacted] and [redacted], senior members of the Exponent team, will act as non-executive directors of the LN business to enable Exponent to monitor its

investment in the LN business. During the specified period, [X] except as authorised below:

- shall not pass any Confidential Information (for the purposes of this letter, as defined in the Initial Undertakings) relating to the LN business to either the ATG business including its holding company, DAL or to Exponent (or any of ATG's or Exponent's investors, employees, directors, partners, agents or affiliates excluding, in respect of Exponent, [X]);
- shall not have access to any Confidential Information relating to the ATG business.
- During the specified period, [X] and [X], senior members of the Exponent team, will act as non-executive directors of the ATG business to enable Exponent to monitor its investment in the ATG business and during that period, except as authorised below:
 - shall not pass any Confidential Information relating to the ATG business to either the LN business or to Exponent (or any of LN's or Exponent's investors, employees, directors, partners, agents or affiliates excluding, in respect of Exponent, [X] and [X]);
 - shall not have access to any Confidential Information relating to the LN business.

Notwithstanding the above, the following individuals are authorised as follows:

In managing the LN business, [X] may draw upon finance, IT, health and safety compliance, personnel and other operational support from persons employed by ATG to the extent that such capability does not exist within the LN business provided that no Confidential Information may be exchanged.

[X] and [X] may report to Exponent (including those investors in the funds managed by Exponent that have invested in relation to ATG) on a periodic basis as to the overall financial performance of the LN business and [X] and [X] may report to Exponent (including those investors in the funds managed by Exponent that have invested in relation to ATG) on a periodic basis as to the overall financial performance of the ATG business. [X] may also report to Exponent (including those investors in the funds managed by Exponent

that have invested in relation to ATG) on a periodic basis as to the overall financial performance of the LN business. Such reports may include the following items of aggregate financial information for the LN business and the ATG business (as appropriate):- revenues, profit, costs, cash flow, EBITDA and performance against expectations, together with a commentary on the performance of the respective businesses as a whole. Such reports may not include any information concerning the performance of any individual theatre or theatres within the LN or ATG businesses (as appropriate) provided that it may mention specific events that impact or may impact on the relevant business as a whole.

The reports to be made by [§<] and [§<] to Exponent shall be made to [§<] and the reports to be made by [§<], [§<] and [§<] to Exponent shall be made to [§<]. In each case, the recipients shall preserve the confidentiality of the information contained in the reports.

The reports to be made to Exponent concerning the ATG business and the LN business shall also be made to [§<].

[§<], will take responsibility for health and safety compliance issues relating to both the ATG business and the LN business.

All the above individuals will be informed by letter of their obligations in respect of Confidential Information and will sign a copy of the letter confirming that they have been so informed. The letter shall provide that any person who has had access to Confidential Information pursuant to this derogation shall maintain its confidentiality and shall return or destroy any Confidential Information which relates to any part of the ATG business or the LN business which is divested by ATG during the specified period. During the specified period, save as specifically mentioned above, none of the persons named above as being responsible for the LN business will have any other role in DAL or ATG or any of its controlled subsidiaries or controlled companies.

2(d) (ii) Initial Undertaking

- ATG is permitted to continue negotiations with third parties to acquire or dispose of certain venues. Any final agreement between ATG and a third party will be subject to OFT consent.

2(d) (iii) Initial Undertaking

- It is ATG's intention to [§<]
- In negotiating with [§<].

2(f) Initial Undertaking

- The LN business does not have any of its own IT systems since these were all provided on a group basis by the former owner of the LN business. For a transitional period the LN business is able to continue using the systems of its former owner but ATG will need to replace those systems with its own in order to enable the LN business to operate normally. ATG is therefore permitted to develop the capability to integrate the IT systems of both ATG and LN (which will involve the design and testing of processes and systems) and to implement the same where that is necessary to enable the LN business to continue to operate. ATG will not have access to or merge the data from LN's existing database with that from ATG's database without the OFT's consent. The data will be held in a separate server.
- ATG will be able to carry out performance testing of its IT system to ensure optimal performance provided that in doing so, ATG will not have access to data concerning the LN business.

2(f), (g) (h) and 5 Initial Undertaking

- As Exponent is a financial investor without involvement or knowledge of the day to day running of the business, the obligations in paragraphs 2(f), (g) (h) and 5 will be given by ATG only.

2(g) Initial Undertaking

- Many of the contracts with suppliers of the LN business were also on a group basis which will not continue or which need to be separated following the sale of the LN business. Where contracts need to be separated or new supply contracts need to be entered into ATG is permitted to negotiate and enter into contracts with

suppliers of products and services in relation to LN business including any cases where there are suppliers who are common to both the ATG and LN businesses

3 Initial Undertaking

- Exponent is a private equity investor with investments in a number of portfolio companies that are unrelated to its investment in ATG. The undertakings shall not apply to any of its current or future subsidiaries, portfolio investments or associated companies other than those related to ATG and DAL.

4 Initial Undertaking

- The statement referred to in paragraph 4 will be given by Howard Panter, joint CEO of ATG in respect of the compliance of the ATG business and the LN business with the Initial Undertakings (including compliance by, [§<] the directors nominated by Exponent to the LN business and [§<], the directors nominated by Exponent to the ATG business).
- Craig Vickery, financial director of Exponent will give the statement as regards Exponent's compliance on its own behalf only with its obligations under the Initial Undertakings (excluding compliance by its nominated directors which will be reported on by Howard Panter as referred to above).

The Appendix

The Compliance Statement in the Appendix shall be amended to reflect the derogations set out above.

Finally, please note that it is the OFT'S intention to publish the non-confidential version of the derogations to the Initial Undertakings on our website as soon as practicable. We have noted your requests for excisions regarding 2(c) and 2(j), (i) as well as 2(d) (iii).