

## ***The Procompetitive Effects of the Brave New World***

- ▶ ***More and stronger top tier events featuring the best players in the world***
- ▶ ***Increased prize money and bonus pool for players***
- ▶ ***\$1B in new investments in facilities and marketing***
- ▶ ***Expansion into key global sports markets***
- ▶ ***A more logical and understandable calendar and points system***
- ▶ ***Increased broadcast viewership***
- ▶ ***More combined men's and women's events***
- ▶ ***Stronger ATP branding***



# Intended Benefits of the Brave New World

## \$800,000,000 of investments by Tournaments in Championship Division facilities

### MASTERS 1000 EVENTS

- ▶ **Shanghai**
  - State-of-the-Art stadium cost \$200,000,000
  - Seating for 21,000
    - Center court will seat 15,000
    - 2 additional courts will seat 6,000
- ▶ **Madrid**
  - Revolutionary new stadium the Caja Magica (“Magic Box”) costing \$200,000,000
  - Capacity to accommodate 26,000 people
    - Center court will seat 18,500
- ▶ **Paris**
  - New “Dome” will cost \$190,000,000
  - Center court will seat 15,000
- ▶ **Rome**
  - Upgrade will cost \$70,000,000
  - Capacity to accommodate 20K people
    - Center court will seat 11K

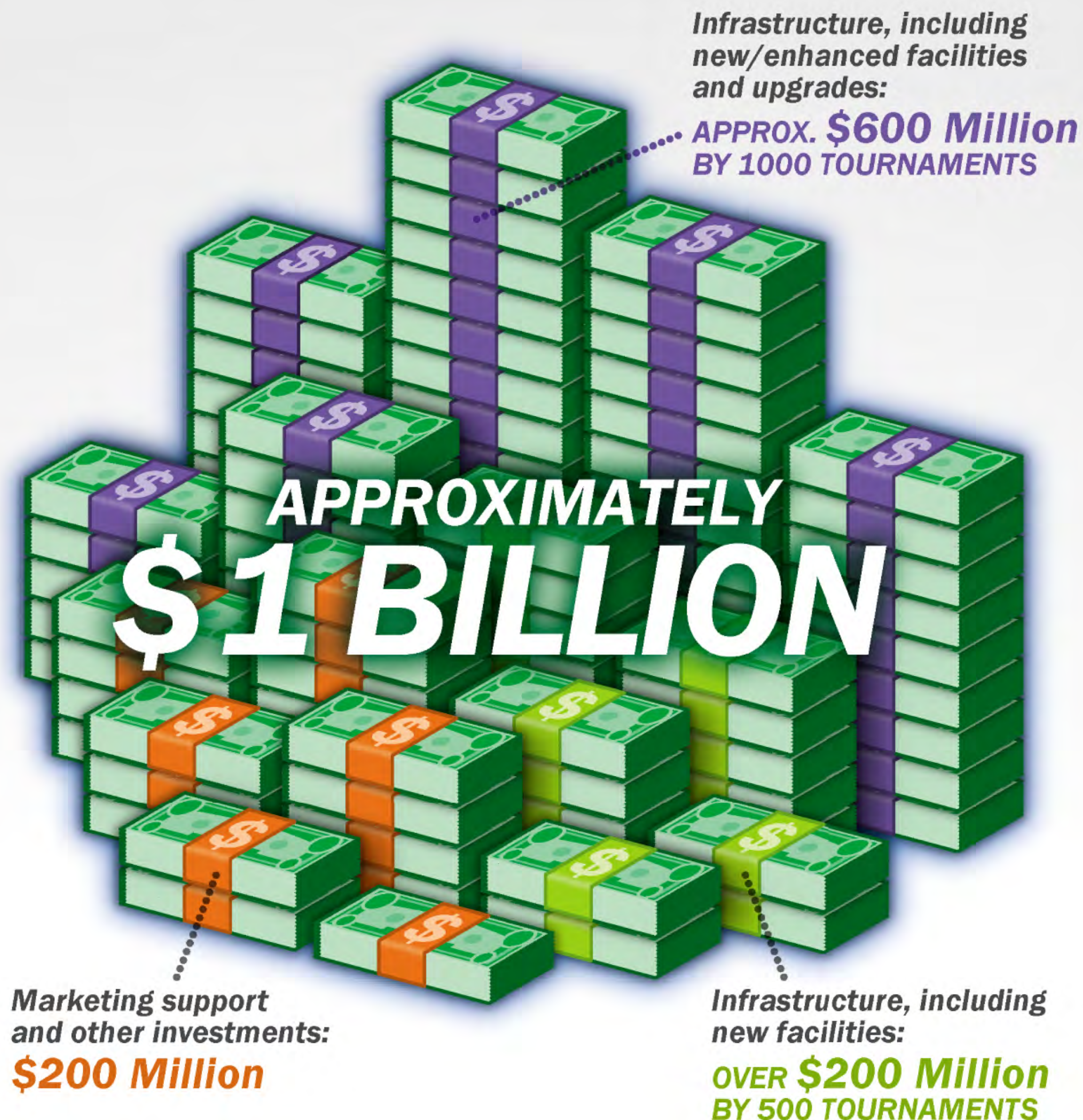
### 500 TOURNAMENTS

- ▶ **Valencia**
  - New facility costing \$50,000,000 nearly doubles its capacity from 4,500 to 8,500
- ▶ **Acapulco**
  - New facility has capacity for 7,500 and is costing \$17,000,000
- ▶ **Rotterdam**
  - Total renovation of Sports Palace is costing \$58,800,000
- ▶ **Beijing**
  - \$75,000,000 for new 11,000 seat facility

