

AEG'S 2010 ENVIRONMENTAL SUSTAINABILITY REPORT



INTRODUCING AEG'S COMMITMENT

TO SUSTAINABILITY



THE O2

O2 WORLD BERLIN

O2 WORLD HAMBURG
(FORMERLY KNOWN AS COLOR LINE ARENA)

ACER ARENA

CITIZENS BUSINESS BANK ARENA

CLUB NOKIA

THE HOME DEPOT CENTER

L.A. LIVE

NOKIA THEATRE L.A. LIVE

NOKIA THEATRE TIMES SQUARE

OGDEN THEATRE

RENTSCHLER FIELD

ROSE GARDEN

SAN DIEGO SPORTS ARENA

SPRINT CENTER


STAPLES CENTER

STOCKHOLM GLOBE ARENAS

TARGET CENTER

VERIZON THEATRE AT GRAND PRAIRIE
(FORMERLY KNOWN AS NOKIA THEATRE GRAND PRAIRIE)

XL CENTER



“Let every individual and institution now think and act as a responsible trustee of Earth, seeking choices in ecology, economics and ethics that will provide a sustainable future.”

— John McConnell, founder of International Earth Day

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INTRODUCTION

AEG is the largest company at the cross section of three industries: facilities management, live entertainment and sports management. Since 2007, all three industries have demonstrated an increase in environmental awareness within the silo of their industry. However, to this day, no one entity or association has taken a lead in fully analyzing and understanding the overarching environmental impacts of all three industries.

With AEG's first Environmental Sustainability Report, it is our goal to change this trend. We want to be the leaders in our sector, the sports and live entertainment industries, by establishing the environmental standards by which other such organizations can measure themselves. To accomplish this, we are attempting to detail, measure and manage all aspects of our environmental performance.

AEG's sustainability program was formally adopted in July 2007 when AEG President and CEO Tim Leiweke asked a simple question, "What would it take to make AEG "green"?" A committee of corporate leaders representing a cross section of AEG divisions was tasked with finding the answer. After numerous sustainability initiatives have been launched, this report marks the culmination of a three-year effort to develop a measurable and quantifiable assessment of AEG's environmental performance.

This report has been one of our most important projects to date, challenging us to take an honest, detailed, and comprehensive look at our operations and their environmental impacts. Data gathered from 2007 to 2009 through our unique Ecometrics environmental performance tracking system revealed an objective, self-effacing, and realistic picture of our environmental performance. We learned where we've done well, as well as where we need to improve.

The sports and live entertainment industries are two of the largest in the world, accounting for hundreds of billions of dollars in revenue each year. By publishing our report and fully disclosing our environmental performance – both good and bad – AEG joins an elite group of businesses leading the way in environmental and social performance reporting.

Our report is an attempt to demonstrate that environmental performance in the sports and entertainment sectors is tangible and quantifiable. By applying appropriate verification and accountability systems, both impact and performance can be benchmarked.

While we know we have a lot of work ahead, we believe we are headed in the right direction.



Black Eyed Peas, STAPLES Center—
Los Angeles, CA



Los Angeles Kings

MESSAGE FROM THE PRESIDENT AND CEO

Over the last few years, a lot has changed in people's perception of the environmental and business worlds - two worlds that have been separate for too long.

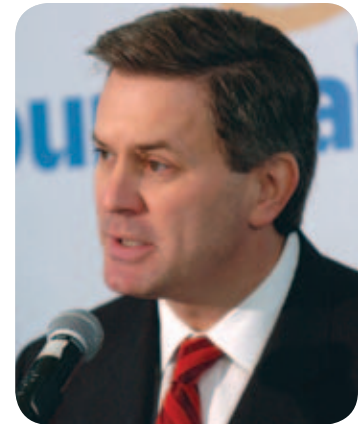
The concept of environmental sustainability, and, in particular, climate change, has reached a heightened level of public consciousness and so has our concept of corporate responsibility. Evidence of the public's increased awareness was recently seen in the awarding of the Nobel Peace Prize to the Intergovernmental Panel on Climate Change (IPCC) for work addressing climate change as well as the G8 countries agreeing to cut carbon emissions by 80 percent by 2050.

AEG partners like Target, The Home Depot and Toyota have introduced top selling eco-friendly products that are now mainstream. And as we put final edits on our sustainability report, the United Nations Conference on Climate Change in Copenhagen raised climate change to the highest levels of government and gained political consensus on the need for a long-term and global response to climate change. All of this activity prompted the "greening" of Corporate America.

As leaders in the sports and entertainment world, AEG has decided it is our responsibility to set the standard for being an environmentally responsible company. I pledge to you that we will continue following this course of action and expand our efforts.

I am pleased with many of our achievements so far. Over the past few years, we have:

- Developed an environmental policy and program called AEG 1EARTH, with short- and long-term environmental goals
- Installed a 346-kW solar PV renewable energy system at the STAPLES Center and a 166-kW system at Nokia Theatre L.A. LIVE
- Partnered with the City of Minneapolis to develop the country's 5th largest vegetated green roof at Target Center
- Partnered with the Portland Trail Blazers at Rose Garden to be the first sports arena to achieve a Leadership in Energy and Environmental Designs (LEED) Gold Certification for Existing Building Operation and Maintenance
- Partnered with the World Wildlife Fund as a global host for "Earth Hour," with over 30 venues turning out their lights for an hour as part of the largest call for action on climate change
- Began the development of formal Environmental Management Systems at select venues
- Began to account for all the environmentally preferable products we buy and sell
- Installed 496 waterless urinals at our Southern California venues including all L.A. LIVE venues
- Assessed our carbon footprint, analyzed all resources consumed and wastes generated at our 20 primary-owned and managed venues
- Registered the JW Marriott Los Angeles at L.A. LIVE, The Ritz-Carlton and The Ritz-Carlton Residences at L.A. LIVE for a LEED certification for New Construction



Tim Leiweke,
President and CEO, AEG



Our immediate goals are relatively humble: We want to continue to assess our environmental impact, benchmark our progress toward improvement, and relentlessly improve our environmental performance in tangible ways.

Among other things, this will involve creating formal Environmental Management Systems (EMSs) at our venues, measuring our environmental performance, which we call “Ecometrics,” and candidly disclosing our environmental impact in an annual sustainability report based on the Global Reporting Initiative’s (GRI) guidelines (version G3, published in 2006).

We recognize that progress won’t be easy. The economic downturn has made many corporations’ primary focus on short-term financial survival rather than long-term environmental sustainability. But AEG is committed to superior environmental performance in both the short-term and long-term. This will not be a passing fad for us.

Our reporting had an unintended result as well: We better identified our regulatory compliance issues, keeping us mindful of meeting our legal requirements while aggressively pursuing sustainability.

Among our achievements, however, this report may be our biggest one thus far—its creation is ground-breaking for our sector. Few sports, live entertainment or facility management companies, if any, have endeavored such a project.

AEG’s 2010 Environmental Sustainability Report is a snapshot of our environmental performance to date. It documents our efforts to inspire our industry and the wider business community to embrace a model where economic growth is merged with environmental responsibility. I believe this integrated model will lead to our long-term success.

In the following pages, you can read about our progress as well as our challenges. Let me say this internal analysis was no easy task. Overcoming our own inertia to enact internal change was, and still remains, a daily challenge. But with this report, we are creating momentum both within and outside our ranks among all of our stakeholders, as well as the millions of visitors that come to AEG-sponsored events and venues.

Engaging the tens of millions of people who cross into AEG’s sphere of influence each year may be our greatest opportunity for environmental change—change that is being embraced by our partners and our guests.

So, we ask: Is it possible that AEG could help influence the millions of people who enter our venues to leverage environmental improvement, protection and change? Could this kind of leverage be so significant as to materially alter a community, a country, or even the world, for the better? The thought of this is daunting. But we aim to find out.

Sincerely,

Timothy J. Leiweke
President and CEO, AEG

COMPANY PROFILE



WHO WE ARE

AEG, a wholly-owned subsidiary of the Anschutz Company, either directly or through affiliates, owns or manages an international network of live entertainment and sports companies. Since its formation in 1994, AEG has developed core capabilities in various aspects of live entertainment and sports including, but not limited to, facility management; live entertainment production and promotion, sponsorship and marketing; sports management and promotion; merchandising; and real estate development.

AEG Live, the entertainment division, is the world's second largest concert promoter. Each year AEG Live promotes 3,500 concerts and owns or manages a variety of music festivals worldwide. AEG has multiple affiliates that specialize in marketing and sponsorship development for AEG and non-AEG concerts, events, venues and sports teams.

AEG also owns interests in various professional sports teams, including the Los Angeles Kings of the National Hockey League and the Los Angeles Galaxy and the Houston Dynamo of Major League Soccer. In addition, AEG Sports promotes sporting events such as the Amgen Tour of California bicycle race and the ING Bay to Breakers foot race as well as a schedule of international soccer exhibitions. Furthermore, AEG has affiliate merchandising companies that create, manage and distribute merchandise globally for sports and entertainment venues, teams, bands and events such as STAPLES Center, Linkin Park and the 2010 FIFA World Cup in South Africa.

All of the AEG divisions are supported by AEG Global Partnerships, a division responsible for worldwide sales and servicing of sponsorships, naming rights and other strategic partnerships.

AEG Real Estate & Development designs several sports and entertainment development projects from sports and music venues to sports and entertainment districts. And through the AEG Facilities division, AEG operates or consults with more than 90 of the industry's preeminent venues worldwide.

In addition, AEG has developed charitable foundations and partnerships with non-profit organizations that focus on corporate philanthropy and community involvement. Over the past ten years, AEG has contributed over \$65 million in direct financial and in-kind support of charitable, community and civic programs.



Amgen Tour of California

AEG CORE CAPABILITIES

- 1) Facilities Management
- 2) Live Entertainment Production and Promotion
- 3) Sponsorship and Marketing
- 4) Sports Management and Promotion
- 5) Merchandising
- 6) Real Estate and Development



ARENAS, STADIA AND THEATERS: 7,000 SEATS OR MORE

In 2007, AEG Facilities became the formal operating entity responsible for AEG’s owned or managed venues of 7,000 seats or more. AEG Facilities guides the daily operations of AEG venues worldwide including facilities built by AEG’s Real Estate and Development team, managed and leased properties and all other venue services agreements. AEG Facilities services include building management, booking and programming, marketing, sponsorship and premium seating sales, ticket sales, supplier management, asset and energy management, event management and guest services. In 2008, AEG Facilities launched a joint venture, AEG Ogden based in Sydney, Australia, to manage and provide support services to venues in the Asia Pacific region. In 2009, AEG Facilities announced a partnership with the NBA to develop and manage venues in China. Presently, AEG Facilities manages venues on four continents.

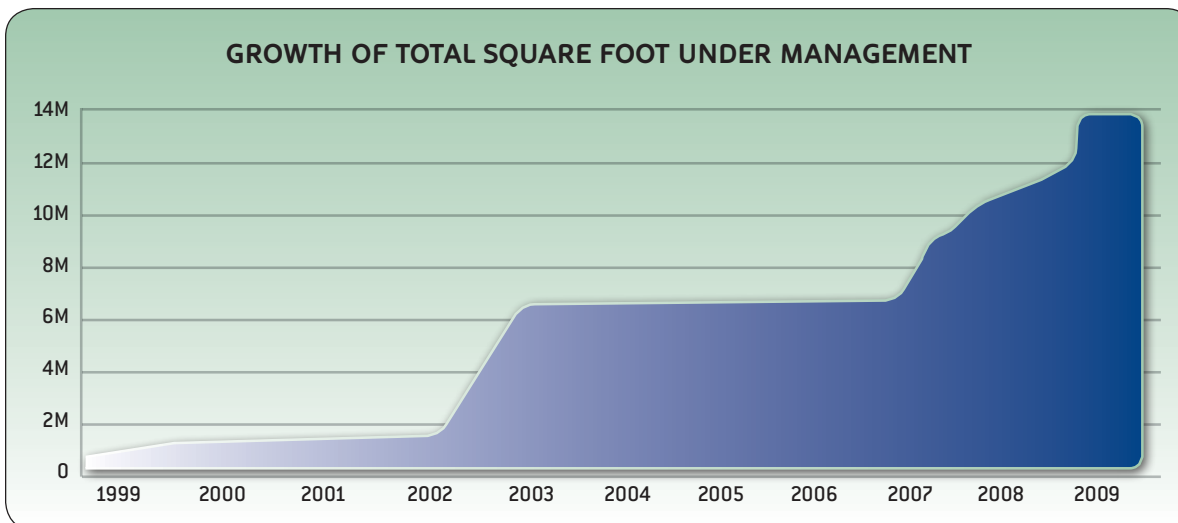


THEATERS AND CLUBS: 7,000 SEATS OR LESS

In 2002, AEG Live started to acquire lease agreements at numerous clubs and theaters ranging in size from 300 to 7,000 seats. Similar to AEG Facilities, AEG Live performs management services for clubs and theaters as well as consulting and booking services to theaters and clubs that are not owned by AEG Live.



One of the most visible aspects of AEG Live’s business is the promotion and marketing of concerts and events. As a promoter, AEG Live has minimal influence over operational decisions and subsequent environmental impacts related to the event. In the coming years, we hope to better understand, measure and report our environmental performance as it relates to our role as promoter.



*The number of venues in AEG’s portfolio selected for inclusion in AEG’s Ecometrics grew from seven in 2007 to 14 in 2008 and 20 in 2009.

CORPORATE STRUCTURE

AEG has two governing bodies, the Anschutz Corporation executive board and the AEG executive committee. Each major division is headed by a chief officer or executive vice presidents with departments run by senior vice presidents and vice presidents.



ENVIRONMENTAL IMPACT OF THE SPORTS AND LIVE ENTERTAINMENT INDUSTRY

Like any other business, the sports and live entertainment industries have an impact on our natural environment. Simply put, the process of creating memorable guest experiences takes its toll on our natural resources—resources which are used to produce nondurable (soft) goods used or sold at venues. These include such items as food, cleaning products, fuel, office supplies, packaging and containers, paper and paper products, plastics, textiles, and clothing.

This activity requires energy of all types, including fossil fuels such as coal from electricity generation, natural gas, gasoline, diesel fuel, and propane. Janitorial staff and maintenance workers use chemicals to clean and maintain building systems, some of which generate hazardous waste. All of our operations, especially those bringing together tens of thousands of people at events, generate solid waste.

Additionally, the company's consumption of these resources results in air pollutants, including "Scope 2" greenhouse gases (primarily carbon dioxide), nitrogen and sulfur oxides, carbon monoxide and particulate matter.

Our report examines not only environmental impacts that AEG can manage directly on-site, but also impacts that can be managed indirectly off site. For example, electricity used to power AEG venues and operations generates fossil fuel emissions at off-site power plants located many miles away. In fact, more than 90 percent of all emissions mentioned in this report are indirect Scope 2 emissions released at off-site power plants.

TRENDS IN THE SPORTS, FACILITY MANAGEMENT, AND LIVE ENTERTAINMENT INDUSTRIES

As mentioned earlier, AEG is the largest company at the cross section of three industries: facilities management, live entertainment and sports management. Although these industries have demonstrated an increase in environmental awareness within the last few years, the entertainment sector at large is considered to "lag behind most other sectors in corporate environmental and sustainability reporting," as referenced in a 2009 study by the Roberts Environmental Center. The study further states that the entertainment sector suffers from "a general lack of both quantitative and qualitative information on sustainability and environmental policy." AEG hopes to change this by being the first live entertainment, sports or facility management company to produce an environmental sustainability report and measure the environmental performance of all owned and managed venues. Furthermore, AEG is committed to expanding our measuring and reporting to all of our operations over the next few years.

Trends in Live Entertainment

The music and entertainment industry has long been considered a leader in social and environmental awareness. Individual musicians deserve much credit for taking leadership positions in reducing the



environmental impact of their own tours, as well as for educating fans about the importance of environmental stewardship. Despite the highly effective and visible efforts of artists like Jack Johnson, Alanis Morissette and the Black Eyed Peas, there has been no concerted effort to measure and establish an industry benchmark for the environmental footprint of concerts, tours and festivals. LiveEarth was the first festival to analyze its carbon footprint, but there is no standard with which to compare. In 2011, we will change that with our reporting tools.

