

TENNIS PARTICIPATION – GOOD NEWS FOR TENNIS INDUSTRY

LATEST TIA/USTA SURVEY

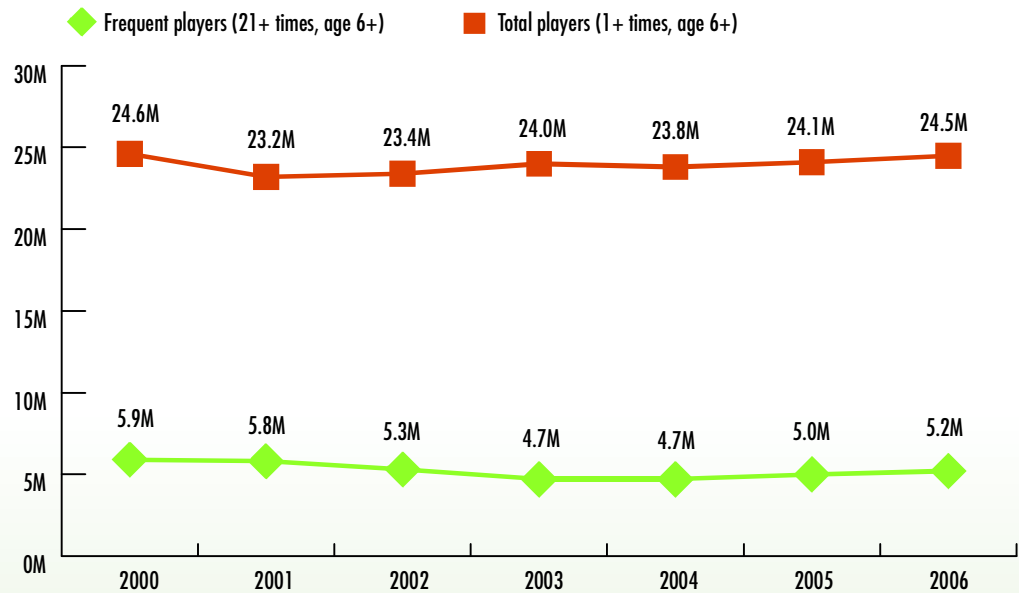
The latest TIA/USTA tennis participation shows total and frequent player numbers flat. However, on a rolling average basis the trends are a little clearer. Total player numbers have remained steady but frequent players have increased since a low in 2003 but have not returned to the high of 2000.

TENNIS PLAY OCCASIONS

Although the number of play occasions had slipped a bit in 2006, the numbers were still above 2002, 2003 and 2004. So on a two year rolling average basis the increasing trend from 2004 continued.