Source: DTX 1327; DTX 426; DTX 432; DTX 404; DTX 422; DTX 412; DTX 413



**ATP's  
Restructuring  
Initiative  
Resulted in  
New Investments  
That Benefited  
Tennis**

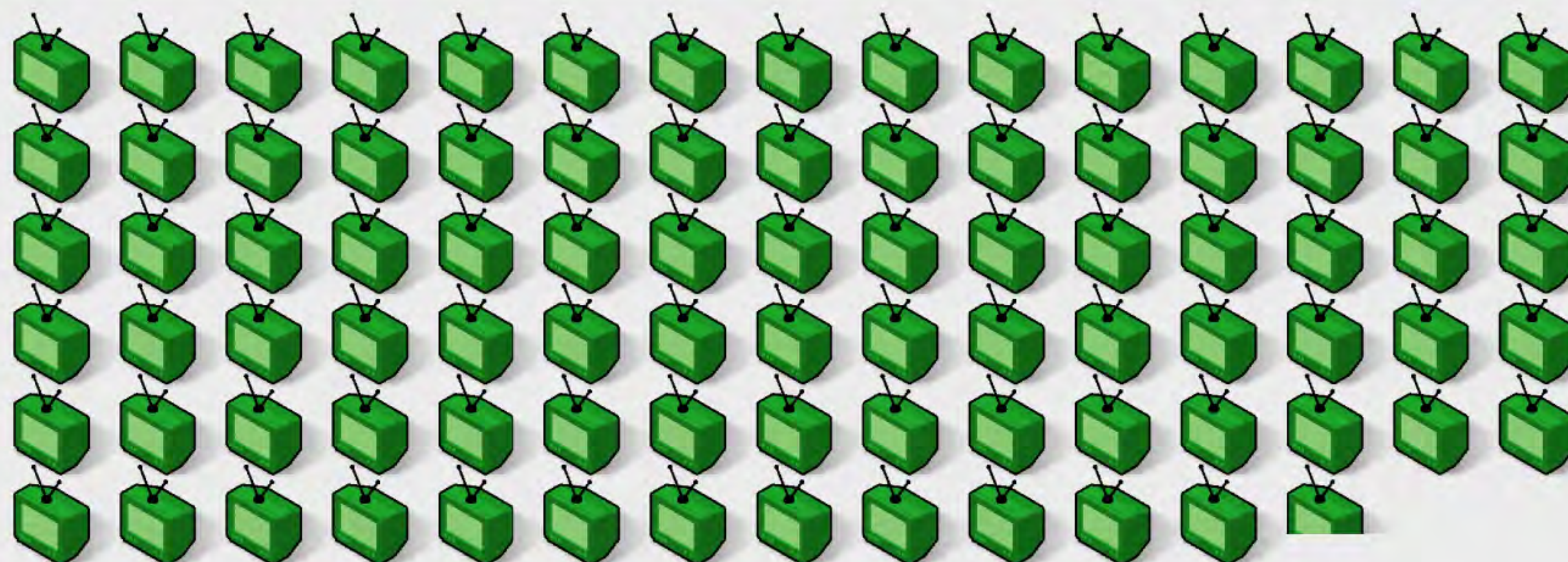




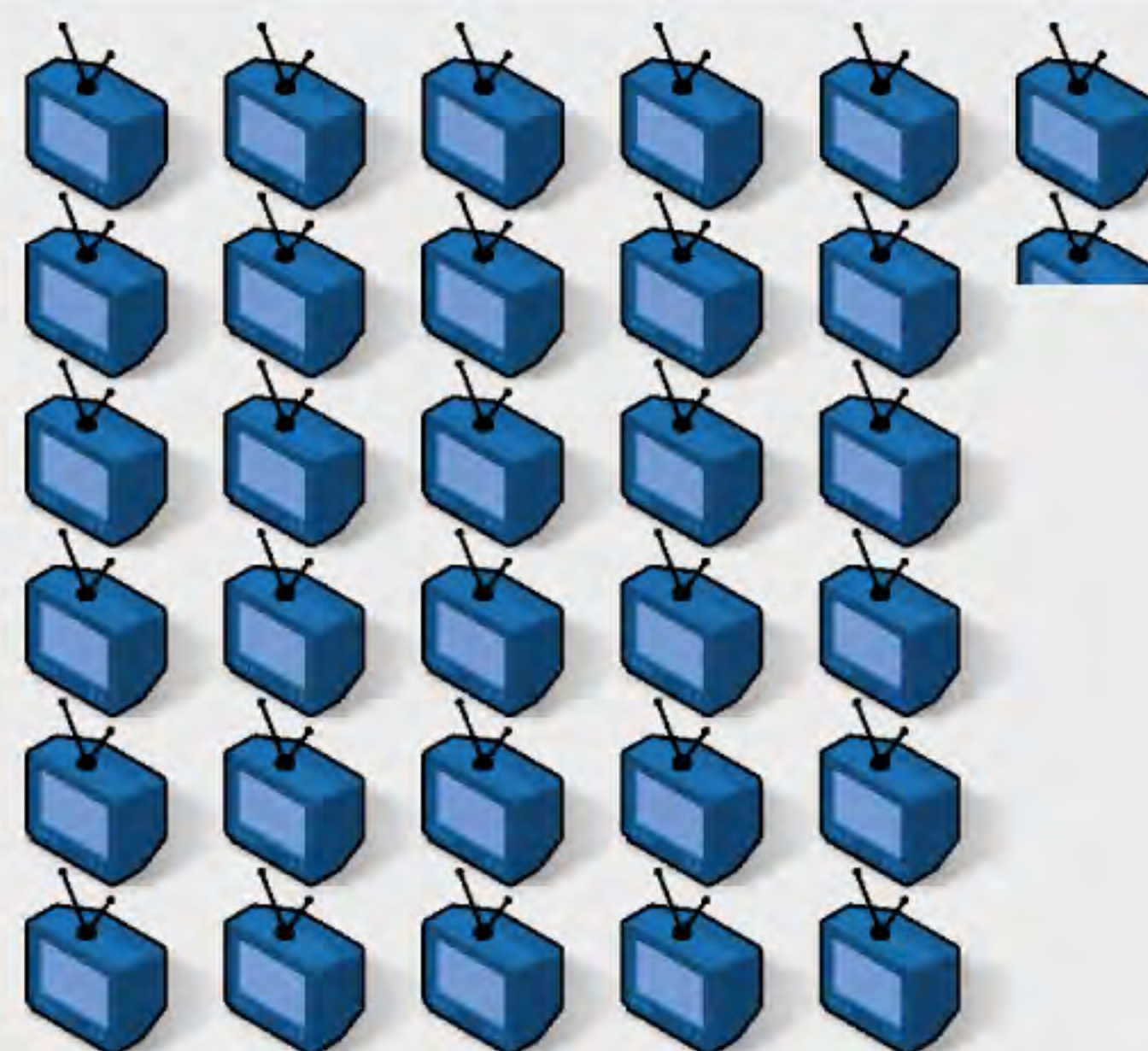
# Grand Slam Events Dwarf ATP Events in Terms of Global Television Viewing Audience