Trends in Sports Management

University-level sports management programs have conducted surveys on behalf of the NHL, NFL, NBA and MLB to determine what professional sports leagues and teams are doing to protect the environment. The results of these surveys show that most environmental improvement is expected to come from the facilities themselves while not much is being done to measure or report on the actual operation of the teams. Some U.S. based sports leagues have partnered with environmental groups, such as the Natural Resources Defense Council, to educate league teams on environmental best business practices and encourage them to participate in public awareness events, such as the NBA Green Week, to educate their fans. These programs have been successful in raising public awareness but have not provided any formal measure for environmental performance of sports teams.

Trends in Facility Management

In general, the facility management industry at large continues to be reactive rather than proactive when it comes to sustainability issues. The industry's environmental successes are primarily in response to requests from cities, sports teams and artists to implement environmental programs such as public recycling or serving of organic food. With that said, there are three new significant environmental trends that have begun, to some extent, to change the facility management industry:

- 1) Green Procurement – There is a growing trend towards environmentally preferable products being sold or used in facilities, primarily due to customer demand.
- 2) Energy, Water and Waste Management – With the rising costs of electricity, water and waste management, efficiency and conservation measures are being undertaken to both improve the bottom line and reduce environmental impact.
- 3) Environmental Design and Construction – Integration of sustainable design concepts into facilities has been growing for several years. The rising popularity of the U.S. Green Building Council's Leadership in Energy and Environmental Design LEED rating system has helped push sustainable design concepts into the facilities industry. A handful of arenas have already received LEED certification.

AEG plans to take environmental performance in its facilities to a higher level.



REPORTING METHODOLOGY

MATERIALITY

AEG's sustainability report has been guided by the Global Reporting Initiative's (GRI) framework for sustainability reporting. The GRI is an organization that maintains globally accepted Sustainability Report Guidelines that foster transparency and accountability. According to the GRI, a comprehensive report should "cover topics and indicators that reflect the organization's significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders." We reviewed the indicators and found that, as a medium-sized private company, many of the GRI indicators were not relevant to our operations. For example, because AEG is privately held, we are not able to report on economic indicators outlined by GRI. Other indicators were arguably material, but were beyond our ability to measure at the present time. As a result, we decided to follow the GRI principles and specific indicators to the best of our ability and focus our first report on environmental sustainability.

AEG stakeholders include: city and municipal officials; live performers, sports franchises and event organizers; our suppliers, contractors and vendors; venue and event guests; all AEG employees and the executive management team. The likely end-users of this report include sustainability professionals, state and federal regulatory agencies, and arena and live event industry professionals.

We utilized the fundamental GRI reporting principles of: materiality, stakeholder inclusiveness, sustainability context, completeness, balance, comparability, accuracy, timeliness and reliability. However, we focused the report on GRI's environmental performance indicators (presented in the Environmental Performance section of this report). The Environmental Performance section aims to present baseline data for our significant environmental aspects and areas of impact, interpret that data, then give specific examples of projects, programs, and initiatives that affect that data - positively or negatively.

AEG has included other GRI indicators, such as company vision and strategy, organizational profile, report scope, report profile, structure and governance, stakeholder engagement, policies and management systems. We also addressed our

VERIFICATION

For AEG's first Environmental Sustainability Report, we chose to audit both the methodology and accuracy of our environmental performance metrics. Our data collection methodology was audited by Ecologix by Xanterra, an environmental consulting division of Xanterra Parks & Resorts, Inc. (Xanterra).

Our data collection accuracy was audited by an independent utility auditing company, FCI Management Consultants (FCI), a certified minority business enterprise.

Audit Findings on Ecometrics Methodology

The Ecometrics performance-tracking system was reviewed for all 20 venues participating in AEG's 2010 Environmental Sustainability Report. Based on Xanterra's review and testing, Xanterra found the methodology for calculating carbon dioxide



initial endeavors into social performance in the Social Responsibility section. However, we have not comprehensively addressed GRI Social Performance Indicators. We acknowledge their importance within our company's operations and hope to fully report on this component in future years.

Finally, we acknowledge the fact that we are beginning our 2020 vision towards environmental sustainability at "ground level." We believe we have only scratched the surface of what we are capable of accomplishing. Still, we are proud of our environmental successes to date. Since 2010 is the first year we communicated our AEG 1EARTH environmental program and 2020 vision to our employees, we anticipate significant improvement in the years to come.

SCOPE OF REPORT

For this first sustainability report, we have focused on the areas of our business that have the greatest environmental impact: the venues in which AEG has decision-making ability to affect tangible change in operations. When we began to write this report, there were 20 venues that AEG Facilities and AEG Live divisions managed or owned that met these requirements. In most cases, when AEG owns or manages an arena, theater or club, we are responsible for sponsorships, booking events, marketing, operations, maintenance, guest services, security, box office, product and service contracts.

AEG estimates that as much as 80 percent of the company's total environmental impact is captured within the operations associated with the 20 venues analyzed in this report. All North American and European venues that AEG Facilities owns or manages are included in this report, including one AEG Ogden venue. All AEG Ogden venues will be included in AEG's next report. In addition, we have included four AEG Live clubs and theaters. All other AEG Live theaters and clubs will be included in the next report.

For more information about AEG, visit www.aegworldwide.com. Additional reports can be requested by calling AEG's Office of Sustainability at (213) 763-5451.

CO₂, Nitrogen Dioxides NO_x and Sulfur Dioxide SO₂ emissions to be accurate.* Xanterra also found that the tracking system correctly calculates monthly and annual resource consumption totals both at the venue and corporate level.

Audit Findings on Accuracy of Data

AEG provided two months of randomly sampled billing data from 2008 and 2009 along with each venue's Ecometrics to FCI Consultants. Seventy-three percent of the venues were able to provide documentation that their usage data was recorded accurately. However, twenty-seven percent of the venues were unable to provide sufficient documentation to verify data, either they did not have access to historical monthly bills or they had no documentation to identify how annual usage was broken down into monthly increments. To improve data verification moving forward, AEG is defining parameters for back-up documentation to verify venue's data recordings.

*Emission factors were taken from two sources:

1) US Grid Electricity and Stationary Combustion—a 2009 Leonardo Academy, A White Paper for Multiple Pollutant Emission Reduction Reporting System.

2) International Grid Electricity—GHG Protocol Initiative website (www.ghgprotocol.org), Emission Factors for Electricity Consumption and Stationary Combustion.

LONG TERM ENVIRONMENTAL GOALS

2020 ENVIRONMENTAL VISION

Setting environmental goals is not an easy process. Setting realistic, material, far-reaching, yet achievable goals is even more difficult.

In 2007 and 2008, AEG's manager of sustainability spent several months with an internal cross-functional team of AEG vice presidents, directors, and managers of varying divisions to flesh out environmental priorities, set realistic sustainability goals, and assign specific targets for reaching those goals. These specific targets continue to be refined by each business unit and facility. They are time-bound and assigned personal responsibility at each location. Over time, our AEG Ecometrics tracking system data will verify whether specific measures implemented are improving environmental performance.

This goal and target-setting process is the foundation upon which AEG's 2020 environmental vision is based. That process, coupled with the development of environmental management systems at AEG Facilities, is what will help AEG meet these goals in the upcoming years. While these goals are intentionally far-reaching, they are also achievable with the focus and commitment our company has pledged. They will steer our decision-making at all levels, leading AEG in a more sustainable direction over the next decade.

AEG'S 1EARTH 2020 ENVIRONMENTAL VISION GOALS*

ENERGY AND CLIMATE

- 20 percent reduction in greenhouse gas emissions (CO2 intensity)
- 15 percent of all electricity usage derived from renewable energy sources

RECYCLING AND WASTE DIVERSION

- 25 percent of all solid waste diverted from landfill
- 75 percent solid waste diversion rate at 10 designated venues and events
- Zero hazardous waste generated

WATER CONSERVATION

- 20 percent reduction in water use intensity

SUSTAINABLE PURCHASING

- 50 percent of total dollars spent on designated "high impact products and services" to be environmentally preferable

EDUCATION

- 100 percent of AEG facilities and venues include environmental messaging and information available to staff, partners and guests



Rentschler Field—Hartford, CT

* All goals use a baseline year of 2007



THE ROAD MAP TO ACHIEVING OUR ENVIRONMENTAL VISION

AREA OF IMPACT	AEG 2020 VISION	KEY PROJECTS PLANNED TO HELP US GET THERE
Energy and Climate	20 percent reduction in greenhouse gas emissions (CO2 intensity) 15 percent of all electricity usage derived from renewable energy sources	<ul style="list-style-type: none"> • Invest in renewable energy systems and Renewable Energy Certificates • Educate employees on energy efficiency through Environmental Management Systems (EMS) • Implement energy efficiency measures such as retro-commissioning • Utilize sustainable design for new construction projects • Install best available technology in capital equipment replacement and maintenance
Recycling and Waste	25 percent of all solid waste diverted from the landfill 75 percent solid waste diversion rate at 10 designated venues and events Zero hazardous waste generated	<ul style="list-style-type: none"> • Implement additional recycling programs • Implement additional durable goods donation programs • Implement more composting programs • Implement non-hazardous alternatives to hazardous waste • Conduct periodic waste audits
Water	20 percent reduction in water use intensity	<ul style="list-style-type: none"> • Educate employees on water efficiency through EMS • Install best available technology for water fixtures and equipment, such as waterless urinals
Purchasing	50 percent of total dollars spent on designated “high impact products and services” to be environmentally preferable	<ul style="list-style-type: none"> • Institute environmental standards for HVAC, lighting, paper products and janitorial supplies • Encourage concessionaires to use sustainable cuisine and biodegradable disposables. Include sustainability criteria in supplier contracts regarding product take-back, minimized-packaging, carbon footprints and lifecycle assessments
Education	100 percent of AEG facilities and venues include environmental messaging and information available to staff, partners and guests	<ul style="list-style-type: none"> • Introduce sustainability as a business focus to employees, contractors and vendors through our Environmental Management System (EMS) • Install educational signage and information at AEG employee and public events, venues, offices and retail • Encourage alternative transportation through messaging
* All goals use a baseline year of 2007		

ENVIRONMENTAL HIGHLIGHTS

Over the years, we have implemented numerous projects helping to save energy, water, and reduce waste. However, 2009 was the first year we formally committed to a comprehensive companywide environmental program. Here are some recent accomplishments:

- Installed solar panels on STAPLES Center and Nokia Theatre L.A. LIVE to form a 512- kW solar array that can generate up to 5 percent of the facilities' energy usage per year
- Installed the U.S.' 5th largest vegetated roof at Target Center, reducing storm water runoff, improving building envelope and decreasing heat island effect
- Achieved the first LEED Gold Certification in Existing Building, Operations and Maintenance for an arena at Rose Garden in Portland, Oregon.
- Retrofitted all Southern California venues with 496 waterless urinals, saving almost twenty million gallons of water per year
- Composted 100 percent of all uncontaminated food waste, recycled 100 percent of all glass, recycled 75 percent of all cardboard and turned 100 percent of waste cooking oil into biodiesel at The O2 in London, England.
- Launched an Environmentally Preferable Purchasing program in addition to including environmental attributes in AEG purchasing policies
- Used nearly 85 percent reclaimed water at The Home Depot Center and 50 percent reclaimed water at Citizens Business Bank Arena
- Purchased a combined 13,652,040 kWh of renewable energy in 2009 through Renewable Energy Certificates, the CO2 equivalent to planting over one acre of forest



Rose Garden—Portland, OR



XL Center—Hartford, CT

- Participated in the World Wildlife Fund's Earth Hour, a global call to action on climate change, at 30 AEG-affiliated venues in 19 cities and six countries
- Commissioned a comprehensive Energy and Cost Reduction Study at five of our arenas
- Tracked all natural resource usage and waste generation, assessed carbon footprint, analyzed fossil fuel consumption and measured waste diversion at all AEG-owned properties
- Published our first sustainability report publicly disclosing environmental performance of facilities
- Set and publicly disclosed short- and long-range environmental sustainability goals
- Developed our first formal environmental policy to steer company decision making
- Developed sustainability training for new hire orientation and management staff
- Committed to implementing Environmental Management Systems at a minimum of 15 facilities over the next five years
- Committed to independent audits of our Ecometrics environmental performance data and Environmental Management Systems, ensuring our programs are effectively implemented and information for reporting is accurate



San Diego Sports Arena—San Diego, CA



Ogden Theatre—Denver, CO



The O2—London, England



Verizon Theatre at Grand Prairie—
Grand Prairie, TX





ENVIRONMENTAL POLICIES AND MANAGEMENT

WHAT IS AEG 1EARTH?

AEG 1EARTH is AEG's environmental commitment. By acknowledging that we all share 1EARTH, we can understand how our operations affect the planet and how responsible decisions can improve the environment, our communities and our business.

THE AEG 1EARTH MISSION

To conduct our business with the understanding that we are all part of 1EARTH. We balance economic performance with environmental health and community well-being. We conserve vital resources such as energy and water. We sustain a culture of environmental stewardship – reducing and recycling waste, fighting global warming and educating our guests and employees.

ENVIRONMENTAL MANAGEMENT SYSTEMS AT AEG

We are proud to announce that STAPLES Center will be the first AEG arena in the United States to develop an Environmental Management System (EMS) and pursue third-party ISO 14001 Certification. The Certification Audit is scheduled for Summer 2010. As far as we know, STAPLES Center may be the first sports and entertainment arena in the United States to achieve this distinction. Internationally, AEG Ogden in Australia has received ISO 14001 Certification at two convention centers, Brisbane Entertainment Centre and the Kuala Lumpur Centre, which were not included in the scope of the report but will be included in 2011.

An EMS is a proven international framework for an organization to achieve self-defined environmental goals. Through the EMS process, procedures and training instructions are established for all environmental aspects of our operations. Environmental objectives and targets are set based on the specific needs of the facility and all staff and contractors are trained on their roles and responsibilities. By having an effective EMS in place at our facilities, we are, by design, managing the environmental liabilities and aspects of each venue in a manner that minimizes risk and maximizes performance. In essence, our EMS becomes an engine for sustainability – guiding projects, training, inspections, and management review.

Over the next five years, we intend to implement EMSs at as many as 15 of our arenas, stadia and clubs. We are additionally committing to have each EMS certified by an accredited ISO 14001 registrar. An ISO 14001 Certified Environmental Management System ensures that our environmental programs, procedures, inspections, training and compliance measures are operating as required. We also commit to annual audits of our environmental programs and policies as they relate to our 2020 vision.



Environmental Policy

Giving **Our** World Reason to Cheer!

As a leader in the live sports and entertainment industry, AEG recognizes its responsibility to improve the economic, social and environmental well-being of the various communities in which we do business.

AEG aims to set the standard for live entertainment, providing the best possible guest experience while embracing environmental sustainability. AEG 1EARTH is AEG's environmental commitment to conduct our business with the understanding that we are all part of 1EARTH. We balance economic performance with environmental health and community well-being. We conserve vital resources such as energy and water and sustain a culture of environmental stewardship - reducing and recycling waste, fighting global warming and educating our guests and employees.

Each year, millions of people visit AEG venues, attend AEG Live promoted concerts, support AEG Sports' franchises and participate in AEG produced events. By demonstrating we can provide world-class entertainment that is also environmentally responsible, we strive to educate and inspire our guests to join us and do their part as we move down the road toward sustainability.

AEG 1EARTH ensures we commit to the following principles:

- Continual improvement and review of environmental performance in business operations
- Compliance with all environmental regulations and policies
- Integration of best management practices into our operations using pollution prevention and environmental sustainability strategies as core objectives
- Responsiveness to the environmental concerns and priorities of the company's stakeholders, clients, guests and employees

Timothy J. Leiweke

A handwritten signature in black ink that reads 'Timothy J. Leiweke'.

President and CEO, AEG

800 West Olympic Boulevard • Los Angeles, CA 90015
www.aegworldwide.com

ECOMETRICS: MEASURING ENVIRONMENTAL PERFORMANCE

Our Ecometrics tracking system collects resource use and waste generation data from all AEG-owned facilities. Implemented in summer 2009, Ecometrics gathers and collates data on monthly resources consumed, waste generated and associated emissions from our operations. In short, Ecometrics is a barometer for our environmental performance. For example, with accurate baseline data on electricity and fossil fuel consumption across our portfolio, we can measure and report our greenhouse gas emissions. We can also measure whether consumption is falling based on efficiency measures we have implemented. Because it's impossible to manage what you don't measure, ensuring the accuracy of our Ecometrics is extremely important. As such, we have committed to conducting: (1) periodic utility and waste audits to ensure the accuracy of invoices from vendors, and (2) a periodic audit of our methodology behind Ecometrics.