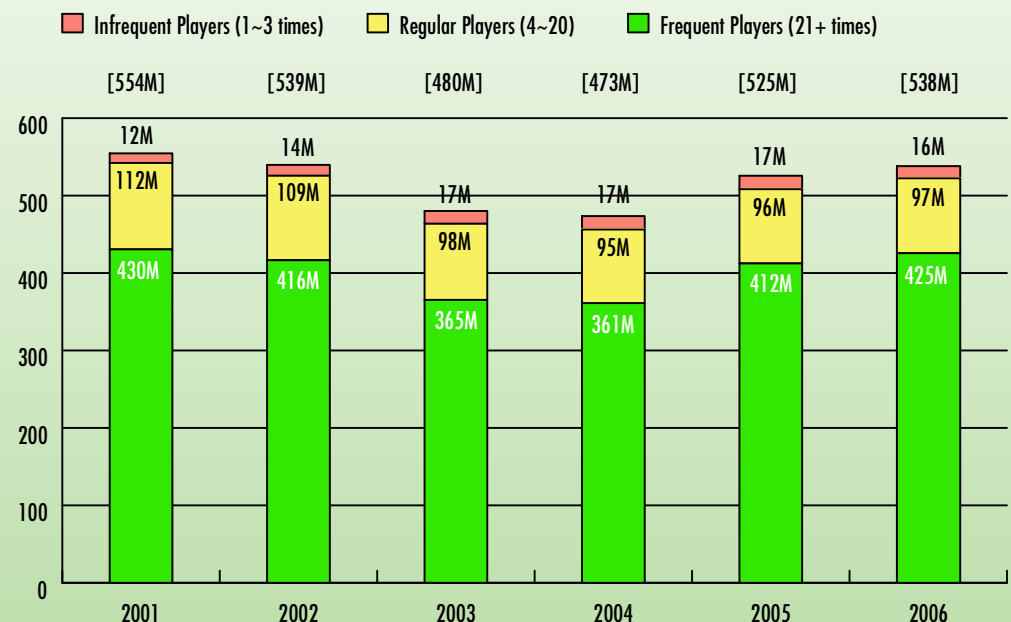
Total and Frequent Tennis Players

2 Year Rolling Average



Tennis Play Occasions

2 Year Rolling Average

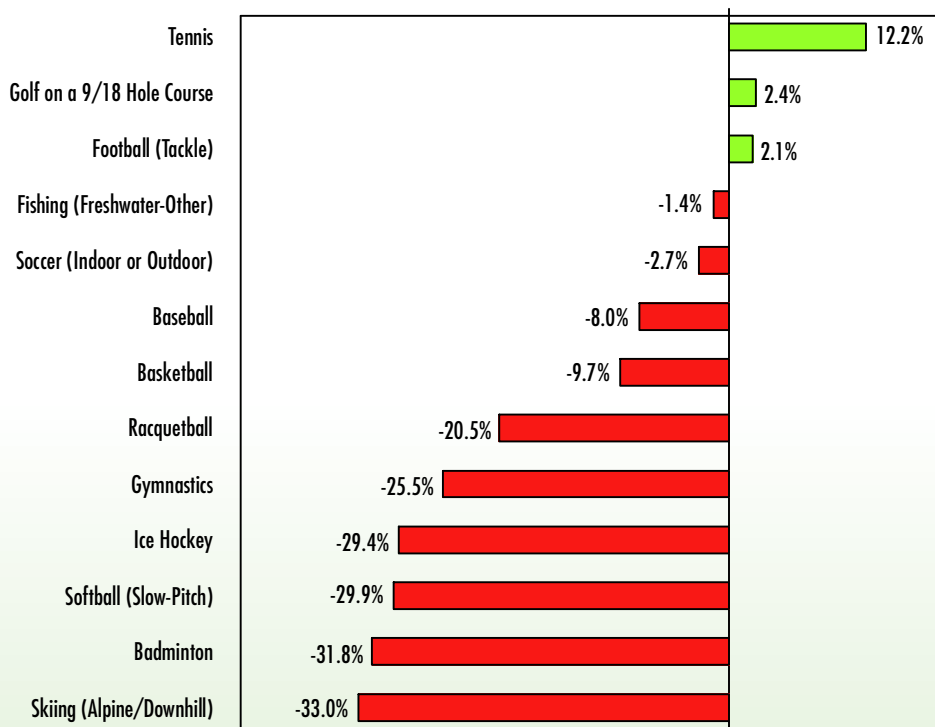


TENNIS CONTINUES ITS MOMENTUM

The 2006 SGMA study gave further endorsement of tennis's progress. Tennis has consistently led participation against all other traditional sports. The highest growth in overall sports participation continues to come from new individual sports and fitness based activities.

Traditional Sports

6 Year % Change (2000-2005)



Source: SGMA 2006 Superstudy Topline Report

Please note: Trends are based on previous SGMA and NGF participation studies. In 2006 a change in methodology resulted in a revision of some of the trends in certain categories including golf.

- The key trends over both the last 6 years has been the rise of fitness and individual activities at the expense of team sports. In fact 8 out of the top ten 6 year growth sports are fitness activities: Pilates Training, Elliptical Motion Trainer, Yoga/Tai Chi, Stationary Cycling (Spinning), Treadmill, Free Weights (Hand Weights), Weight/Resistance Machines, Other Exercise to Music. This further confirms the importance of Cardio Tennis in the mind of the potential consumer.

TENNIS GROWTH OUTSTRIPS TRADITIONAL SPORTS ...