2005 – 2006 TELEVISION AUDIENCE IN 16 COUNTRIES\*

**4 ITF  
Grand Slam Events:**  
**874,000,000**  
**TV Viewers**



**OVER 60  
ATP Events:**  
**313,000,000**  
**TV Viewers**

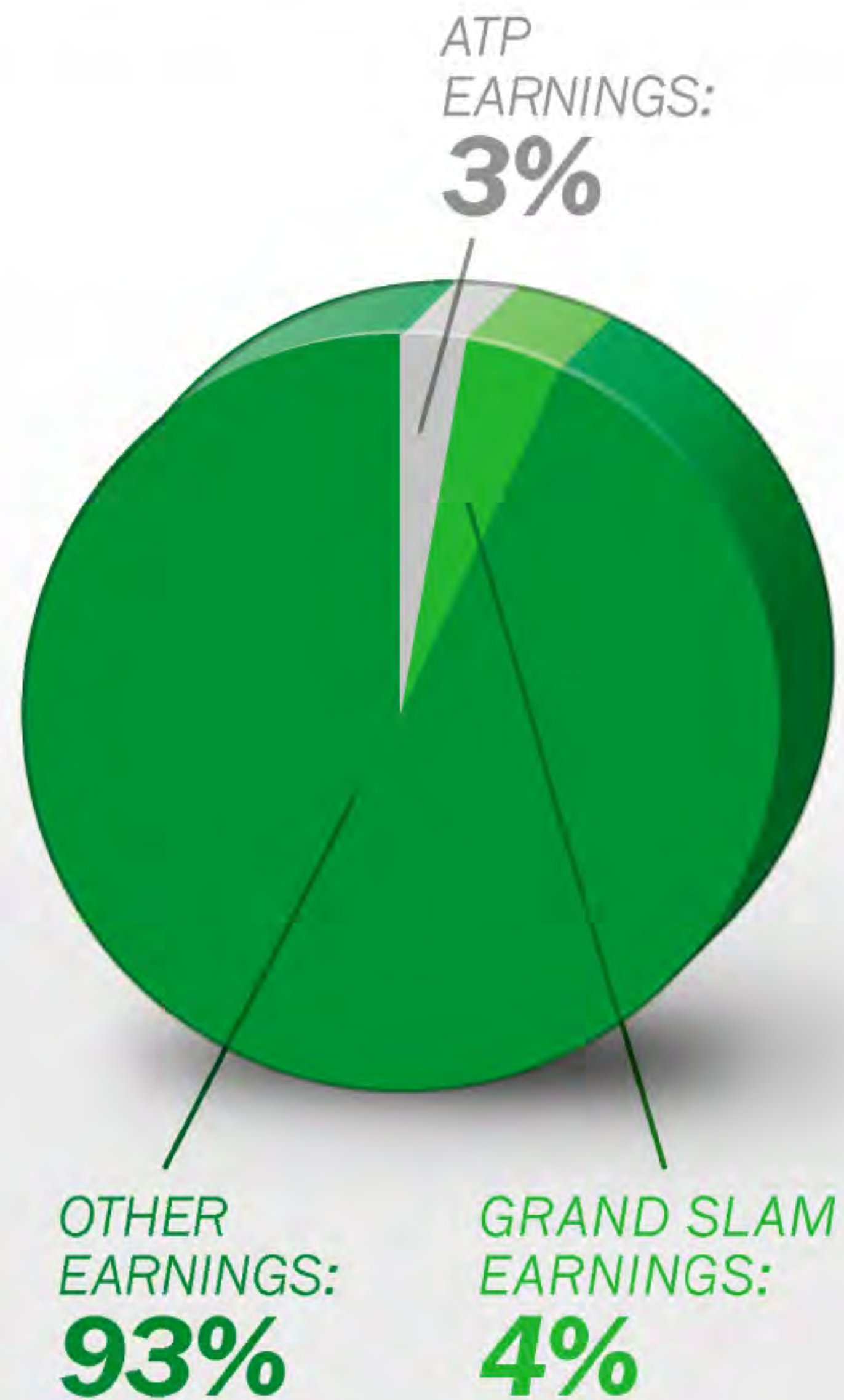


Source: ATP0011016

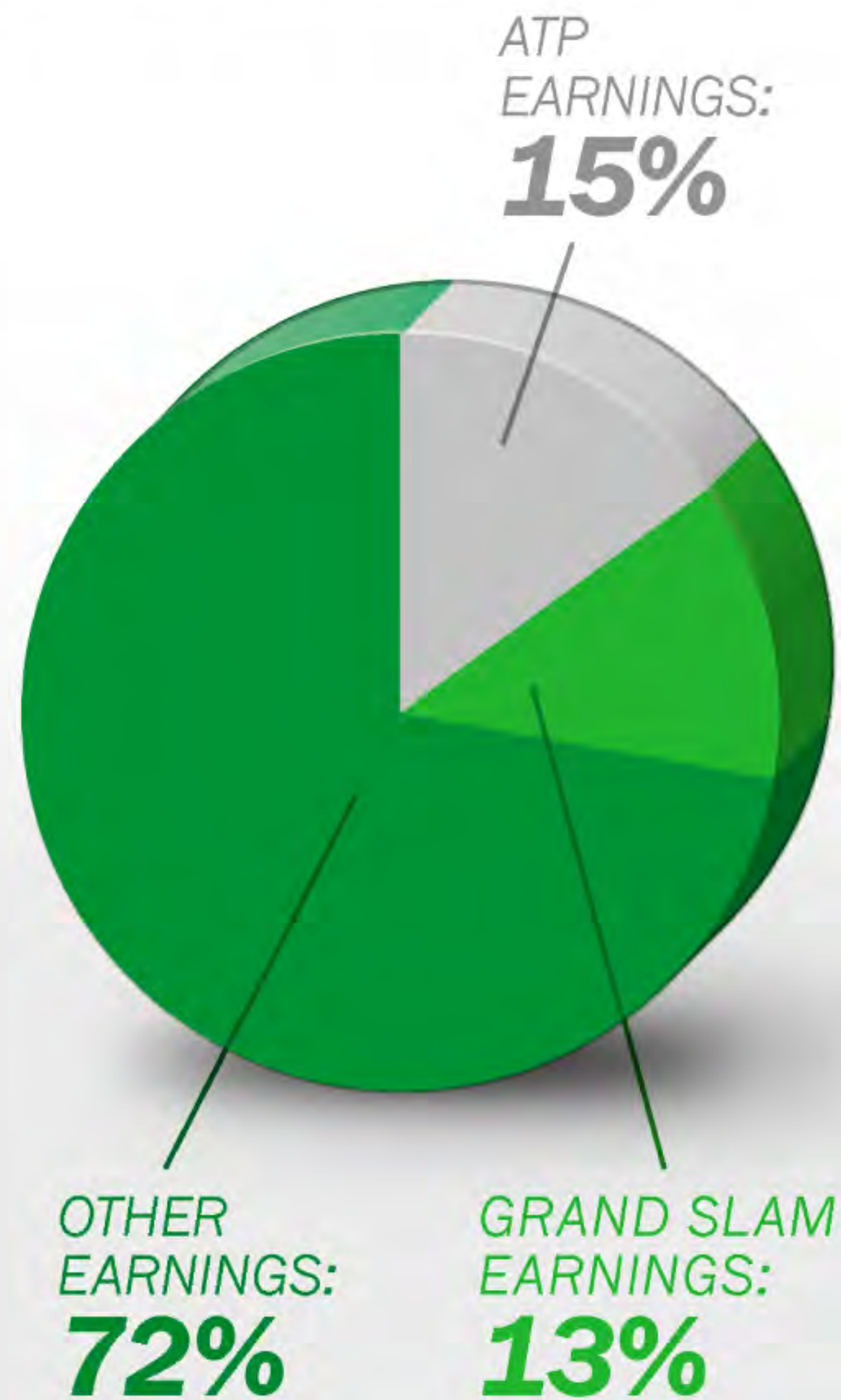


## Top Players' Earnings Are Largely from Sources Other Than ATP