Target Center—Minneapolis, MN

AEG ECOMETRICS DATA COLLECTED MONTHLY

RESOURCES CONSUMED

- Electricity
- On site renewable energy
- Water
- Reclaimed water
- Propane
- Natural gas
- Diesel
- Gasoline
- Fuel oil

WASTES GENERATED

- Solid waste to landfill
- Composted waste
- Recycled solid waste
- Recycled cooking oil
- Total diversion rate
- Hazardous and Universal waste

EMISSIONS FROM OPERATIONS

- Carbon (CO₂)
- Nitrous oxides (NO_x)
- Sulfur dioxide (SO₂)

OTHER INDICATORS

- Percent spent on green cleaning
- Percent spent on sustainable paper products
- Percent spent on bio-degradable food service items
- Percent spent on local and/or organic food
- Percent spent on low flow water fixtures
- Environmental non-compliances
- Renewable Energy Credits (REC)



AEG collected 2007, 2008 and 2009 data of total amounts of resources consumed, waste generated and associated emissions in its operations. This includes energy and fossil fuels, such as coal from electricity consumption at off-site power plants, as well as natural gas, propane, fuel oil, gasoline and diesel fuel used onsite. It also includes the amount of solid waste generated, composted and recycled, along with waste diversion rates, and Universal Hazardous Waste and Hazardous Waste covered by the Resource Conservation and Recovery Act (RCRA).

With the raw data in hand, we calculated the resulting greenhouse gas emissions (carbon dioxide, or CO₂) and select EPA Clean Air Act-designated criteria air pollutants including, sulfur dioxide (SO₂) and nitrogen dioxide (NO₂).

ECOMETRICS: NORMALIZATION FOR GROWTH

The indicators and data collected through Ecometrics represent what we have defined as the company's environmental footprint. Tracking usage of these resources allows us to analyze trends, remain compliant, reduce liabilities and move further towards our sustainability goals. We have grown rapidly in recent years and we know our appetite for resources will expand as we grow. Since AEG is expected to continue to grow, we normalize our Ecometrics to better indicate year-to-year efficiency and overall environmental performance.

Our primary normalization factor is based on number of attendees. Raw consumption data is important for disclosing our total environmental footprint as a company, but our normalized Ecometrics best reflects overall environmental impact, accounting for growth and rates of consumption per unit of product and service. AEG recognizes this performance metric is not a perfect indicator, since many factors determine the level of resource consumption. Nevertheless, our environmental impact per attendee is the most salient and accurate gauge of our success towards reaching our environmental objectives and targets.



ENVIRONMENTAL PERFORMANCE

GREENHOUSE GAS AND CRITERIA AIR POLLUTANT EMISSIONS

2009 CARBON FOOTPRINT: 73,544 US TONS

AEG believes human-induced climate change and its impacts on Earth and the public's health and well-being are among the most serious environmental issues facing our society today. We are also aware that activities associated with the sports and entertainment industry can release significant amounts of greenhouse gas (GHG) emissions. According to an article in *National Geographic's Green Guide*, a single stadium concert can release from 500 to 1,000 tons of carbon dioxide (CO₂), which is 25 to 50 times more than the average American produces in a year.

To measure AEG's GHG emissions, we have utilized the World Resources Institute (WRI) and the World Business Council for Sustainable Development Greenhouse Gas Protocol (GHG Protocol), an internationally agreed upon reporting tool standard. The GHG Protocol identifies three potential "scopes" for a corporate GHG inventory. Scope 1 encompasses a company's direct GHG emissions, whether from on-site energy production or other industrial activities. Scope 2 accounts for energy that is purchased off site, primarily electricity, but also energy like steam. Scope 3 is much broader and can include anything from employee travel, to "upstream" emissions embedded in products purchased or processed by the company, to "downstream" emissions associated with transporting and disposing of products sold by the company. At our facilities, the majority of our emissions fall under Scope 2, primarily a result of our consumption of grid-tied electricity from off-site coal and natural gas-fired power plants. But we also generate some Scope 1 emissions through the direct burning of fossil fuels, such as natural gas in boilers and generators and gasoline and diesel fuel in vehicles. We have decided not to report on our Scope 3 indirect emissions, which includes emissions from employee air travel and emissions from the products and services we purchase because we have limited information and we estimate them to be an extremely small portion of AEG's total GHG emissions.



Nokia Theatre Times Square—New York, NY



Ericsson Globe Arena—
Stockholm, Sweden

¹ The WRI/WBCSD GHG Protocol considers the quantification of Scope 3 emissions as optional when preparing an overall corporate GHG inventory, as do similar protocols such as the U.S. Environmental Protection Agency's Climate Leaders program. Scope 3 includes GHG emissions such as methane (from landfill gases), nitrous oxide, ozone, chlorofluorocarbons (refrigerants), sulfur hexafluoride (used in the electronics industry), hydrofluorocarbons (propellants) and perfluorocarbons (wide range of industrial and medical applications).



CLIMATE CHANGE PRIMER

Global climate change does occur naturally; the Ice Age is an example. The Earth's natural climate has always been, and still is, constantly changing. However, what climate change scientists are seeing today differs from previous climate change in its rate, its magnitude and its cause.

The temperature on Earth is regulated by a system known as the “greenhouse effect,” where greenhouse gases – water vapor, carbon dioxide, methane, and nitrous oxide – trap the heat of the sun, preventing radiation from dissipating into space. Without the effect of these naturally occurring gases, the average temperature on Earth would be 0° F, instead of the current average of 59°F.

The concentration of these protective greenhouse gases is no longer in balance. Over the past 200 years, emissions due to human activities have accumulated in the atmosphere. As a result, since the Industrial Revolution, concentrations of carbon dioxide have increased by 30 percent, methane by 145 percent and nitrous oxide by 15 percent.

The International Panel for Climate Change (IPCC) issued its fourth Assessment Report on Climate Change in 2007. This report was written by more than 500 scientists from around the world and reviewed by more than 2,000 experts and delegates from 130 countries. The chairman of the IPCC, Dr. Rajendra K. Pachauri, was awarded the 2007 Nobel Peace Prize for his tireless efforts on educating the public on climate change.

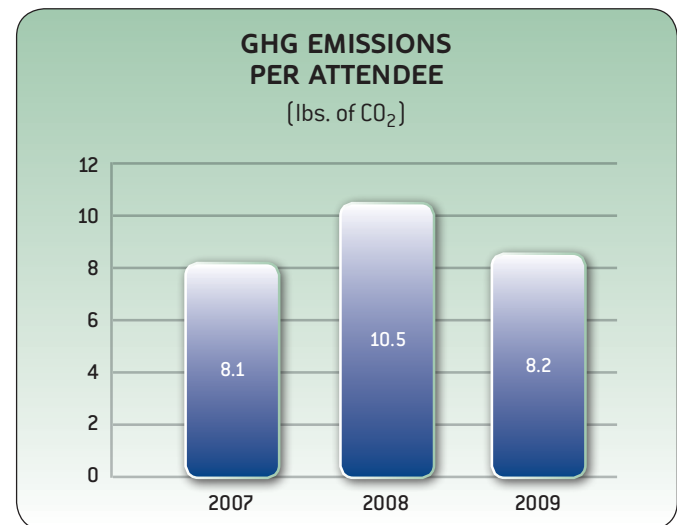
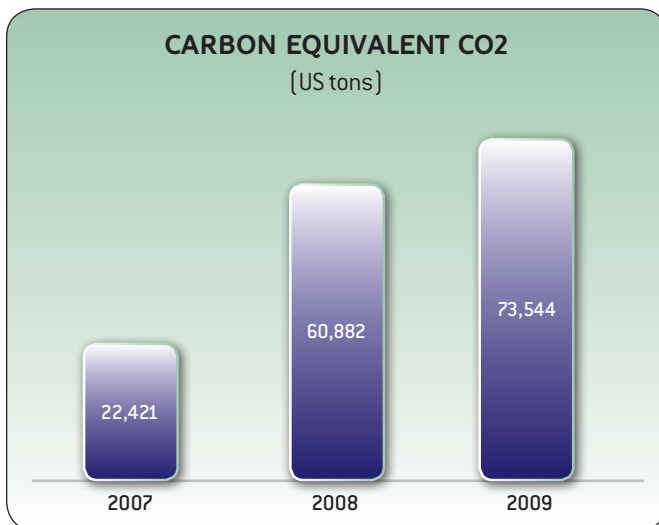
A few of the projected impacts presented in the IPCC report include:

- By 2020, significant loss of biodiversity is projected to occur in some ecologically rich sites, including the Great Barrier Reef and Queensland Wet Tropics.
- Cities that currently experience heat waves are expected to be further challenged by an increased number, intensity and duration of heat waves during the course of the century, with potential for adverse health impacts.
- Towards the end of the 21st century, projected sea level rise will affect low-lying coastal areas with large populations. The cost of adaptation in these areas would amount to at least 5 to 10 percent of Gross Domestic Product (GDP).
- By 2080, mountainous areas in Europe will experience up to 60 percent reduced snow cover resulting in glacial retreat, reduction in winter tourism and extensive species loss.

Complete IPCC findings can be found at: www.ipcc.ch.

ECOMETRICS: TOTAL GREENHOUSE GAS EMISSIONS

The number of venues in AEG's portfolio selected for inclusion in AEG's Ecometrics grew from seven in 2007 to 14 in 2008 and 20 in 2009 resulting in a corresponding increase in greenhouse gas emissions. Overall, GHG emissions attributed to AEG increased three-fold between 2007 and 2009, from 22,421 to 73,544 tons of CO₂ equivalent. Portfolio growth, measured as the number of attendees, also increased three-fold. On a per attendee basis, emissions have decreased from 2008 to 2009 by 10.5 to 8.2 pounds of CO₂ per attendee. It is difficult to report trends from only three years of data but we anticipate GHG emissions per attendee will trend downwards as we focus on energy efficiency, on-site renewable energy and Renewable Energy Credit (REC) purchases.



Sources: Greenhouse gas emissions conversion data and EPA criteria air pollutant emissions data were calculated using two primary sources: (1) U.S. data was taken from: Emissions Factors and Energy Prices for Leonardo Academy's Cleaner and Greener® Program, 2009; A White Paper by Leonardo Academy Inc. and (2) European and Australian Data was taken from the Greenhouse Gas Protocol Initiative 2009 worksheets. When AEG calculates its emissions, we include all pollution produced directly from fossil fuels consumed onsite by our 20 reporting venues as well as emissions from off-site regional utility providers (coal and gas-fired power plants).



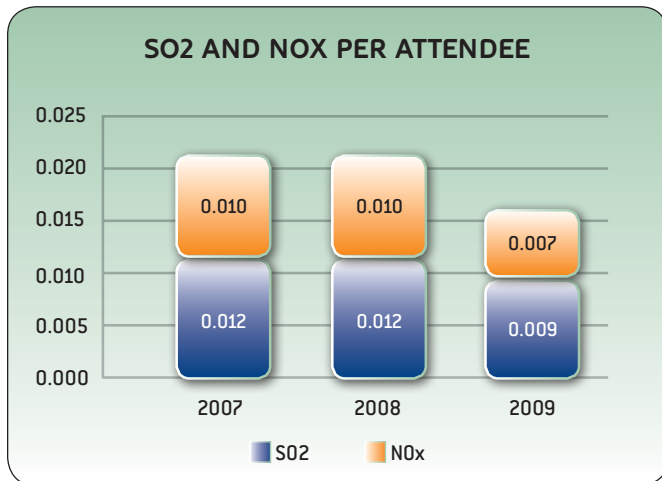


ECOMETRICS: TOTAL ANNUAL CRITERIA AIR POLLUTANT EMISSIONS

Sulfur dioxide (SO₂) and nitrogen oxide (NO_x) emissions (two select criteria air pollutant emissions) are regulated by the U.S. EPA because they can cause acid rain and other environmental problems, such as smog and acidification of coastal waters. AEG's annual emissions of these air pollutants are well below EPA-regulated thresholds and virtually all of these emissions are from off-site power plants. SO₂ and NO_x emissions are very low when normalized by attendance (less than 1/100th of a pound per attendee).



Club Nokia—Los Angeles, CA



The Stockholm Globe Arenas—Stockholm, Sweden

OUR AEG 1EARTH 2020 VISION GOALS

Our goal is to achieve a 20 percent reduction in primary CO₂ emission intensity for the company as a whole by 2020. The best way for AEG to reduce GHG emissions is to decrease our electricity and natural gas-consumption through energy-efficiency measures and to increase the use of renewable energy at our venues.

ENERGY

ELECTRICITY AND FOSSIL FUELS

2009 ELECTRICITY FOOTPRINT: 153,359,858 kWh

2009 TOTAL ENERGY FOOTPRINT: 776,701 MMBtu

It is anticipated that global energy demand could double or triple by 2050 as population rises and developing countries expand their economies. Beyond the obvious environmental benefits, using energy efficiently has tremendous societal benefits, such as reducing air pollution, promoting energy independence and protecting national security. As a global citizen, AEG believes it must do its part to reduce energy consumption and demonstrate the value of energy-efficient operations.

In typical commercial, residential or industrial buildings, how and when spaces are used is clearly defined based on occupancy. However, in AEG facilities and venues, building operators must conform operations to the specific needs of its tenants—event producers, team coaches and performers. AEG venues have extreme variability in frequency of use, capacity, and thus, energy needs. Our business model is built on meeting the expectations of our tenants, which makes us fairly unique among facility operators and also presents energy-efficiency challenges.

In the past, we have not been able to accurately measure and verify savings. Now that we have implemented Ecometrics, a standardized method for measuring and reporting performance data, we are able to proactively engage our clients in informed discussions about such measures as adjusting the times of their practice schedules or their rehearsal times to use less energy during peak energy demand.





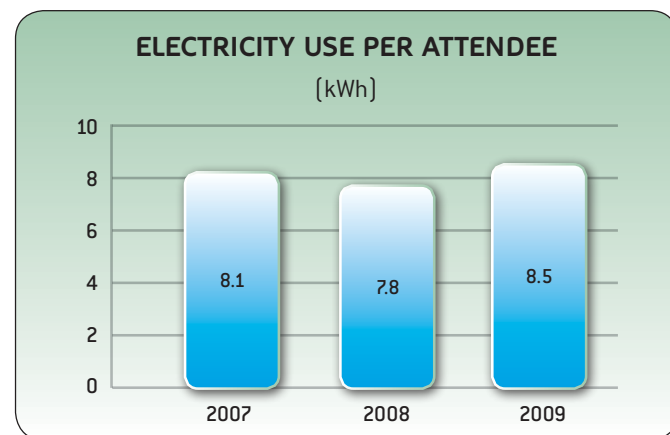
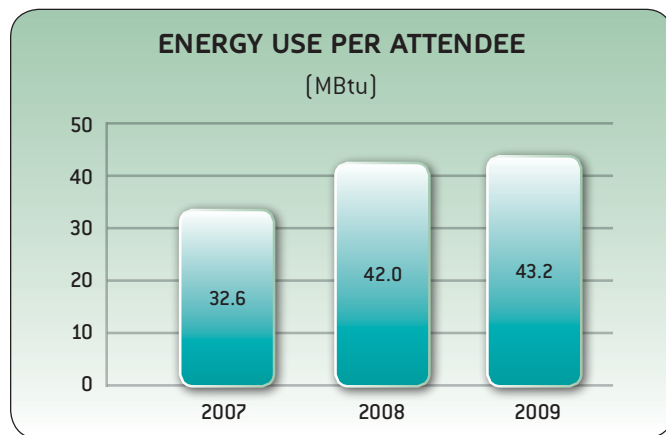
AEG ECOMETRICS: TOTAL ENERGY CONSUMED

Total energy consumption has increased four-fold along with the growth in the portfolio of AEG managed venues from seven to twenty venues between 2007 and 2009. Facilities vary drastically between locations so the best metric we have to gauge our increase in energy consumption is growth in attendance. Attendance grew 300 percent from 2007 to 2009. Total energy use per attendee has increased in the past three years from 32.6 to 43.2 Mbtus. Over the long-term, our energy use per attendee should decline as we look for new ways to conserve energy and increase attendance.