The Sporting Goods Manufacturers Association tracks 114 sports. The trends are particularly revealing. Tennis has grown 12.2% in the last 6 years, 10% more than its nearest rivals.

TENNIS PLAYER, FORMER PLAYER AND NEVER PLAYED SURVEY

Tennis Participation – Key Facts

Key facts from the latest TIA/USTA annual participation survey

	2004	2005	2006
Participation rate	8.49%	8.84%	8.57%
Total players (age 6+, playing once a year or more)	23.6 million	24.7 million	24.2 million
Frequent players (age 6+, playing 21 times a year or more)	4.75 million	5.20 million	5.19 million
Total play occasions	491 million	559 million	517 million

THE TIA/USTA ANNUAL PARTICIPATION SURVEY ALSO INCLUDED IN-DEPTH INTERVIEWS WITH:

- 507 Players (age 12+ and playing 4 times or more)
- 736 Former players:
 - 529 Lapsed players (who at one stage played tennis regularly)
 - 197 Samplers (who played tennis a few times but never really got into it)
- 153 “Never played”

Here are some of the key findings:

NEW PLAYERS

PROFILE: New players are more likely to be:

- Female (48% compared to 45% of continuing players).
- Aged under 25 (75% compared to 45% of continuing players).
- Black (11% compared to 7% of continuing players).
- Hispanic (17% compared to 11% of continuing players).
- Less affluent (Average HH income \$66,000 compared to \$85,000 for continuing players).
- Less frequent players (43% played less than 4 times in 2006).

TENNIS PLAYER, FORMER PLAYER AND NEVER PLAYED SURVEY

ATTITUDES/ EXPERIENCE:

New players are LESS likely to:

- Be big/casual fans of tennis (35% compared to 74% of continuing players).
- Have played tennis in a PE class (40% compared to 51% of continuing players).
- Have played on a team (14% compared to 40% of continuing players).
- Be aware of public tennis programs (36% compared to 54% of continuing players).

CONCLUSIONS:

- Tennis continues to reach a broader section of the population.
- New tennis players are not as avid as continuing players in terms of play frequency, "fandom" and "favorite sport".
- Getting new players into teams is essential to develop frequent players.

SAMPLERS

PROFILE:

Samplers are MORE likely to be:

- Less affluent (average HH income \$59,000 compared to \$85,000 for continuing players).

ATTITUDES/ EXPERIENCE:

Samplers are LESS likely to:

- Exercise regularly (56% compared to 64% of lapsed players).
- Have kids who play sports (20% compared to 34% for continuing players).
- Be a big/casual fan of tennis (21% compared to 46% of lapsed players).
- Say watching tennis increases interest in playing (22% compared to 40% of lapsed players).
- Say they enjoyed tennis at PE class (46% compared to 81% of lapsed players).
- None of the samplers had ever played on a team and only 3% had ever taken a lesson from a pro.
- Only 21% were aware of public tennis programs (compared to 37% of lapsed players).

CONCLUSIONS:

- This confirms the need to make the first experience of tennis a good one, especially in PE classes.
- Only 10% of samplers and 10% of lapsed players said they were likely to play tennis again in the next 12 months.

TENNIS PLAYER, FORMER PLAYER AND NEVER PLAYED SURVEY

NEVER PLAYED

PROFILE: "Never played" are MORE likely to be:

- Less affluent (average HH income \$44,000 compared to \$59,000 for samplers and \$85,000 for continuing players).

ATTITUDES/ EXPERIENCE:

Samplers are LESS likely to:

- Exercise regularly (42% compared to samplers at 56% and lapsed players at 64%).
- Have kids who play sports (7% compared to 20% for samplers and 34% for continuing players).
- Be a big/casual fan of tennis (8% compared to 21% of samplers and 46% of lapsed players).
- Less than half were aware of public tennis facilities in their area.

CONCLUSIONS:

- "Never played" are fairly inactive, tennis for fitness may be a way to stimulate some activity in this group. However, only 4% of the "never played" said they were likely to begin playing tennis in the next 12 months.