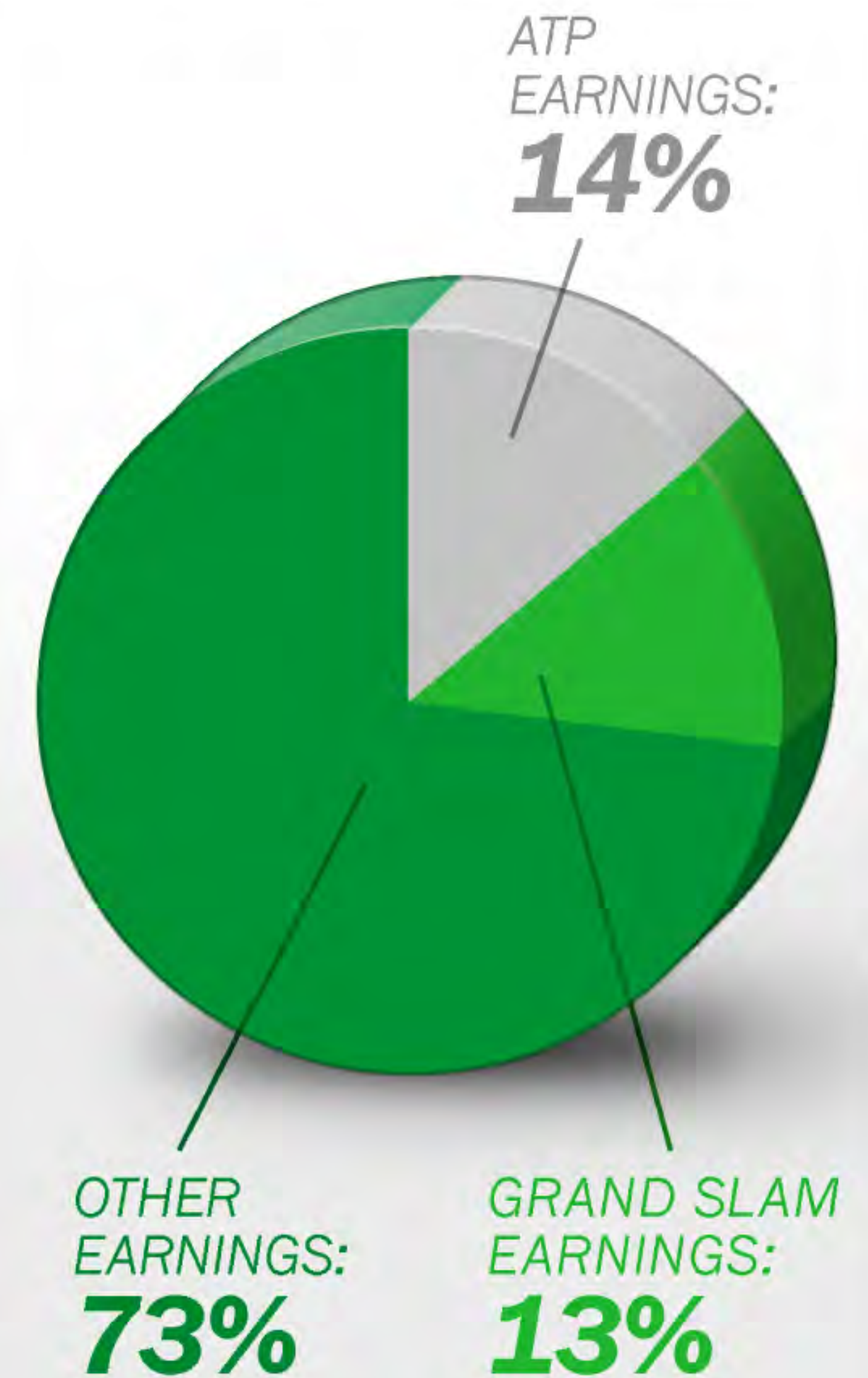
**AGASSI 2005**



**FEDERER 2005**

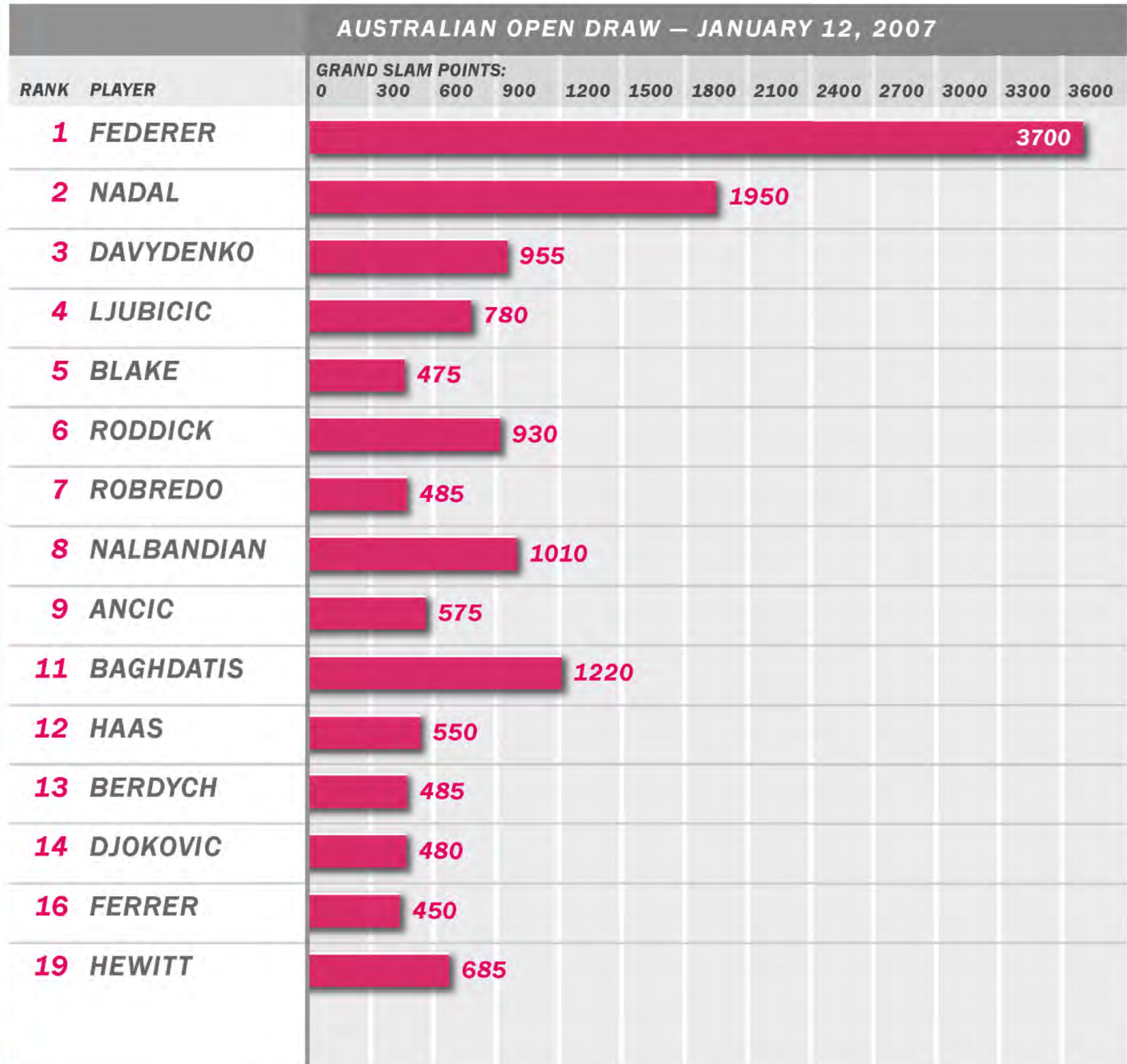


**FEDERER 2006**



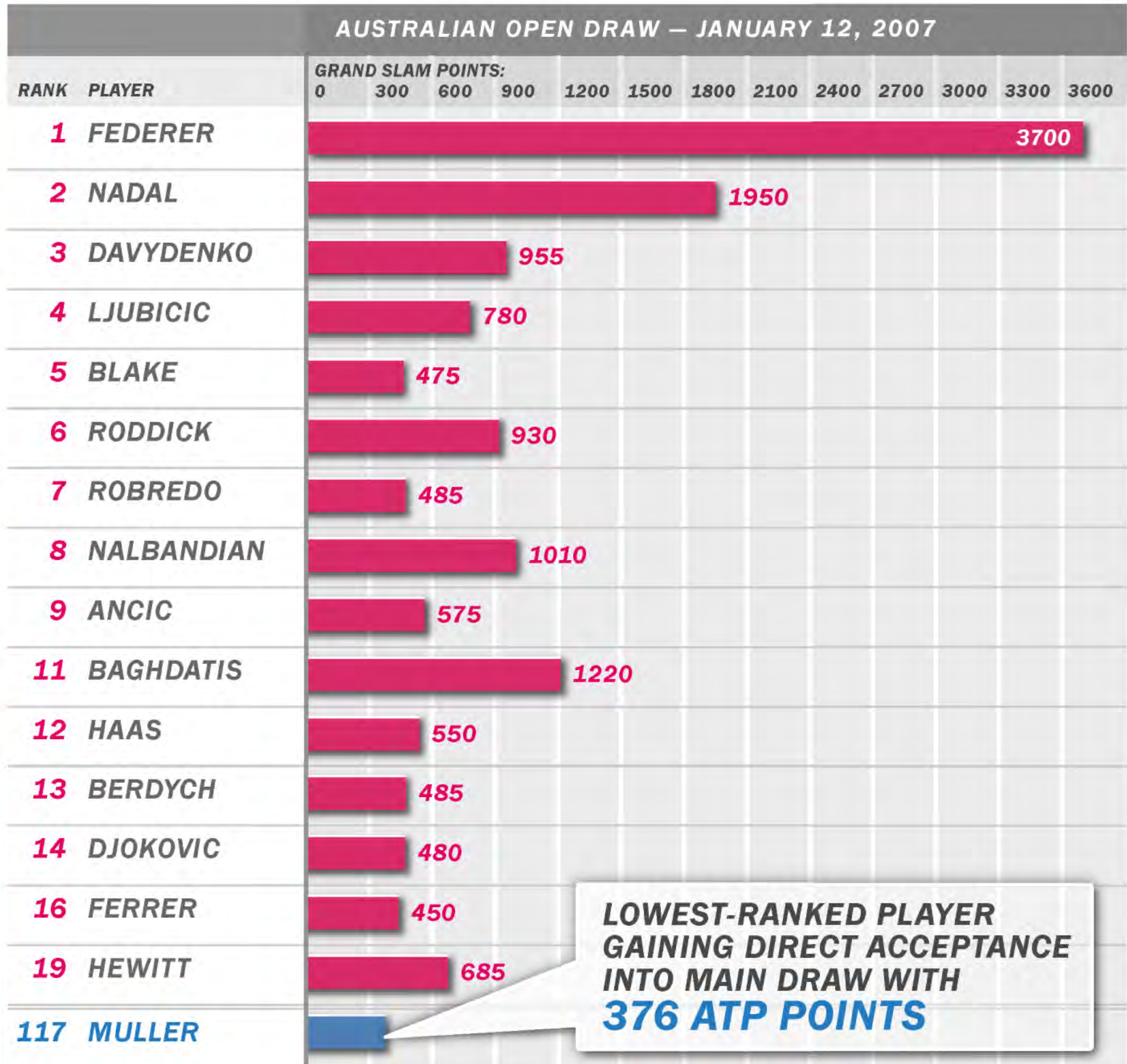