Electricity and Fossil Fuels	Total Energy Consumed			Units
	2007	2008	2009	
Electricity	44,750,082	90,545,719	153,359,858	kWh
Propane	5,147	9,648	18,061	gallons
Natural Gas	256,640	1,769,053	2,491,523	therms
Gasoline	3,400	8,695	9,549	gallons
Diesel	4,237	8,867	10,483	gallons
Total Btu	179,830	489,036	776,701	MMBtu

AEG ECOMETRICS: TOTAL ELECTRICITY CONSUMED

In 2009, total electricity consumed by the company was 153,359,858 kWh, of this, 822,000 kWh was produced by on-site solar photovoltaics. To put our total electrical consumption in perspective, the equivalent amount of electricity would power approximately 15,000 U.S. homes for a year. Total companywide electricity consumption increased three-fold between 2007 and 2009, directly proportional to growth in attendance. Electricity use per attendee was essentially flat between 2007 and 2009.



ENERGY EFFICIENCY SUCCESS STORIES

Over the past three years, AEG has implemented numerous energy-efficiency and conservation initiatives. We share some examples here. Still, AEG has a long way to go in maximizing its use of energy-efficiency measures.

Energy-Efficient Lighting and Fixture Upgrades

- Target Center retrofitted 680 fixtures in 2009 with more efficient technologies
- San Diego Sports Arena completed two major lighting retrofits throughout the venue
- L.A. LIVE and The O2 utilize state-of-the-art LED lighting in external façade lighting

Variable Speed Drives (VSD) on HVAC Equipment

- STAPLES Center uses super-efficient VSDs on all air handlers and one chiller
- The O2 Arena has VSDs on all fans and pumps in the building
- Rose Garden has VSDs on all air handlers

Installation of Motion Sensors in Underutilized Areas

- The Home Depot Center has tied HVAC and lighting together on the same motion sensors to reduce energy use when areas of the venue are unoccupied
- Citizens Business Bank Arena was built with motion sensors for HVAC and lighting throughout the building
- Club Nokia features motion sensors in restrooms

Other Energy-Efficiency Measures

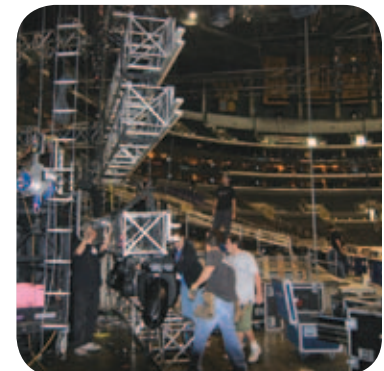
- The Ericsson Globe installed new glass partitions in entrance areas to reduce heat escape
- XL Center converted 80 air filters to 3M pleated filters that reduce energy use and last twice as long
- Ogden Theatre, a small venue, has been using day lighting to reduce lighting needs and opening doors to reduce cooling needs



Club Nokia—Los Angeles, CA



XL Center—Hartford, CT



STAPLES Center—Los Angeles, CA



In 2008, AEG commissioned ARUP, an independent firm of engineers and consultants, to conduct a detailed energy audit of five venues of different ages and climates to get a snapshot of the energy efficiency and conservation opportunities available for the greater portfolio of AEG venues. The audits conducted at Nokia Theatre L.A. LIVE, The Home Depot Center, STAPLES Center, Target Center and Sprint Center confirmed the value of the energy efficiency and conservation initiatives conducted over the past five years, the audits also assisted engineering staff in identifying significant opportunities to better document best practices and prioritize capital for energy efficiency projects.

Creating Value for Corporations through Energy and Water Efficiency

Arup's pilot study for AEG highlights the real opportunities for corporations who choose to adopt an aggressive approach to energy and water efficiency across their property portfolios.

Arup was appointed by AEG to deliver their sustainability initiative "AEG Sustainable." An organization-wide initiative to enable AEG to become the leader in sustainable entertainment; create green programs that work for their portfolio; educate employees, fans and artists; and allow them to identify new revenue streams. The first stage of this ambitious initiative focused on energy and water reduction through a pilot project based on five of AEG's venues in the USA.



Arup's approach to sustainability is centered on the delivery of the triple bottom line. The triple bottom line builds on the traditional financially based accounting framework to take into account ecological and social performance.

The five venues were located across the USA and were of varying ages with differing energy and water efficiency programs in place. At each venue Arup carried out a study of the opportunities to reduce energy and water usage, and achieve a reduction in costs and carbon emissions, in three key operational areas: equipment, operational procedures and utility supplies. To do this we analyzed each of three operational areas against four measures: opportunities for energy and water conservation; the potential for retro-commissioning and renewable energy; energy saving operational improvements; and utility market opportunities. For each of the measures, Arup examined a number of potential capital projects and approaches before making recommendations for each venue as to the best solutions to achieve their goal. To assist in their decision making process we also provided cost/benefit analysis for each solution.



Measure	Annual Energy Saving (\$/yr)	Savings % of Annual Cost	Simple Payback
Energy conservation	278,150	3.3%	4.4
Retro-commissioning	667,500	7.8%	1.8
Renewable energy	12,500	1.3%	18
Water conservation	23,000	2.3%	7.0
Estimated Incentives	-	-	-
Est. O&M savings (\$/yr)	36,000	-	-
Total	1,016,870	12.0%	2.6

Projected capital investment v cost savings across the five properties

Arup's study for the pilot project clearly demonstrated that AEG could substantially reduce energy and water usage at the five venues to achieve significant cost savings and carbon emissions reduction. The results also highlight the potential for AEG to replicate these results across the rest of their portfolio globally, as opportunities for reducing energy and water usage were found at every venue regardless of age and location.

Arup identified cost savings of over \$1 million per year across the five venues. Even at the newest venue built in 2007 we identified cost savings.

The pilot studies projected less than a 3 year simple payback of capital investments in the energy conservation measures that Arup recommended.

By implementing Arup's solutions AEG would reduce their carbon emissions by 9,636,000 lbs a year the equivalent of planting over 700,000 trees a year.



Sprint Center—Kansas City, MO

Top Image ©Woo Song



www.arup.com/sustainability

ARUP

District Heating and Cooling

District heating, also known as teleheating, is a highly efficient system for distributing heat generated at a centralized location, typically through the production of steam to residential and commercial buildings. The heat is often obtained from a cogeneration plant burning fossil fuels, but, increasingly, biomass, geothermal heating, central solar heating, and nuclear power are also used. District heating plants can provide higher efficiencies and better pollution control than localized boilers. Cool water can be distributed in the same fashion, providing a way to cool buildings during the summer.

Venues using district heating and/or cooling:

Stockholm Globe Arenas – Stockholm, Sweden

Sprint Center – Kansas City, MO

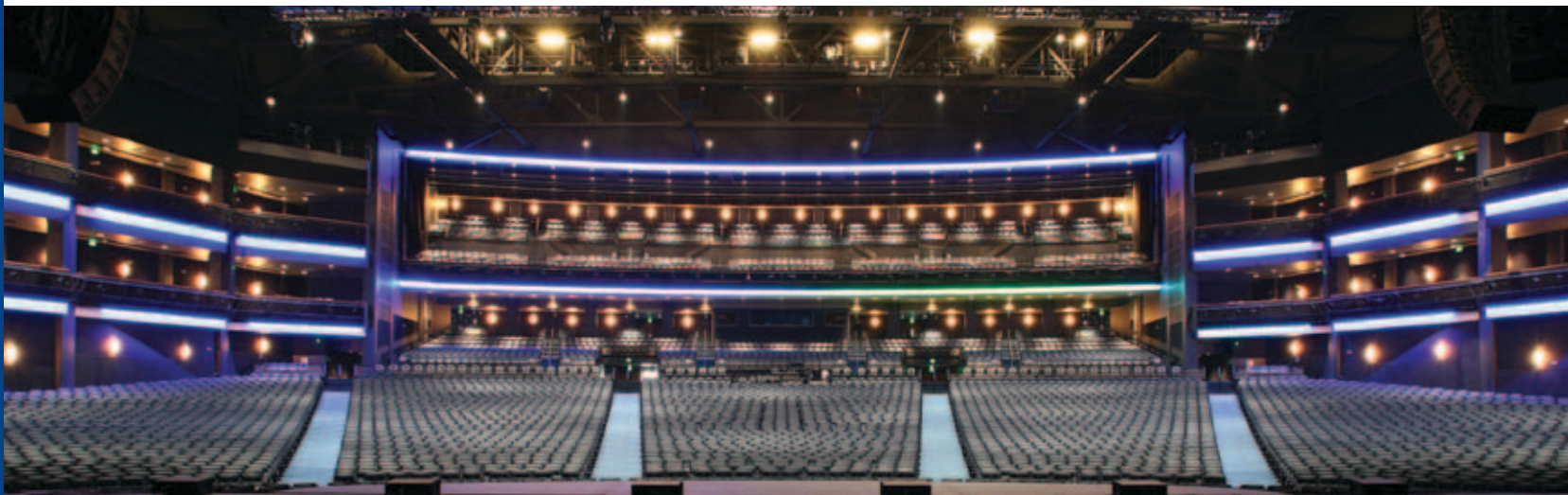
Target Center – Minneapolis, MN



Sprint Center—Kansas City, MO

OUR AEG 1EARTH 2020 VISION GOALS

Because electricity and fossil fuel-consumption are directly tied to the production of GHG emissions, our long-term goal to achieve a 20 percent reduction in CO2 emissions intensity by 2020 addresses the reduction of fossil fuel use and electricity consumption at our operations.



Nokia Theatre at L.A. LIVE—Los Angeles, CA



RENEWABLE ENERGY

2009 ON SITE RENEWABLE ENERGY GENERATION: 822,000 kWh

2009 RENEWABLE ENERGY CREDITS: 13,652,040 kWh

The most significant way for any company to affect climate change and reduce greenhouse gas emissions is to lessen its dependence on fossil fuels. One of the most effective ways to do this is to generate or purchase clean, emission-free, renewable solar, wind or geothermal energy.

Over the past few years, AEG has dedicated significant resources to exploring the use of renewable energy at our facilities. We have installed solar arrays and researched the opportunities to purchase as much renewable energy directly from the electricity grid as possible. We have also begun purchasing Renewable Energy Certificates (RECs) at some of our venues. RECs are units of environmental air emission benefit that result from the production of renewable energy generated off site and are purchased when a location does not have the option to secure renewable energy directly. RECs offset greenhouse gas-emitting grid-tied power that venues must use.

Total companywide renewable energy generated and RECs purchased have increased to 13,652,040 kWh per year in 2009. These renewable energy sources represent 9.4 percent of total AEG electricity usage. Note that this figure does not reflect renewable energy derived from the utilities increasing portions of grid-tied sources.

Increasing our use of renewable energy will require adopting many different types of solutions across our company. Individual solutions will likely be as unique as the venues themselves. As we look to implement renewable energy opportunities, we realize that the on site generation of renewable energy, or its purchase directly through the grid, has a higher environmental benefit and long-term financial return compared to the purchase of RECs.

ECOMETRICS: TOTAL RENEWABLE ENERGY GENERATED AND RECS PURCHASED

Venue	Type of Renewable	Yr Installed	Annual Production/ Offsets (kWh)	Percent of Annual Consumption	Annual CO2 Reduction (US Tons)	Approximate Annual Savings (USD)
STAPLES Center	On-site Solar	2009	456,000	2%	130	\$55,000
Nokia Theatre L.A. LIVE	On-site Solar	2009	237,000	7%	68	\$28,500
Acer Arena	On-site Solar	1999	91,000	2%	92	\$8,000
Ericsson Globe Arena	On-site Solar	2007	42,000	2%	2	\$7,500
O2 World	RECs	—	3,500,000	23%	1,558	—
Rose Garden	RECs	—	10,149,640	100%	2,910	—
Ogden Theatre	RECs	—	2,400	1%	3	—

CASE STUDY: RENEWABLE ENERGY

SOLAR PHOTOVOLTAIC (PV) AT STAPLES CENTER AND NOKIA THEATRE L.A. LIVE

In 2008, AEG took the lead among live entertainment and facility management companies in the United States by installing more than 3,000 solar photovoltaic panels on the roof of STAPLES Center and Nokia Theatre L.A. LIVE. The size of this installation provides enough electricity to annually power approximately 60 U.S. homes. The 512-kilowatt (kW) system (346 kW at STAPLES and 166 kW at Nokia) will continue to provide significant environmental benefits over the next 25 years. Because 60 percent of grid electricity in Los Angeles comes from burning fossil fuels (coal and natural gas), the benefits of solar include the elimination of tons of harmful carbon dioxide, sulfur dioxide and nitrous oxide. In addition to the direct environmental and financial benefits to AEG, the public nature of the installation reaches millions of spectators every year. Every overhead shot of L.A. LIVE, be it during a televised Lakers game, a concert or other event, serves as a positive example of how renewable energy can help fuel America.

SOLAR PHOTOVOLTAIC AT ACER ARENA IN SYDNEY, AUSTRALIA

Formerly known as the Sydney Super Dome, Acer Arena installed a 70-kW solar PV system on the roof of the Sports Hall in preparation for the Sydney 2000 Olympic Games. At the time, in 1999, this was the largest rooftop solar installation in the Southern Hemisphere.



Acer Arena—Sydney, Australia

“This is a good day for California. It demonstrates how strong our commitment to renewable energy and the environment is within this state. When California-based companies like Solar Power, Inc. and AEG come together with a solution like we have here today, everybody wins.”

— California Governor Arnold Schwarzenegger
on roof of STAPLES Center



Roof of STAPLES Center

SOLAR PHOTOVOLTAIC AT ERICSSON GLOBE ARENA IN STOCKHOLM, SWEDEN

The Ericsson Globe Arena in Stockholm, Sweden, is a one-of-a-kind structure that houses many sports events, most notably, the annual World Hockey Championships. In 2007, a 54-kW thin film amorphous silicon (a-Si) PV system was installed on the roof. When this system was installed, it was the largest thin-film system in all of Scandinavia.

RENEWABLE ENERGY CREDITS AT ROSE GARDEN, OREGON

In their pursuit to achieve a U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) Gold Certification in Existing Building Operation and Maintenance certified venue, Rose Garden and the Portland Trail Blazers made the commitment to offset 100 percent of the carbon dioxide emissions generated from their consumption of both electricity and natural gas. This is an ongoing commitment to make Rose Garden a carbon neutral arena and makes the Trailblazers one of the greenest teams in sports.

RENEWABLE ENERGY CREDITS AT O2 WORLD IN BERLIN, GERMANY

O2 World purchased a total of 11,500 MWh of Renewable Energy Credits for three years of offsets.



Ericsson Globe Arena—Stockholm, Sweden



O2 World—Berlin, Germany

CASE STUDY

WATER

2009 WATER FOOTPRINT: 761,488,509 GAL

2009 RECYCLED WATER: 67,960,324 GAL

Three percent of the Earth is comprised of fresh water, but humans can only access one percent. Unlike oil, fresh water does renew itself in a natural filtration cycle. However, our current patterns of resource use are damaging natural filtration systems and fresh water is not replenishing fast enough to meet our growing needs.

Already 2.8 billion people are living under water stress (less than 3 gallons per day). With the world's population growing by about 80 million people per year it is estimated that 3.9 billion people will be living in water stress by 2030, over half of the world's estimated population. At AEG we believe access to fresh water and using water efficiently will be two of the greatest challenges the world will face in years to come.

As standard practice, AEG installs water-efficient fixtures in all AEG-owned venues. Such fixtures include: push or sensor-timed sink taps, low-flow shower heads and toilets, and, where possible, waterless urinals. We realize we still have a lot of work to do and are constantly searching for new water-saving projects.