INFLUENCE OF LESSONS AND TEAMS

RESULTS:

- Frequent players and continuing players are much more likely to have lessons and play in teams.

	Infrequent (4-10 times)	Regular (11-20 times)	Avid (21+ times)	Continuing	Rejoiner	New
% ever played on a team	28%	32%	40%	40%	30%	14%
% ever taken a lesson from a pro in your area	19%	20%	49%	36%	30%	16%

CONCLUSIONS:

- The pro and team tennis are essential for creating avid players who stay in the game. 47% of new players said they would play "a lot more tennis" if they could play on a team with friends.

TENNIS PLAYER, FORMER PLAYER AND NEVER PLAYED SURVEY

TENNIS IN SCHOOL PE

- RESULTS:**
- The percentage of people taking tennis as part of PE was consistent among Lapsed and Samplers.
 - However, enjoyment of tennis in PE was much less for Samplers.

	Continuing	Rejoiner	New	Lapsed	Sampler
% ever played tennis in a school PE class	51%	68%	40%	43%	41%
How did you enjoy tennis in PE (very/somewhat enjoyable)	75%	75%	71%	81%	46%

- CONCLUSIONS:**
- Improving the experience of tennis in school PE would convert more Samplers into continuing players.

FITNESS

- RESULTS:**
- 59% of new players said Exercise was Very/Somewhat important in getting them on a court for the first time.
 - 55% of continuing players and 63% of frequent players said Exercise was Very/Somewhat important for keeping them playing.
 - 59% of rejoiners said Exercise was Very/Somewhat important in getting them back on a court for the first time.
 - 50% of Lapsed players and 48% of Samplers said a cardio tennis program would make them a lot/a little more likely to play tennis again.

- CONCLUSIONS:**
- Fitness is a key component in getting people started in tennis and keeping them on the courts.
 - Cardio tennis was well received as a concept by Samplers and Lapsed players.

2006 A GREAT YEAR FOR CARDIO TENNIS FACILITIES

Starting in the fall of 2005, the TIA/USTA launched Cardio Tennis – a fitness workout using tennis drills and games. The TIA monitors the success of the Cardio Tennis program. The following data comes from an e-mail survey with 341 Cardio Tennis facilities in January 2007.

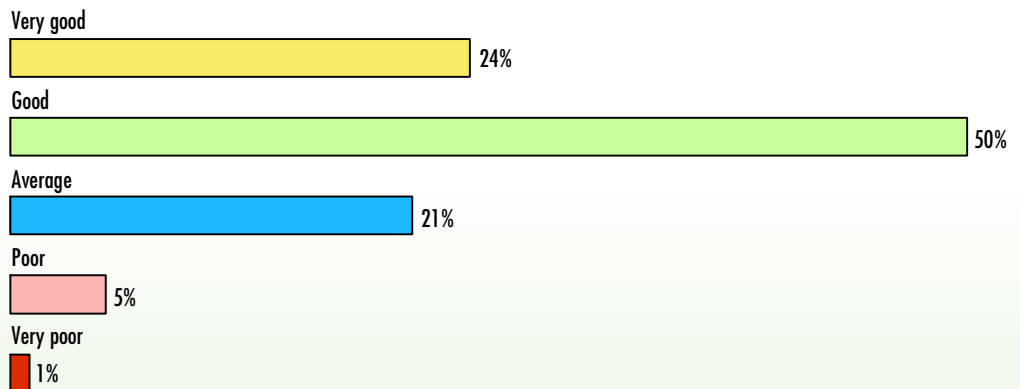
On average the cardio facilities said an average of 15 new players were created, 15 players returned and 20 players were playing more frequently because of cardio tennis

The results clearly show:

- Cardio Tennis programs benefit the facilities
- Cardio Tennis programs bring new players to the game