# Top Players Qualified for Grand Slam Events WITHOUT ATP Points





# Top Players Qualified for Grand Slam Events WITHOUT ATP Points

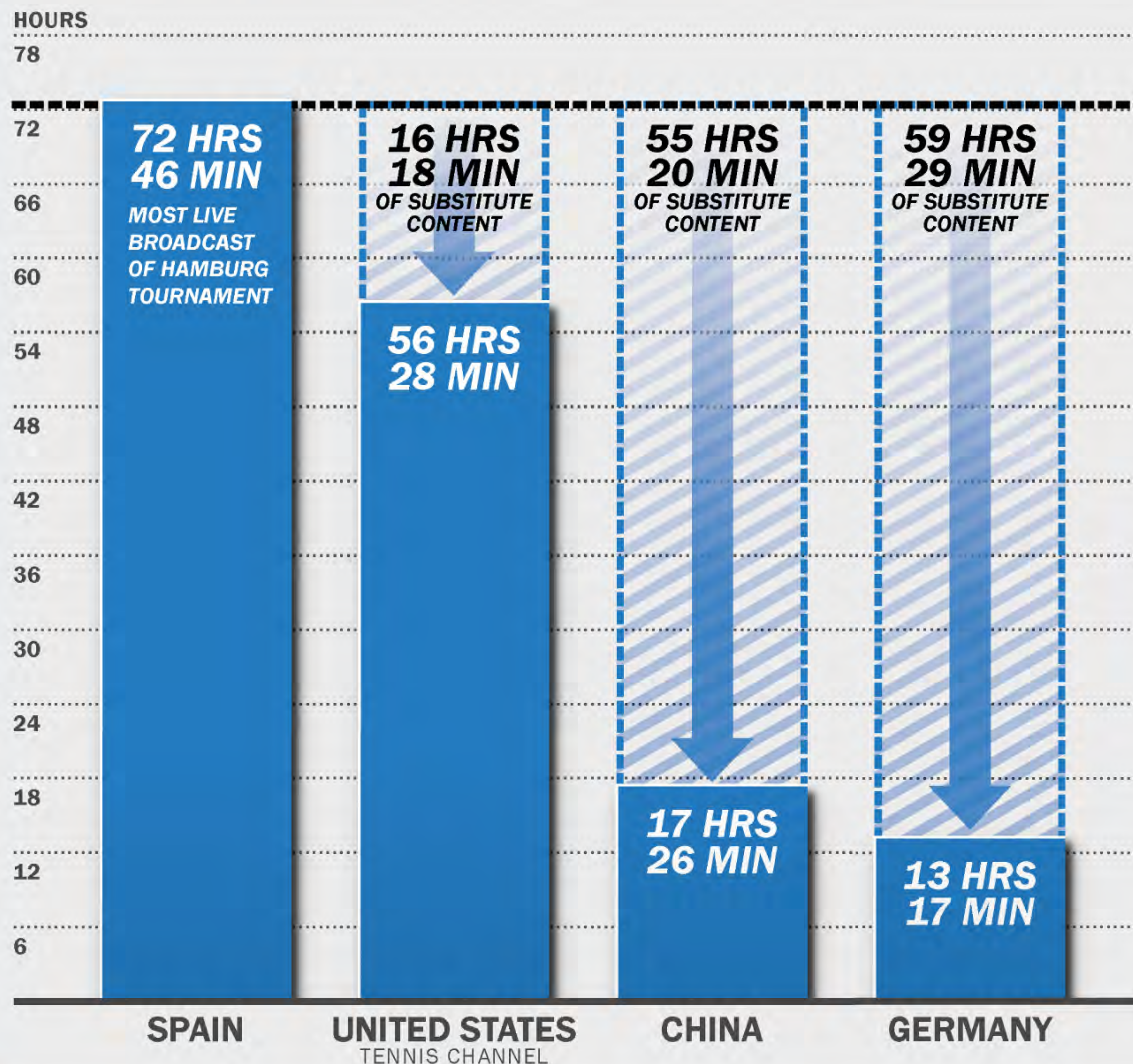