COMPARE

150 gallons per day -

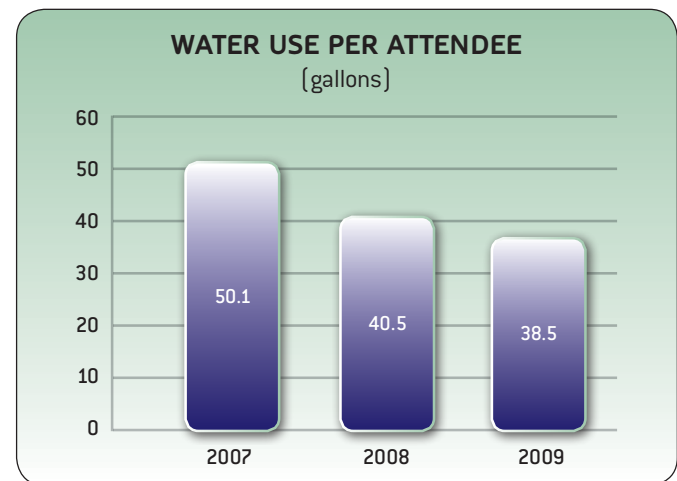
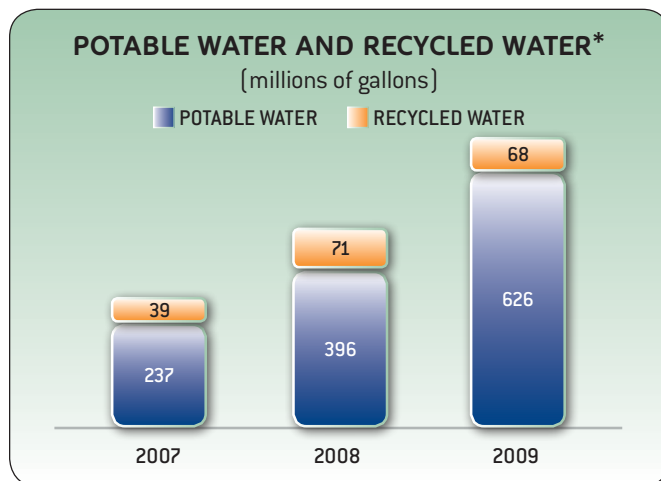
Average amount of water used by individual in North America

15 gallons per day -

Amount of water experts feel we actually need in order to maintain our current standard of living

3 gallons per day -

Average amount of water used by an individual in Africa



*We define "recycled water" to include both on-site harvested and reclaimed water.



AEG ECOMETRICS: TOTAL WATER USE

In 2009, total water consumed by the company was 761,488,509 gallons, enough water to flood 2,000 acres one-foot deep. Total companywide water consumption increased 2.5 times between 2007 and 2009 while attendance grew threefold water use per attendee decreased 23 percent over that same period, from 50.1 to 38.5 gallons per attendee. Recycled water use has increased and now makes up 9 percent of total water use. We are proud of the positive trends in water reduction at our facilities, most of the savings in water consumption has come through the implementation of conservation projects, most notably:

- Waterless urinal retrofits in AEG facilities across Southern California
- Use of reclaimed water at Citizens Business Bank Arena in Ontario California and The Home Depot Center in Carson, California
- Recycled water use at Acer Arena in Sydney, Australia
- Harvested rain water at O2 World Hamburg, in Hamburg Germany (formerly known as Color Line Arena)

INNOVATIVE SOLUTIONS: WATERLESS URINALS

In 2009, California officially entered its third year of the worst drought in its history. Water reserves are still extremely low. With the Sacramento-San Joaquin Delta ecosystem near collapse, court-ordered restrictions on water deliveries from the Delta have reduced supplies from the state's two largest water systems by 20 to 30 percent. In 2007, just as California was entering its first year of the current water crisis, AEG replaced all urinals at STAPLES Center and Nokia Theatre L.A. LIVE with waterless fixtures. Next, the purchasing and sustainability teams set out to upgrade all urinals in AEG's Southern California facilities, which include Citizens Business Bank Arena, The Home Depot Center, Club Nokia, San Diego Sports Arena and all L.A. LIVE venues and offices. By April 2009, AEG installed 496 waterless urinals, saving nearly twenty million gallons of water a year - a small, but important step in addressing California's scarce water supply.



OUR AEG 1EARTH 2020 VISION GOALS

AEG has committed to a 20 percent reduction in water use for the company as a whole in our 2020 goals. There are numerous ways to reduce water use at our facilities. Areas of focus include:

- (1) Continued investment in water conservation and efficiency measures, such as waterless urinals, heating and cooling upgrades, drip and evening irrigation and integrating xeriscaping practices into landscaping
- (2) Employee training through our EMS on how to better recognize and implement opportunities for water conservation

CASE STUDY: WATER RECYCLING AT AEG

Water recycling helps relieve the depletion of fresh water sources. The more fresh water we can reuse before returning it to the ocean, the less our overall consumption. Four of our venues use a considerable amount of recycled water.

RAIN WATER CAPTURE AT O2 WORLD HAMBURG (FORMERLY KNOWN AS COLOR LINE ARENA)

When it rains in Hamburg, Germany, rainwater that hits the massive sloped roof of the O2 World Hamburg no longer runs directly into storm drains. Instead, it is collected in an underground cistern for later use. Water collected in the 480 m³ (127,000-gallon) storage tank is used to flush urinals and toilets and also charges the fire suppression system. During peak demand, or during exceptionally dry periods, a back-up system is available to top-off the cistern with potable water. It rains often enough in Hamburg that the back-up system is rarely needed. A constant supply of moist air blowing off the North Sea supplies enough rainwater to flush all the toilets and urinals in the arena.



O2 World Hamburg (formerly known as Color Line Arena)—Hamburg, Germany

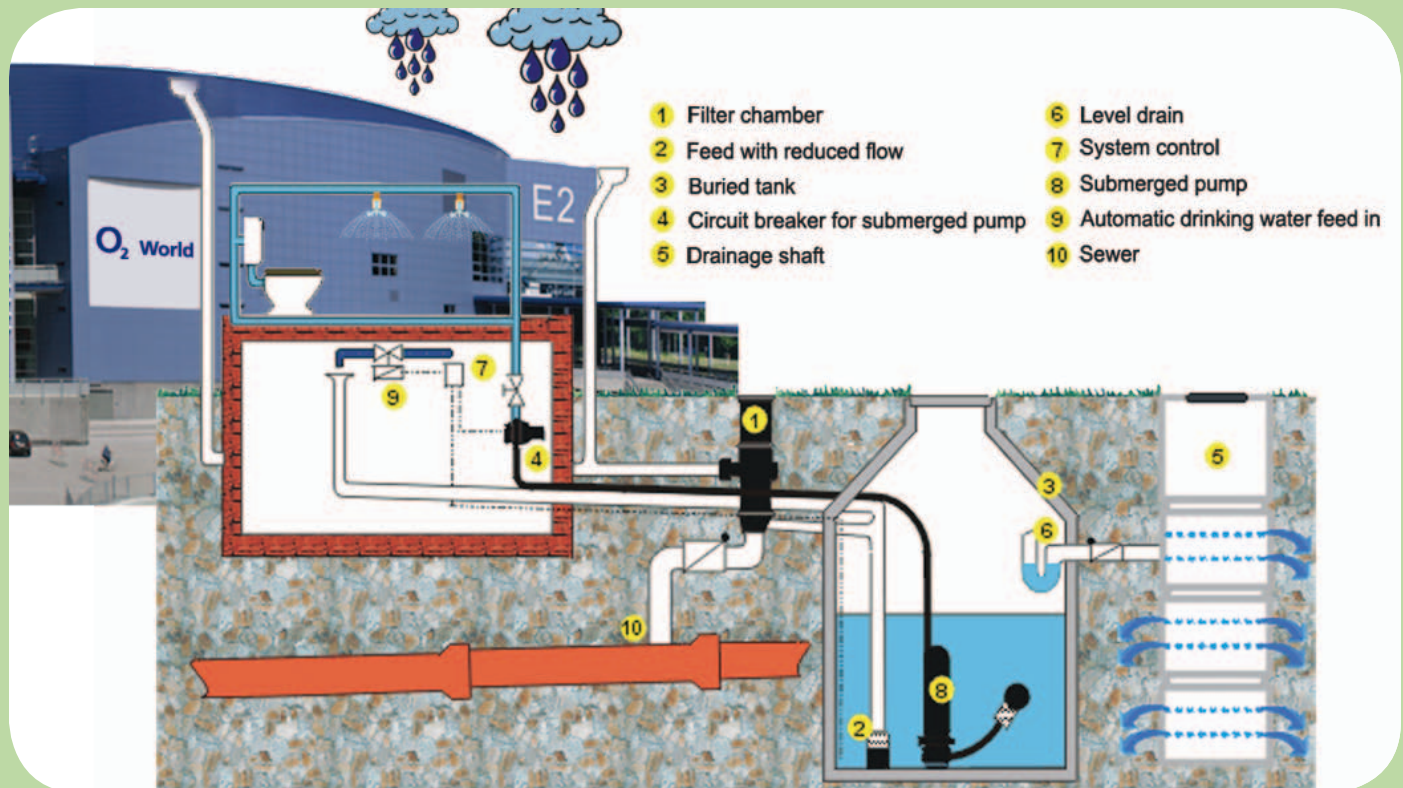


Image created by O2 World Hamburg staff



ON SITE WATER RECLAMATION AND MANAGEMENT

The Acer Arena in Sydney, Australia, one of the keystone venues in the Sydney Olympic Park, saves water by participating in the Olympic Park's Water Reclamation and Management Scheme (WRAMS). WRAMS is a complete system for water management, encompassing storm water harvesting, vegetated ponds that improve storm water quality, water treatment infrastructure, water supply infrastructure and sewage treatment. WRAMS supplies high-quality recycled water to all sporting venues, commercial facilities and parklands inside the Sydney Olympic Park. Approximately 40 percent of the recycled water is used for toilet flushing and the remaining 60 percent is used for irrigation and operational wash-down activities. The environmental benefits of this landmark program include an estimated 50 percent overall reduction in fresh water consumption and a huge corresponding reduction in storm water and sewage effluent that would have otherwise been discharged into the ocean.

Venue waste water is captured in a precinct reservoir, channelled through to a local water treatment plant and recycled for uses such as toilet flushing, irrigation, air conditioning, fire fighting and power washing.

LANDSCAPING WITH RECLAIMED MUNICIPAL WATER

The Home Depot Center in Carson, California, and Citizens Business Bank Arena in Ontario, California, both tie into existing grey water reclamation systems administered through the local municipalities. Grey water from surrounding areas is treated by the municipality, making it safe for non-potable uses, including landscape irrigation and industrial processing and cooling. The program has worked well for Citizens Business Bank Arena, which designed its landscaping to consist of hearty local varieties of plants. The Home Depot Center, on the other hand, is a sprawling 125-acre complex with 10 natural grass playing fields. Managing irrigation and landscaping is arguably the most important aspect of the facility's business. The turf and grounds crew continually face challenges with regard to high nitrogen content in the reclaimed water. The raised nitrogen levels often attract insects and pathogens, making management difficult for fields grown specifically for high-performance sporting events such as soccer, field hockey and rugby. Sometimes, pesticides and fertilizer are needed. Despite these challenges, management at The Home Depot Center recognizes the importance of conserving water, especially in Southern California, and are committed to making it work. In 2009, an impressive 83 percent of all water consumed at the facility was recycled.



Acer Arena—Sydney, Australia



Citizens Business Bank Arena—
Ontario, CA



The Home Depot Center—Carson, CA

CASE STUDY

SOLID WASTE

2009 SOLID WASTE GENERATION FOOTPRINT: 26,526,483 lbs

2009 SOLID WASTE DIVERTED: 8,492,178 lbs

The live entertainment and sports industry is infamous for creating large amounts of waste in short amounts of time. According to a 2006 study of events and venues conducted by the California Integrated Waste Management Board, there is an average of 2.4 pounds of waste generated for every attendee at a public sports or entertainment event. In 2009, at the 20 AEG venues monitored in this report, AEG averaged 1.5 pounds of waste for every attendee, of which 1 pound goes to the landfill.

CHALLENGES UNIQUE TO LIVE ENTERTAINMENT AND SPORTS FACILITIES

Limited Time:

At most venues, the operations team only has from midnight to 6 a.m. to clean and prepare the facility for the next event. Many times, this includes a conversion of the floor and seating arrangement from one event type to another (e.g., hockey to basketball).

Constant Change:

In typical single-purpose facilities such as a warehouse, an office or retail space, the employees, vendors and customers remain fairly consistent in their roles and responsibilities. In live entertainment and sports facilities, the key players in the day-to-day operations change from event to event. Additionally, AEG's clients bring different types of materials into our venues depending on the event. In other words, hosting an award ceremony would result in a much different waste stream than hosting an indoor volleyball tournament or a hockey game.

Limited Space for Waste Sorting and Storage:

Even at venues as large as STAPLES Center and The O2, we face space limitations in managing waste and recyclables. Historically, non-revenue generating spaces, such as loading docks and waste sorting stations, tended to be undersized and/or removed from new building specifications.



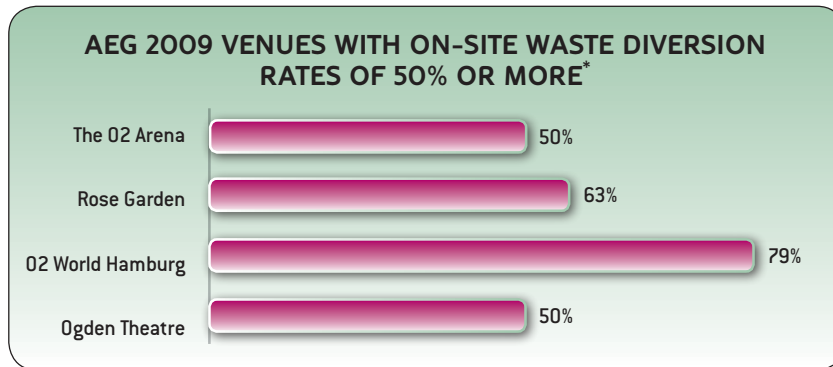
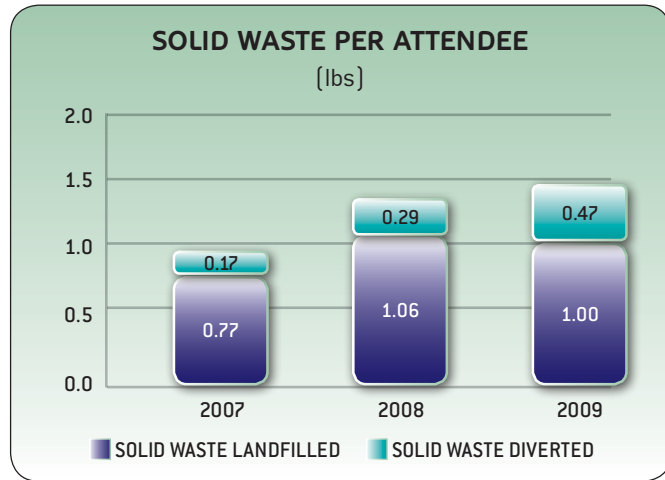
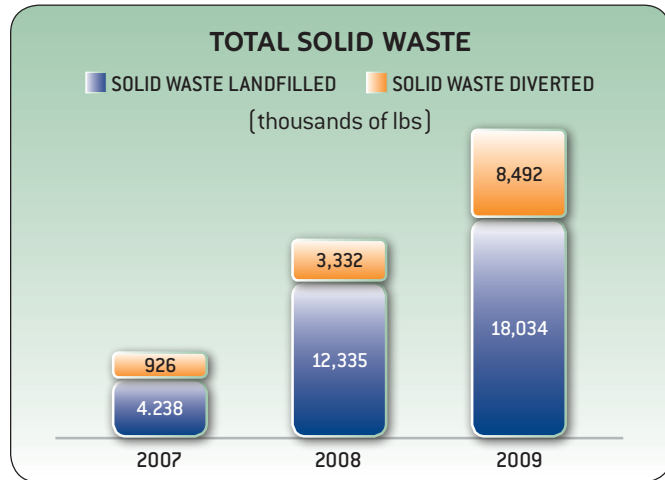
Indoor Volleyball at Sprint Center—Kansas City, MO



AEG ECOMETRICS: SOLID WASTE AND DIVERTED SOLID WASTE

Our companywide, solid waste diversion rate (waste diverted from the landfill through recycling, composting, reuse, etc.) nearly doubled from 2007 to 2009, from 18 percent to 32 percent, and waste diverted per attendee nearly tripled from 0.17 to 0.47 pounds per attendee.

While we recognize that our performance can improve in the future, we believe that moving from a 18 percent to a 32 percent solid waste diversion rate in three years is significant progress. Moving forward, we will put more effort into reducing solid waste per attendee, increasing our recycling and composting efforts.