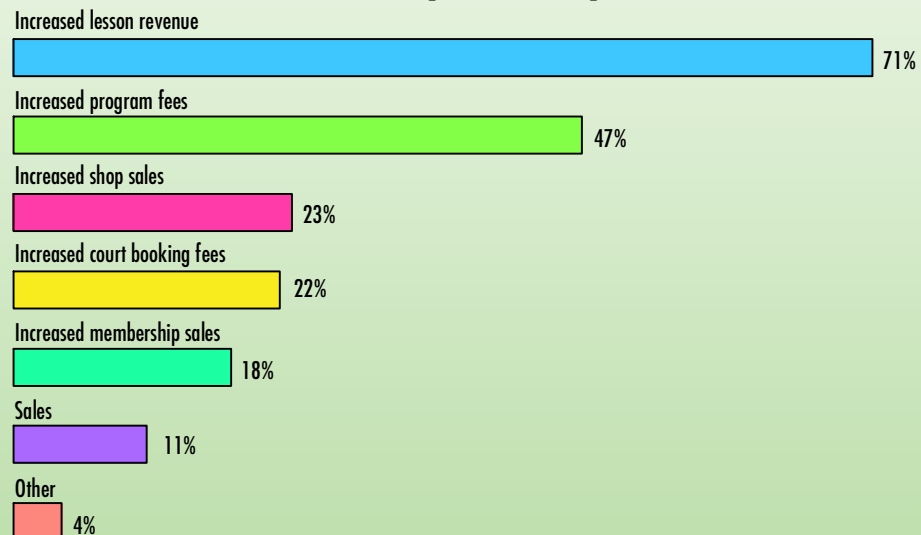
Nearly three quarters of facilities said the benefit to their facility was Good or Very Good:

How would you rate the Cardio Tennis program in terms of perceived benefit to your facility?



Cardio tennis is well set to increase in 2007 with over half the facilities saying they expect to increase the number of sessions in 2007, only 2% expected a decrease.

What financial benefits has your facility seen?

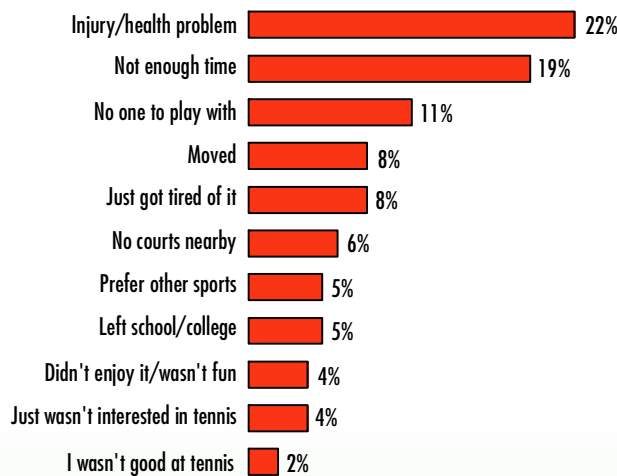


THE IMPORTANCE OF TENNIS WELCOME CENTERS: LESSONS TO BE APPLIED FROM RESEARCH

Why People Leave the Game

While not much can be done about injury and time reasons, we can have an impact on “no one to play with” through matchmaking and organized play to keep people in the game.

Why did you stop playing tennis (Lapsed Players) - Open Ended



How important were each of the following reasons why you stopped playing tennis? (% saying “Very” or “Somewhat”) Lapsed players

In a rating question, “lack of time” came out top, followed by “there were other sports and activities I’d rather participate in”. Friends/family not playing and not having anyone to play with came third.



In terms of getting lapsed players back in the game, access to courts does not seem to be a problem. Finding people to play is less easy – we need to make partnering opportunities and programs easily available and accessible to not only lapsed players but all players.

- To find open courts to play on – 74%
- Finding a program was rated as “Very” or “Somewhat easy”. – 58%
- However, less than half the lapsed players rated “finding people to play with” as very or somewhat easy – 48%

Extract from USTA/TIA Tennis Participation Study 2006. Data from “Lapsed players”: Someone who has not played tennis in the past 12 months but at one time played tennis pretty regularly for some period of time.

Tennis Welcome Centers are an important factor to keeping people playing.

Research shows that

- 73 percent offer league play
- 68 percent offer USTA leagues
- On average, 31 new players were created, 29 players returned, and 36 players were playing more frequently,
- Lesson revenue increased at 77 percent of the facilities