*In addition to an on-site recycling program, Target Center sends their solid waste off site to a waste-to-energy incineration program operated by Waste Management™ in the City of Minneapolis. With their solid-waste going off site but not to the landfill, Target Center has a 96 percent diversion rate.

AEG'S 1EARTH 2020 VISION GOALS

- Divert from the landfill 25 percent of all solid waste generated in our venues
- Divert from the landfill 75 percent of all solid waste at 10 designated venues and events
- Generate zero hazardous waste

WASTE DIVERSION AT AEG

Materials Collected at All Venues: Solid waste, cardboard, light bulbs, ballasts, batteries, durable office goods, construction debris, grease, E-Waste and Hazardous Waste [See Compliance section, page 45].

Additional Materials Collected at Select Venues: Beverage containers, paper, recyclable plastics, metals, landscape, debris [clippings, trimmings, sod], organic waste [food, paper, cardboard, serving trays, wood].

SUCCESS STORIES

1) Grease Collection

Every venue with food service has their waste fryer grease collected by a company that uses grease for bio-fuels, animal feeds and other industrial purposes. For example, at Rentschler Field in Hartford, Connecticut, STAPLES Center Foundation works with a company called “Grease Guys” to use their own grease to power their facility vehicles with bio-diesel.

2) Durable Goods

For office furniture and other durable goods, such as lamps and décor from dressing rooms, AEG venues are encouraged to build relationships with local non-profits so they can donate these materials. At STAPLES Center, AEG staff works with Habitat for Humanity to collect durable décor and construction elements from the sets and dressing rooms of large events like the GRAMMY Awards®.

3) Beverage Containers

Only a few select venues have “front of house” recycling programs where guests can place their containers in recycling bins. These venues include Target Center in Minneapolis, Minnesota, Citizens Business Bank Arena in Ontario, California, The O2 in London, Sprint Center in Kansas City, Missouri, XL Center in Hartford, Connecticut, and Rose Garden in Portland, Oregon. Many AEG venues have beverage container recycling in “back of house” areas where staff and janitorial teams help sort the materials directly from the waste stream. At STAPLES Center, The Home Depot Center and San Diego Sports Arena, local youth from the Conservation Corps assist in the collection of California Redemption Value [CRV] aluminum, plastic and glass bottles and cans from the waste stream during post-event cleanup.





4) Composting – The Key to Landfill Diversion

Composting, the controlled decomposition of organic material into a soil amendment or fertilizer, is one of the most significant efforts AEG has made to reduce waste generation. We estimate that over 50 percent of a facility's solid waste stream is food and a higher percentage is organic material, such as paper or wood. As U.S. cities expand their municipal composting capabilities, our venues are ready and willing to tackle internal operational challenges to make a program work. Our facilities in Portland, Oregon and Los Angeles, California, are two venues in cities that have made municipal composting a priority.

In January 2009, Rose Garden in Portland, Oregon, became AEG's first U.S. venue to initiate food waste collection in kitchens. After one year, AEG staff is now looking to expand this program to "front of house" collection for guests to compost food scraps from their concession food. In 2009, L.A. LIVE in Los Angeles launched a compost program at all twelve restaurants. Internationally, composting is a well-established best practice. The O2 in London, for example, has been composting 100 percent of uncontaminated food waste from kitchens in the arena since 2008. O2 World Hamburg (formerly known as Color Line Arena), Germany, has achieved the most success with one of the largest diversion rates within AEG by converting all food and concession packaging to biodegradable materials so all "front of house" waste is compostable.



Rose Garden—Portland, OR

BIODEGRADABLE CUP VS. REUSABLE CUP: WHICH IS BETTER FOR THE ENVIRONMENT?

In Germany, a country known for environmental innovation, AEG has two different environmentally preferable cup solutions in place.

At O2 World Hamburg (formerly known as Color Line Arena), we use biodegradable plastic cups made from bio-plastic. These cups result in environmental benefits both from the non-petroleum-based plastic and from composting the cups instead of sending them to the landfill.

At O2 World in Berlin, we use the Cup Concept™ program, in which the Cup Concept company provides reusable cups to public venues and events. Guests pay a deposit on the cup at the beginning of the event. If they come for refills, they can return the used cup for another one with no extra deposit. At the end of the event, guests can either keep the cup as a souvenir or return it to retrieve their deposit. Each cup lasts up to 100 uses; afterwards, they are recycled into household piping.

We are currently doing a comparison to see which approach yields the most desirable cost and greatest environmental benefits.

HAZARDOUS WASTE

AEG generates very small amounts of Resource Conservation and Recovery Act (RCRA) regulated hazardous waste, such as waste paint, thinners, solvents and spent fuels. AEG facilities are all Conditionally Exempt Small Quantity Generators (CESQG) of hazardous waste and, therefore, are able to manage, store and dispose of these small quantities with relative ease and in full regulatory compliance.

MANAGING UNIVERSAL HAZARDOUS WASTE

Products containing Universal Hazardous Waste accumulate in a business setting very slowly, one piece at a time: a CRT monitor, an old printer, last year's cell phone, used batteries or mercury-containing switches. As we transition away from inefficient incandescent light bulbs and install more efficient compact fluorescent lamps, we create a new waste stream of lamps that contain mercury and must be managed and recycled. At AEG, Universal Hazardous Waste must be properly inventoried, labeled, stored and recycled with a licensed service provider.

AEG and its vendors help recycle all Universal Waste, including electronics (computers, cell phones, CRTs, printers, etc.), batteries (camera, car, household, lead-acid, nickel metal hydride, lithium and alkaline), pesticides, mercury switches, PCB-containing ballasts and fluorescent lamps.

AEG HAZARDOUS AND UNIVERSAL WASTE STREAM

Hazardous Waste / Universal Waste	WASTE STREAM	Recycled [Yes/No]
Hazardous	Solvents. Includes: paint thinners, any liquid paint, industrial cleaners	No
Universal	Fluorescent lamps. Includes: fluorescent tubes, bulbs, high intensity and sodium vapor lamps	Yes
Universal	Electronics. Includes: TVs, monitors, any LCD, any CRT, computers, plasma screens	Yes
Universal	All batteries. Includes: any product or device that has a battery	Yes
Non-regulated	Waste petroleum oil	Yes

WASTE MANAGEMENT AUDIT AND TRAINING

Through aggregating our Ecometrics tracking system data and writing this report, we have discovered there is room for improvement in how we manage both Universal and Hazardous Waste. Although operations and building staff know how to properly manage, store and dispose of these materials, many of our clients, who are in the venue for only one or two nights, do not. There are also different standards relating to the management of Universal and Hazardous Waste depending on where the venue is located. The laws are very different between California, Missouri and Germany.

To further improve record-keeping and ensure we have properly determined our environmental liabilities, AEG has committed to conducting waste stream audits and Universal / Hazardous Waste awareness training at our venues. The audit methodology will be developed in 2010 and the audit system will be implemented at a number of our facilities shortly thereafter. The results of these audits will be used to guide our future waste management policies and decision making.

2020 AEG 1EARTH VISION GOALS

AEG's goal is to generate zero RCRA-regulated hazardous waste by 2020.



COMPLIANCE

Tracking compliance is a fundamental part of demonstrating environmental due diligence. Penalties can be expensive, but more importantly, they indicate a shortcoming in our approach to managing environmental risk. AEG is not an industrial company; we do not manufacture a physical product and, generally speaking, we do not directly impact the land since our waste outflows follow municipal waste streams. Relatively speaking, our compliance risks are low compared to some companies. However, because we host events that attract large audiences, if anything were to go wrong, the risks would be significant. Environmental regulatory compliance and human safety are our highest priorities. Therefore, our goal is to have zero environmental fines at AEG. To date, AEG is not aware of any violations to the following U.S. environmental laws:

- Clean Air Act
- Clean Water Act
- Resource Conservation and Recovery Act
- CERCLA (Superfund)
- Toxic Substances Control Act
- Safe Drinking Water Act
- Superfund Amendments and Reauthorization Act (SARA Title III)
- Department of Transportation
- State Water/UST Regulations
- State Air Regulations
- State Hazardous /Solid Waste Regulations
- Wastewater Exceedances

*This report does not address federal or state OSHA safety compliance.



RESPONSIBLE PURCHASING

AEG procures millions of dollars in products and services each month. From manufacturing, to use, then disposal, each phase in the life cycle has environmental impacts. These products and services are currently created in a “take, make, waste” economy where natural resources are taken (extracted), made into industrial products and then disposed as waste where natural systems cannot break down the man-made materials at the same rate they are produced.

There is a growing consensus surrounding the need to change this system. This transition requires a focus on “closing the loop”, ensuring that biodegradable components are able to degrade safely back into the Earth’s biosphere and manufactured elements are returned to the industrial processes from which they are derived. Thus, creating a new “take, make, remake” economy where we are using less raw materials and reducing overall waste generation.

Similar to other companies, AEG developed a Responsible Purchasing Program to help guide procurement and ensure that health and environmental impacts of products are taken into consideration and weighed appropriately against cost.



Sprint Center—Kansas City , MO





AEG'S RESPONSIBLE PURCHASING PROGRAM INCLUDES:

- A commitment to environmentally preferable purchasing and the use of diverse suppliers as required by AEG's EPP (Environmental Preferable Procurement) policy and purchasing guidelines
- A web-based supplier portal and purchasing module that allows all purchasing activity to be conducted electronically and requires all suppliers to supply information on their environmental commitments
- Participation in the Responsible Purchasing Network, a program that provides tools and educational opportunities to our purchasing employees, and utilize their best practices and established standards wherever possible
- An inventory of preferred vendors and environmentally preferable products used at AEG
- An assessment protocol to determine if a product or service is environmentally preferable
- Letters to suppliers, vendors and contractors that explain environmental goals and supplier responsibilities, which include commitments to reduced packaging and product take-back
- A letter to food vendors that requests a commitment to more sustainable operations, including increasing the purchase of organic, local, sustainable food products, participating in food waste composting where possible, and maintaining equipment for energy and water efficiency



In addition to creating these tools to support environmentally preferable purchasing, AEG identified the top four* purchasing categories that have a high level of environmental impact due to both the volume of purchases and the environmental attributes of the products and services:

- 1) Heating, ventilation and air conditioning (HVAC)
- 2) Lighting
- 3) Paper
- 4) Janitorial

*This list purposely excludes utilities, which are addressed directly through our energy, greenhouse gas and water initiatives.

In 2009, AEG's purchasing department embedded purchasing metrics directly into the Ecometrics. While the data compiled is not as it will be in subsequent reportings, it provides a valid benchmark for future measurements.

2020 AEG 1EARTH VISION GOALS

50 percent of total dollars spent on high-impact products and services will be spent on sustainable alternatives.

SOURCING AT AEG: CLEANING PRODUCTS AND JANITORIAL SERVICES

AEG Purchasing sources products and suppliers based on quality, environmental preferability, supplier diversity goals and cost competitiveness. To this end, environmental product and service requirements are built into AEG's sourcing process. In 2009, the purchasing department focused specifically on sourcing environmentally preferable cleaning products and janitorial services.

"In my 10 years of experience, sustainability procurement has typically been a regulatory requirement. At AEG, our procurement team is committed to being subject matter experts in environmentally preferred purchasing, and we've incorporated those practices into our sourcing methodologies."

—Cameron Basydlo, Director of Strategic Sourcing



Ogden Theatre—Denver, CO

AEG prioritizes the use of "green" cleaning chemicals that are low in toxicity and minimize impact on human health and damage to the environment from exposure to and disposal of these products. While working on this initiative, AEG Purchasing discovered that several facilities were already using "green" cleaning products but we had no way to measure to what extent were all of their chemicals "green." AEG Purchasing formally defined "green" cleaning products for the company and reached out to chemical suppliers and service providers asking them to provide information on which of their products meet the following criteria and if they have experience cleaning with these products:

- Professionally certified (Green Seal or Ecologo Preferred), and/or
- No ozone-depleting substances and low Volatile Organic Compounds (VOC), and
- Non-toxic and biodegradable

Throughout the rest of 2009, AEG Purchasing assisted several more venues in transitioning to "green" cleaning products and service providers familiar with using them. In all cases, AEG realized cost savings and is now one of many companies that can say green cleaning actually saves money. Moving forward, AEG is working with suppliers to measure the monthly percentage of purchased cleaning products that meet our definition of "green."

AEG VENUES USING OVER 50% QUALIFIED GREEN-CLEANING PRODUCTS

- Acer Arena
- Citizens Business Bank Arena
- O2 World Hamburg
- The Home Depot Center
- L.A. LIVE
- Nokia Theatre L.A. LIVE
- The O2 Arena
- The O2 World
- Ogden Theatre
- Target Center
- San Diego Sports Arena
- Sprint Center
- STAPLES Center
- Stockholm Globe Arenas
- Rose Garden
- XL Center



TRANSPORTATION

By the end of 2010, there is expected to be more than one billion vehicles in the world. This number is expected to increase an additional 20 percent by 2015¹ as more than 10 million new vehicles are added each year. Currently, the transportation sector is the second-largest global emitter of greenhouse gases behind power generation, accounting for 20 percent of all emissions.

AEG's transportation emissions are minimal as we only have an average of two vehicles at each of the 20 venues included in this report. Of the total energy we consume as a company, gasoline makes up less than 0.5 percent. On the other hand, there is a significant amount of indirect emissions that result from AEG-related activities, such as: 1) the shipping of goods and services, 2) employee commutes and travel, and 3) audience travel. Because these indirect emissions are not under the control of AEG, we have not set 2020 goals specifically around transportation. But we recognize our ability to influence the transportation decisions of our employees, partners and patrons. Moving forward, AEG is committed to strategies to reduce both our direct and indirect transportation emissions.²

¹ Source: R. L. Polk Automotive Intelligence.

² The indirect (Scope 3) greenhouse gas emissions described above from (external) shipping of goods, audience travel and employee commutes are not included in AEG's greenhouse gas inventory. The WRI/WBCSD GHG Protocol considers the quantification of Scope 3 emissions as optional. Internal shipping of goods and shipping using AEG vehicles within venues is included.

EMPLOYEE TRAVEL (DIRECT EMISSIONS)

In 2009, AEG hired a global travel manager who has launched a formal travel and expense policy as well as online travel portal that includes environmental guidance language encouraging employees to reduce the environmental impact of their travel. Moving forward, AEG will use data from the travel portal to assess AEG's environmental impacts associated with business travel.

EMPLOYEE COMMUTES AND AUDIENCE TRAVEL (INDIRECT EMISSIONS)

AEG has no formal companywide program to demand employees or venue attendees use alternative transportation. This is historically because AEG has no control over how staff and audiences travel or any control over the public transportation systems near the venue. We are currently working on incentives to encourage greater use of alternative transportation. Some venues already have successful initiatives that reward staff and attendees for taking alternative transportation:

- The O2 has a travel plan in place that has helped them encourage 75 percent of all visitors and 90 percent of all staff to take public transportation.
- Rose Garden and the Trail Blazers provide transit passes to all employees and discount tickets to NBA audiences with proof of public transportation.
- L.A. LIVE and the University of Southern California (USC) have partnered together to provide a free weekend shuttle to students.



COMMUNICATION AND EDUCATION

To best reduce environmental impacts both inside and outside of AEG's scope of influence, AEG must engage all of our employees, as well as the millions of guests at AEG venues, facilities and events, to participate in a culture of environmental stewardship. Given the large number of people attending any given AEG venue or event, we believe we have a unique opportunity to inspire and motivate guests toward sustainability by associating environmental responsibility with the excitement and luxury of the guest experience.

EDUCATING EMPLOYEES ON SUSTAINABILITY

New Hire Orientation

Every employee receives an introduction to AEG's environmental policy and program in their new hire orientation. This training explains AEG's environmental vision, goals and initiatives and offers ways that employees can get immediately involved.

Ongoing Training

AEG Human Resources is developing a class module entitled "Sustainability 101," which provides both a general overview of why resource management and conservation are important as well as specific examples of what employees can do at work to participate in AEG's 1EARTH program. As AEG implements EMSs across its operations, environmental awareness training will become mandatory.

Consistent Messaging

AEG knows it is not enough to simply announce a commitment once and make information available in a static location. AEG managers, communications staff and HR team members weave environmental messaging consistently into employee communications and events. The three most successful forms of communication in use are newsletters, event-specific programming and email announcements. For example, the corporate purchasing department launched a quarterly newsletter specifically for the Facilities division, which features an update on sustainable purchasing initiatives in each issue.

On Earth Day April 22nd, 2008, AEG corporate headquarters held its first employee AEG 1EARTH Fair with over 500 employees in attendance. In 2009, environmental educational events increased to include "Bike to Work" day, Earth Day celebrations and Earth Hour.



AEG employees and interns at a lecture in the GRAMMY Museum® at L.A. LIVE

2020 AEG 1EARTH VISION GOAL

100 percent of AEG facilities and venues include environmental messaging and information.



GUEST ENGAGEMENT

One of the most significant impacts AEG can have on the environment is to raise awareness of our millions of guests. When an environmental message is delivered at the same time guests' favorite band or team is playing, the message is inspiring and meaningful.

Each AEG venue reaches out to guests in multiple ways, including:

- Public announcements, signage and reminders during events about how to recycle
- Signage on environmentally preferable fixtures, such as waterless urinals and hand dryers in the bathrooms
- An “environmental initiatives” or “green efforts” page on websites where guests can learn about the venue’s specific efforts
- “Green theme” games and events where the giveaway is a recycled content product and “green” tips are displayed on game boards throughout the event
- Discount tickets for people who take public transportation
- Preferred parking for hybrids and alternative-fuel vehicles



The LA Galaxy—Carson, CA



The Home Depot Center—Carson, CA

CASE STUDY: GREEN TEAM

When the Citizens Business Bank Arena (CBBA) opened in October 2008, the arena's management team made a definitive commitment to reduce the environmental impacts of traditional venue operations. The facility implemented many environmentally preferable measures, such as waterless urinals and solar-powered trash compactors, but the most salient environmental conservation initiatives stem from its employees.

In early 2009, CBBA developed a Sustainability Committee with ten active managers and employees from different departments. The initiatives created by the CBBA Sustainability Committee include:

- Companywide mug exchange to eliminate the use of disposable coffee cups
- *Lunch Club* to encourage staff to utilize reusable packaging for lunches
- Monthly *Green Star Award* given to the most sustainable employee
- Weekly green tips distributed via e-mail to all employees
- Quarterly newsletter on the subject of environmental sustainability
- *Bag the Bottle* in-game recycling program allows staff and guests to interact through recycling
- Sustainability training is presented to all newly hired employees with environmental information included in new hire paperwork
- *Green Police* to monitor electricity use of staff within the administrative offices
- Personal recycle bins with every desk
- Employee portal provides environmental information, facts and tips online
- Pay day recycling drop-off site allows staff to deposit their recyclables at the arena on pay day in exchange for prizes

With nearly 400 employees at this 10,000-person venue, the collaborative power of the staff has produced tangible results.



Citizens Business Bank Arena "Green Star of the Month", Michael Gerber, Manager, Public Safety





EARTH HOUR

In 2009 and 2010, at 8:30p.m. on the fourth Saturday in March, more than 30 AEG affiliated venues in 19 cities and six countries joined a global call to action on climate change during the World Wildlife Fund's Earth Hour. The international environmental action has been heralded as the world's largest mass participation event in history bringing together billions of people in 4,000 cities and 125 countries to discuss the importance of taking action now and the power each one of us has to make a difference. Through the symbolic act of turning off non-essential lighting for one hour, AEG venues empower fans to see that small actions can make a big difference.

Some of the highlights of AEG's participation in 2008 and 2009 include:

L.A. LIVE hosted the culminating Earth Hour Los Angeles event, which took place in **Nokia Plaza L.A. LIVE**. It featured Leeza Gibbons, DJ Tony Okungbowa, Los Angeles Mayor Antonio Villaraigosa and other community leaders and brought out hundreds of participants to watch the lights go dark on **STAPLES Center, Nokia Theatre L.A. LIVE, Club Nokia** and the rest of **L.A. LIVE**.

Nokia Theatre Times Square recruited performer Keller Williams to recognize Earth Hour during his concert, in addition to decorating the venue with Earth Hour posters in the weeks preceding the show and turning off the marquee during the hour.

The O2 in London, England engaged over 1.2 million fans by turning off the lights on their iconic spires, featuring Earth Hour videos and messaging throughout the entertainment district and sending a post event email blast to over 1 million guests.

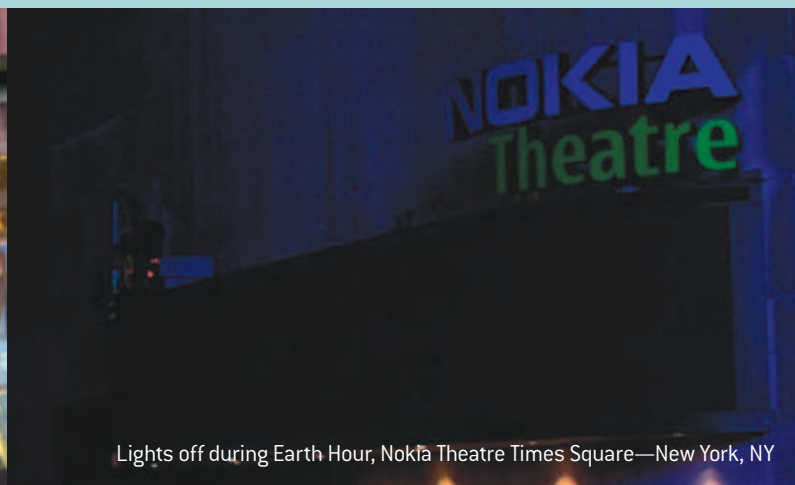
Acer Arena in Sydney, Australia and all of 11 other venues in the Asia Pacific Region managed by **AEG Ogden** turned off their lights.

XL Center in Hartford, Connecticut, engaged 7,500 "Wolf Pack" Hockey fans by running announcements and the official Earth Hour video throughout the game, dimming inside lighting to emergency light levels and powering down external marquee boards. The Boy Scouts celebrated their 100th anniversary at the event by collecting 10,000 eyeglasses and cell phones at the main entrance.

NOKIA THEATRE TIMES SQUARE EARTH HOUR 2009



Lights before Earth Hour, Nokia Theatre Times Square—New York, NY



Lights off during Earth Hour, Nokia Theatre Times Square—New York, NY

SUSTAINABLE DESIGN AND CONSTRUCTION

Green buildings are environmentally sound, energy-conscious and are less expensive to operate than traditional buildings. In addition, they are safe, healthy and comfortable.

At AEG, green development allows guests and employees to feel good about the business they support and meets the goals of municipalities, state agencies and other stakeholders to further reduce the environmental impact of the facilities management, sports and entertainment industries.

TRYING TO TAKE RESPONSIBILITY FOR THE FULL LIFE OF A BUILDING

AEG developed STAPLES Center (1999), the only venue to host five professional sports teams at one time and The Home Depot Center (2002), one of the nation's most complete training facilities for Olympic, amateur and professional athletes. AEG has since developed a roster of other sports and entertainment venues (see chart below).

Recent Venues Developed by AEG

Venue	Date Complete
The O2	June 2007
Nokia Theatre L.A. LIVE	October 2007
SPRINT CENTER	October 2007
O2 World	September 2008
Citizens Business Bank Arena	October 2008
Club Nokia	November 2008
L.A. LIVE	November 2008

In creating the most advanced venue experience for artists, teams and fans, AEG wanted to maintain influence over the entire life of a building, from design to construction and then through ongoing management of the facility. To achieve this, in 2007, AEG partnered with Romani Group to create ICON Venue Group LLC in what would become a one-stop shop to develop and construct every aspect of an entertainment facility. Over the last several years, AEG's Real Estate and Development division, along with ICON, set a standard for how to design and construct a venue with the needs of the fan, artist, and sports team in mind. State-of-the-art technology has often been incorporated, not because it was energy-efficient, but because it improved the guest experience. As AEG began to define and implement its commitment to environmental sustainability more recently in the past two years, nearly all of the current venues were already under construction and design plans had been finalized, leaving no room for additional energy saving and value-added environmental measures.

BUILDINGS IN THE UNITED STATES ACCOUNT FOR:

- 65% of total electricity consumption
- 36% of total primary energy use
- 30% of total greenhouse gas emissions
- 136 million tons of construction and demolition waste
- 12% of potable water use

[Source: USGBC.org]



SUSTAINABLE DESIGN GUIDELINES

Moving forward, AEG plans to integrate an environmental focus into its development process for all future venues and buildings. We are currently developing guidelines for environmentally sustainable design and construction. The guidelines will define AEG's expectations for all contractors, subcontractors, architects, engineers, consultants and vendors working with AEG on the design, construction or rehabilitation of buildings and venues. AEG will use the guidelines to ensure that new construction and renovations of buildings will be as environmentally sensitive as possible.

USING THE LEED FRAMEWORK FOR ASSESSING BUILDING PERFORMANCE

In 2009, AEG became a member of the U.S. Green Building Council (USGBC). The USGBC, a coalition of leading organizations from the building industry, established the Leadership in Energy and Environmental Design (LEED) rating system to certify buildings as “green” based on a points system of environmental measures implemented. Since 2009, we began to integrate the LEED rating system criteria into our construction projects.



The Portland Trail Blazers and AEG's management team at Rose Garden became the first sports arena and NBA team to achieve the Gold Standard for LEED Existing Building Operations and Maintenance (EBOM) certification. All future AEG developments will begin to assess LEED certification to determine whether to pursue it or use one of the LEED rating systems as a guideline during design and development.

At the L.A. LIVE sports, residential and entertainment district, the new JW Marriott and Ritz-Carlton Hotels and Ritz-Carlton Residence have followed the LEED for New Construction standard and are applying for a certification in the fall of 2010.

Our executives and engineers are now aware of LEED and will use the framework for designing and re-commissioning buildings in the future.



CASE STUDY: THE O2 - SUSTAINABLE FROM THE GROUND UP

From the first day, the redevelopment of the Greenwich Peninsula into a world-class entertainment destination was a highly scrutinized project, subject to continual government audits and monitoring. Taking a proactive approach, AEG worked with government agencies to develop a sustainability development framework used to guide the design and construction phases of this multi-venue destination. Before The O2 was built, an entertainment district of this size had never been attempted in Europe. Today, the district features a state-of-the-art live music venue, an 11-screen multiplex cinema, an exhibition centre, an entire street of bars and restaurants and at the heart a 20,000 capacity arena - all under the iconic roof of The O2 on Greenwich Peninsula.

AEG's development team was able to meet and exceed the sustainability objectives identified during the initial scoping stage of project development with the following:

PROMOTED MATERIAL EFFICIENCY

- reused seating
- sustainable white oak
- precast concrete and off-site manufacturing
- natural stone finishing materials

MINIMIZED CONSTRUCTION WASTE

- waste segregation for recycling and reuse
- old concrete crushed and used on site
- unused lumber and plasterboard 'taken-back' by suppliers

MINIMIZED TRANSPORTATION

- bulk materials delivered using River Thames
- lorry transportations minimized
- local materials used wherever possible

PROMOTED ENERGY EFFICIENCY

- variable speed drives on fans and pumps
- natural day-lighting
- centralized energy management system
- LED lighting systems

MAXIMIZED USE OF LOCAL LABOR

- 14% of the construction workforce was from the local Greenwich area
- over 650 workers received a certificate under the Construction Skills Certification Scheme





The O2 maintains its commitment to sustainability in its day-to-day operations and it is the first AEG venue to set clearly defined objectives and targets around environmental performance.

THE O2 OBJECTIVES AND TARGETS FOR SUSTAINABLE PERFORMANCE

WASTE AND RECYCLING

- 100% of kitchen food waste composted
- 100% of glass bottles processed into building sand
- 75% of cardboard recycled

TRANSPORT

- Goal of 75% non-car visitation
- 6 new fast river ferries
- Improved tube and bus service
- Restriction on visitor parking

ENERGY USE

- LED and CFL lighting systems
- Computerized building energy management system
- Variable speed drives on pumps and fans

COMMUNITY ENGAGEMENT

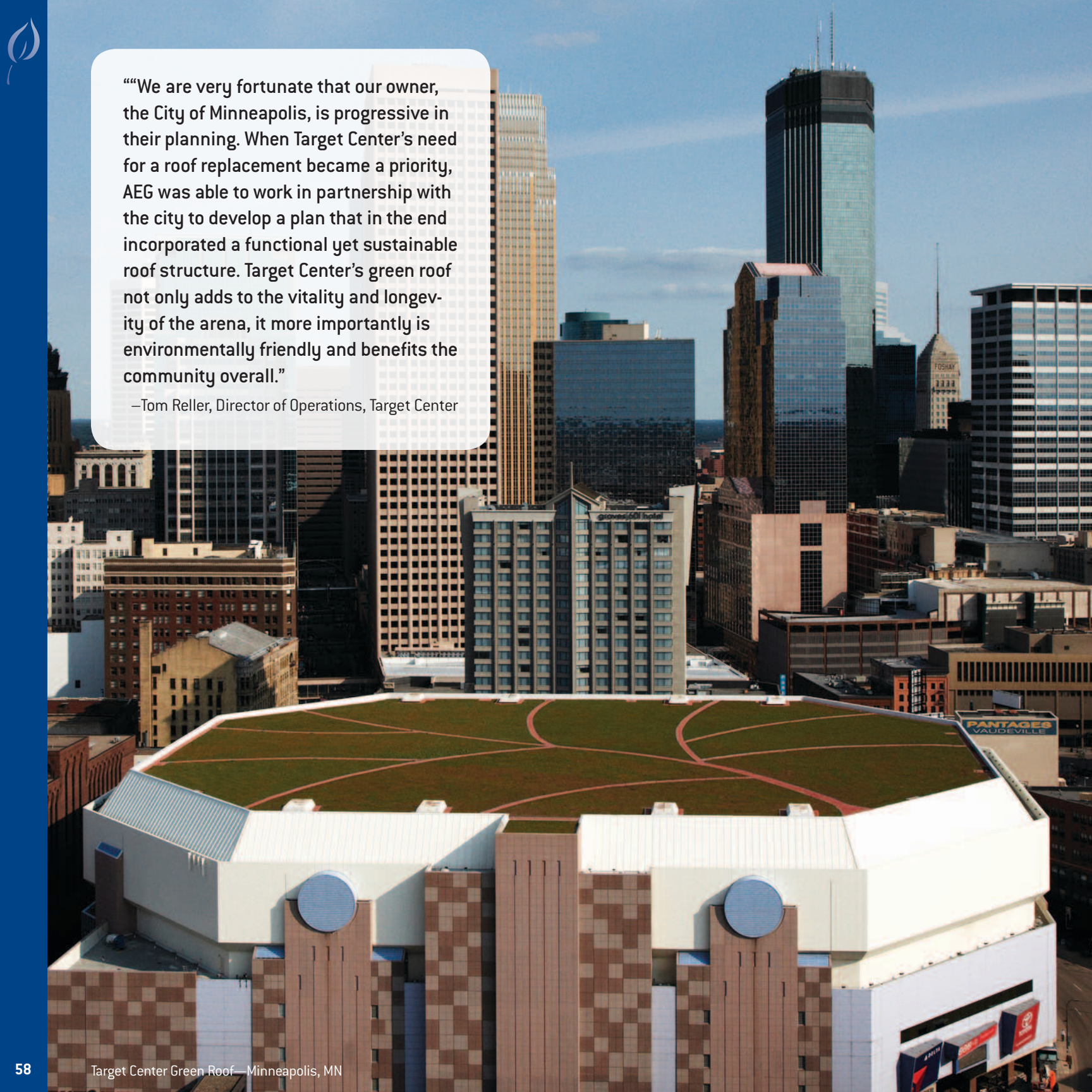
- 40% of operational jobs are held by Greenwich residents
- School programs
- The O2 Foundation established to support sport, music, and arts

“The role of The O2 remains critical in terms of ensuring the regeneration is not just a physical one, but has positive impacts socially, culturally and economically for local people.”

—David Campbell, CEO and President AEG Europe

CASE STUDY





“We are very fortunate that our owner, the City of Minneapolis, is progressive in their planning. When Target Center’s need for a roof replacement became a priority, AEG was able to work in partnership with the city to develop a plan that in the end incorporated a functional yet sustainable roof structure. Target Center’s green roof not only adds to the vitality and longevity of the arena, it more importantly is environmentally friendly and benefits the community overall.”

—Tom Reller, Director of Operations, Target Center



CASE STUDY: FIFTH LARGEST GREEN ROOF IN U.S.

AEG's management team at Target Center in Minneapolis, Minnesota, is a proud partner in the installation of the fifth largest "green" vegetated roof in the United States. As part of a larger project to upgrade Target Center, the City of Minneapolis chose to retrofit the roof of the main arena with a 2.5-acre green roof as opposed to simply replacing the surface with a conventional covering. As facility manager, AEG was able to support the City of Minneapolis with the planning and installation of the green roof in the Summer of 2009.



WHY HAVE A GREEN ROOF?

A green roof refers to the roof surface of a building where vegetation has been planted on top of soil and a waterproof membrane. Beside the aesthetic benefits of being surrounded by green space, green roofs provide a wide array of environmental benefits, such as thermal insulation, filtration of toxic waterborne pollutants, recovery of natural habitat areas, and helping to decrease urban air temperatures caused by the urban heat island effect. Of critical importance to the City of Minneapolis is the green roof's ability to absorb storm water and release it slowly over a period of several hours. Green roof systems have been shown to retain 60-100 percent of the storm water they receive. The benefit of this slow release of pollutant-free rainwater means that municipal storm water systems are less likely to discharge "dirty" city water directly into the Mississippi River during heavy rain events.

THE FIRST GREEN ROOF AT A SPORTS ARENA

Over the course of two days, a 165-ton crane hoisted five truckloads of plant material, which included 900 rolls of pre-grown vegetated mats of sedum and native plants, on top of the arena's main roof. Using a blower truck, more than 540 cubic yards of soil was blown 165 feet in the air onto the roof. Eleven miles of water-efficient irrigation plumbing was installed and 14,000 concrete pavers were laid for firebreak and roof surface protection.

To maximize storm water retention and plant vigor, the green roof features a 2.75-inch deep growing zone in the center area and a deeper 3.5-inch growing zone around the perimeter. Experts say that this depth should handle rainfall events of up to 0.9 inches without runoff. A pre-grown mat of sedum and native grass creates the base of the green roof system that has been complemented by additional plantings of vegetation native to Minnesota prairies.



CASE STUDY

ENVIRONMENTAL PERFORMANCE

CORPORATE SOCIAL RESPONSIBILITY

As mentioned in the Reporting Methodology Section, we have followed the GRI framework for sustainability reporting but have not included the GRI Social Indicators. In the future, we will provide analysis on social indicators that are applicable to our industry, such as Labor Practices and Society. At this point we are still developing a way to accurately measure these additional indicators across our different companies and facilities.

AEG has always placed a high value on contributing to the communities and employees with which we do business and believes that corporate philanthropy, treating our employees well and investing in the communities where we operate are essential business practices.

COMMUNITY AFFAIRS

Since its inception, AEG has had a focus on corporate philanthropy and community involvement.



Luc Robitaille, President, Business Operations,
Los Angeles Kings

MISSION:

Our primary mission is to help improve the quality of life for children and families. Due to the diversity of needs throughout the U.S. and in areas abroad where we work, we do not have a one size fits all model. Instead we examine each community, develop partnerships with non-profit organizations and work locally to identify specific needs.





Our work is focused on the following areas:

Education Related Initiatives: Through a wide range of partner organizations, we invest in educational programs, such as after-school educational enrichment, literacy improvement and partnerships with higher educational institutions.

Health and Social Services:

We provide financial support to local and national non-profit organizations that address health and human service needs such as City of Hope, the American Red Cross, and the American Diabetes Association.

Community and Economic Development: We have made investments in areas such as affordable housing development, parks and green space development, homelessness, violence reduction programs and local hiring initiatives.

Culture and Arts: We provide support for arts and cultural programs, especially in the area of music and art education.

Our Contributions:

Over the last 10 years, AEG has contributed over \$65 million in direct financial and in-kind support of charitable, community and civic programs. We are proud of our contributions and as we look to the future, we hope to set new standards for our own civic and community participation.

AEG FOUNDATIONS:



Los Angeles, CA



Los Angeles, CA



Carson, CA



Carson, CA



Houston, TX



Manchester, NH



London, England



London, England



Kansas City, MO



GETTING LOCAL PEOPLE INTO LOCAL JOBS

The O2 in London, England has launched The Foundation Degree in Events, Venues and Hospitality Management (AEG) in partnership with the University of Greenwich and Greenwich Community College. This unique program, an industry first, provides employees and local residents with hands-on work experience and unprecedented access to senior teams within AEG, equipping young talent with the specific skills required for our business.

EMPLOYEE ENGAGEMENT

In addition to financial and in-kind programs that AEG offers, our employees also contribute through volunteer service and voluntary employee payroll deduction programs. Volunteer initiatives are determined by local needs and range from weekly literacy tutoring provided by employees at STAPLES Center to annual projects such as the Home Depot Center's annual Earth Day Reading Garden, where employees build a reading garden for a new school each year.

In a similar spirit, AEG employees also support a myriad of non-profit organizations by participating in an employee payroll deduction program. Each month, over 25 percent of our employees make a voluntary donation in support of local non-profit organizations.

WORKFORCE DIVERSITY

AEG is committed to developing a diverse workforce that reflects the local community where we operate. Since its inception, AEG has developed successful hiring initiatives that are tailored to the local needs of a specific community. These efforts across the globe result in success stories such as The O2's Major Events Volunteer Programme which gave local unemployed residents work experience and introductions to job opportunities with over 50 percent of participants gaining employment both inside and outside of AEG.

As an employer, we strive for an environment that recognizes and rewards differences by valuing what each person can bring to the organizations, and in turn, what the organization can do to encourage and support the growth of each individual. In addition to local hiring initiatives, AEG has developed a succession program that provides training and opportunities for AEG employees to grow from within.

SUPPLIER DIVERSITY

AEG recognizes the business value of providing equitable access to procurement opportunities for minority- and women-owned businesses. This commitment is the defining principal of AEG's Supplier Diversity program, a business strategy managed within the Purchasing Department. Supplier Diversity is an effort to strategically source products and services from diverse local vendors for the mutual benefits of reduced costs and delivery time, a healthier local economy, and stronger relationships with multicultural customers.



Earth Day Reading Garden. Home Depot Center Foundation—Carson, CA



Tim Leiweke speaks to Challengers Boys & Girls Club



AEG has had an active supplier diversity program that has been focused in regions within the United States where municipalities also support programs for diverse businesses. Moving forward, AEG is committed to adopting supplier diversity best practices across the entire company. We understand that this will be a challenge that will require greater engagement, accountability, and communication among all AEG's subsidiaries and affiliates. Furthermore, we will be measuring and reporting on our progress with specific metrics, so we can better measure the success of supplier diversity initiatives and integrate them into AEG's overall corporate strategy.



AEG sponsored the Los Angeles Minority Business Opportunity Center's 14th Annual Minority Enterprise Development Awards at Club Nokia

2010 Supplier Diversity Goals

- **Procurement Opportunities:** Provide first and second-tier procurement opportunities to minority- and women-owned businesses. Diverse businesses face the challenge of competing against the resources of large corporations. For that reason, we aim to concentrate on encouraging business relationships between our corporate partners and diverse suppliers.
- **Measurement and Tracking:** Expand technology and tools to report purchasing performance with diverse suppliers.
- **Supplier Development:** Develop capacity building programs and business reviews to mitigate risk and to help diverse suppliers ensure business viability, growth, and competitiveness.
- **Outreach:** Continued outreach to identify qualified diverse businesses and establish partnerships with government agencies and advocacy organizations to advance the shared mission of accelerating the growth of diverse suppliers.

2009 Success Stories

- AEG was able to work with STAPLES Business Advantage, AEG's preferred office solution provider, to award business to diverse manufacturers, who now provide paper and other office products to AEG's offices.
- AEG Purchasing launched an online supplier management system (<https://supplier.aegworldwide.com>). This paperless system acts as a central supplier directory and e-sourcing tool providing visibility for diverse and non-diverse businesses.
- The supplier diversity team engaged internal departments in business-to-business mentoring providing access to resources, industry expertise, business opportunities and corporate relationships. In 2008, AEG mentored The Baker Group who went on to win the 2009 Supplier of the Year Award (Class 1) from Southern California Minority Business Development Council. Other companies mentored by AEG include DataOptek and Thor Construction Company.

PARTNERSHIPS

AEG knows that our environmental successes depend on teamwork with internal and external stakeholders who can bring other skill sets to the table. AEG's partnerships with non-profits, government programs and corporate partners provide access to best practices, up-to-date information on environmental regulations, educational support for staff and guests and resource assistance with implementing programs. These ongoing and evolving partnerships are key to AEG's ability to make meaningful progress towards our sustainability goals.

Non-Profit

Los Angeles Conservation Corps (USA)

Long Beach Conservation Corps (USA)

Heal the Bay (USA)

Habitat for Humanity (Int'l)

International Association for Assembly Managers

Julie's Bicycle (UK)

Natural Resources Defense Council-E2 Business

Partnership (USA)

Rock the Earth (USA)

Responsible Purchasing Network (USA)

U.S. Green Building Council (USA)

World Wildlife Fund (Int'l)

Government

California Green Workforce Coalition-Industry

Flex Your Power (California)

EPA Energy Star Partner (USA)

EPA Green Power Partner (USA)

EPA Waste Wise Partner (USA)

EPA Water Sense Partner (USA)

Corporate Partners: Among the companies that explicitly build environmental programs into their sponsorship relationship with AEG.



Provides Coca-Cola bottle shaped recycling receptacles to venues to encourage guests to recycle. Installs economizers on the motors in vending machines to reduce electricity.



Integrates environmental messaging into all sponsorship messaging, including over several "WM Think Green" Games with the sports teams in different AEG venues.



Advertises hybrid technology at AEG venues and provides Hybrid cars for special events.



Assist AEG environmental purchasing efforts by providing monthly report on total percentage of recycled content products and highlighting environmentally preferable products in the online catalogue for AEG internal purchases.



A FAMILY PARTNERSHIP



The development of AEG's first annual Environmental Sustainability Report and the Ecometrics environmental performance tracking system used to collect data for the report were made possible through the guidance and assistance of Ecologix by Xanterra, an environmental consulting division of Xanterra Parks & Resorts, Inc. (Xanterra). Xanterra is also wholly owned by The Anschutz Corporation, AEG's parent company.

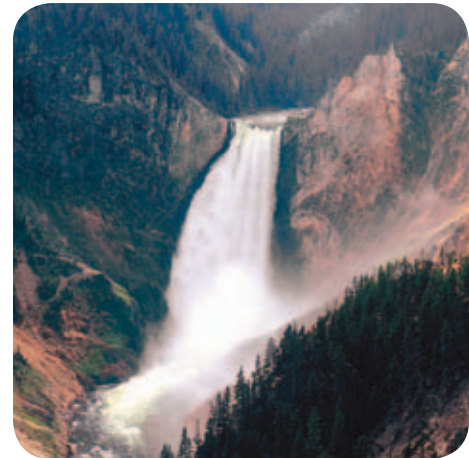
As the United States' largest national and state park concessioner, Xanterra Parks & Resorts' operations span the country—from Yellowstone to the Grand Canyon. The company's legacy of hospitality leadership extends more than a century. Xanterra properties offer a wide range of recreational facilities and experiences—from conference centers with golf courses, tennis courts, and spas to historic park lodges and cabins in wilderness settings. The company's 8,200 employees operate 33 hotels and lodges with more than 5,000 guest rooms, 53 retail stores, 66 restaurants, three marinas, five golf courses, and 1,800 campsites within national and state parks.

Operating in some of the most beautiful places on earth, Xanterra has long believed they have a unique responsibility to push the edge of environmental responsibility in the tourism industry. Through the framework of Xanterra's Ecologix environmental program, Xanterra has institutionalized initiatives that help protect the ecosystems that surround the company's hotels, shops, restaurants, and support facilities.

Xanterra has received more than 60 national and international environmental achievement awards and 20 third-party environmental certifications for their environmental performance over the past decade. This year, Xanterra will soon release its fourth Sustainability Report.

A key part of Xanterra's program is their Ecometrix environmental performance tracking system. Working closely with Ecologix by Xanterra, AEG has adapted Xanterra's proven methodology to the live entertainment and sports industries with the creation of AEG's Ecometrics.

To further environmental synergies and AEG's environmental performance, AEG hopes to continue its partnership with Xanterra in the foreseeable future.



Lower Falls of the Yellowstone,
Yellowstone National Park, WY



Grand Canyon National Park, AZ

OFFICE OF SUSTAINABILITY

MESSAGE FROM MANAGER, SUSTAINABILITY PROGRAMS

Growing up in Los Angeles, I considered myself environmentally conscious because I recycled and spent my summers practicing “Leave No Trace” camping as a Venturer Scout. It wasn’t until I went to college that I realized I was barely scratching the surface of the environmental issues that face not only American society but the world.

My immersion into the principles of sustainability began when I attended Willamette University in Salem, Oregon, and later worked with the Oregon League of Conservation Voters.

After years of studying what the leading business leaders, economists, politicians, and environmental scientists have to say about the state of our world, the message was clear and consistent: we must work concertedly to protect and preserve our planet’s ecological systems for our own health and prosperity as well as that of our children. Otherwise we will face a world of diminishing and unequal resources, increased pollution of our soil, air and water, and potentially irreversible impacts from climate change.

Solutions to such far-reaching global environmental problems are not easy. For decades, industries, governments, and non-governmental organizations worked on solutions in the silo of their own sectors. But in recent years, as the technological revolution has allowed people across continents to connect in a matter of seconds, the public consciousness of the global ecological and environmental imperative has grown to an all-time high. Proactive businesses, non-profits and governments now assess their environmental and social impacts and willingly partner to identify solutions and transparently report their impacts to a more vigilant public.

Now, as sustainability manager for AEG, a major player in Corporate America, centered on the entertainment and sports industries, I find myself at the forefront of both the challenges and possibilities for a better tomorrow.

Identifying solutions to AEG’s environmental challenges is not easy. But we have already met one of the greatest challenges, bringing together all of our divisions, spanning different industries, to develop our AEG 1EARTH vision and long term goals. Now, we share the challenge of measuring our environmental performance against our goals and making the decisions that will help us achieve them. Together we will continue to identify projects and partners that can help us reduce our resource consumption and inspire a culture of environmental stewardship among our various stakeholders.

With AEG 1EARTH, we hope to prove that environmentally responsible corporate practice is feasible, profitable and verifiable even within the ever growing, fast-moving, and dynamic sports and entertainment industries.

This report is evidence of AEG’s desire to raise its environmental responsibility to a new level and hope thereby to inspire transformation in the facilities management, sports and entertainment industries.



Jennifer Regan
Manager, Sustainability Programs





MESSAGE FROM CHIEF ADMINISTRATIVE OFFICER

When AEG began integrating the principles of environmental sustainability into our corporate strategy, we knew we could only achieve this mission if we aligned our activities with our core business objectives and placed the program in a division that touched all of AEG's operating entities.

At the outset, we sought a sustainability leader who blends passion with resourcefulness and practicality. Shortly thereafter, key department heads, including those in the Administration Division, embraced their roles in setting the tone for the rest of the company. With a focus on education, AEG Human Resources incorporated environmental messaging into employee communications at every opportunity. AEG Payroll transitioned paper-based processes to electronic methods. AEG Information Technology oversaw the implementation of a companywide double-side print policy. AEG Risk Management evaluated how the company should address hazardous waste. In addition to overseeing the day-to-day operations of the Sustainability program, AEG Purchasing implemented an environmentally sound purchasing policy and administers a comprehensive energy-conservation plan.

Together, we assessed the environmental footprint of all AEG divisions at all levels. We determined that AEG's largest resource consumption and best opportunities for improvement are at the facilities owned or managed by the AEG Live and AEG Facilities divisions. While we worked to measure our environmental performance and identify efficiency projects to reduce operating costs for facilities, we also worked to develop an environmental vision accompanied by short and long term goals that steer environmental process improvement for the entire company.

As we proudly release our first sustainability report, AEG has succeeded in developing a program that drives decisions which promote corporate responsibility, easily adapts to changing demands in the industry and makes a difference. AEG 1EARTH is here.

Kevin McDowell
Chief Administrative Officer



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www.aegworldwide.com

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