**Networks  
Substitute  
Other Content  
for ATP Tennis  
at Current Prices**

Source: GTF00077844

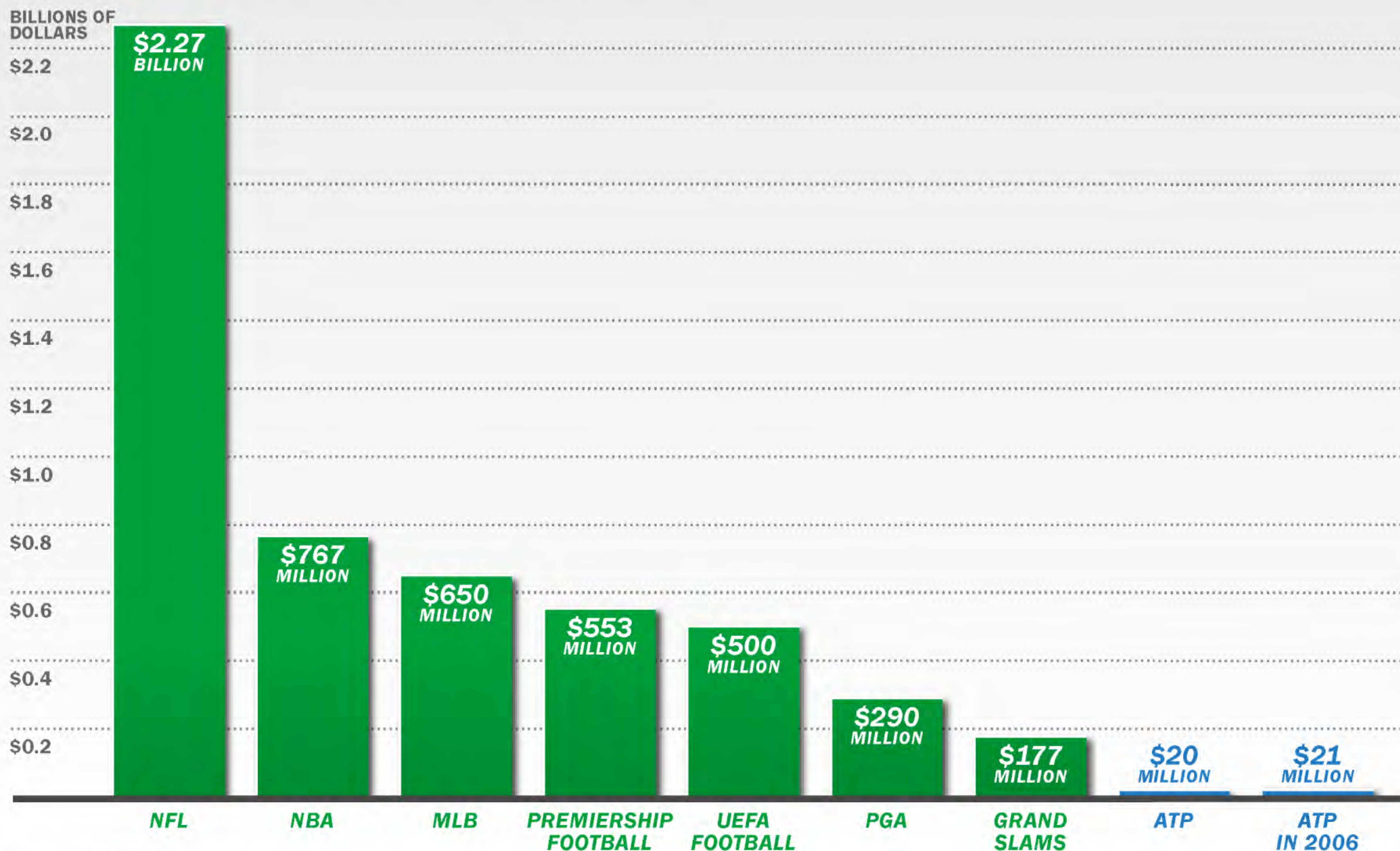
LIVE TELEVISION BROADCAST OF HAMBURG TOURNAMENT — 2007





# ATP Tennis Accounts for a Tiny Share of Global Sports Television Rights Revenues

## GLOBAL SPORTS TELEVISION RIGHTS REVENUES — 2002



Source: ATP0078506



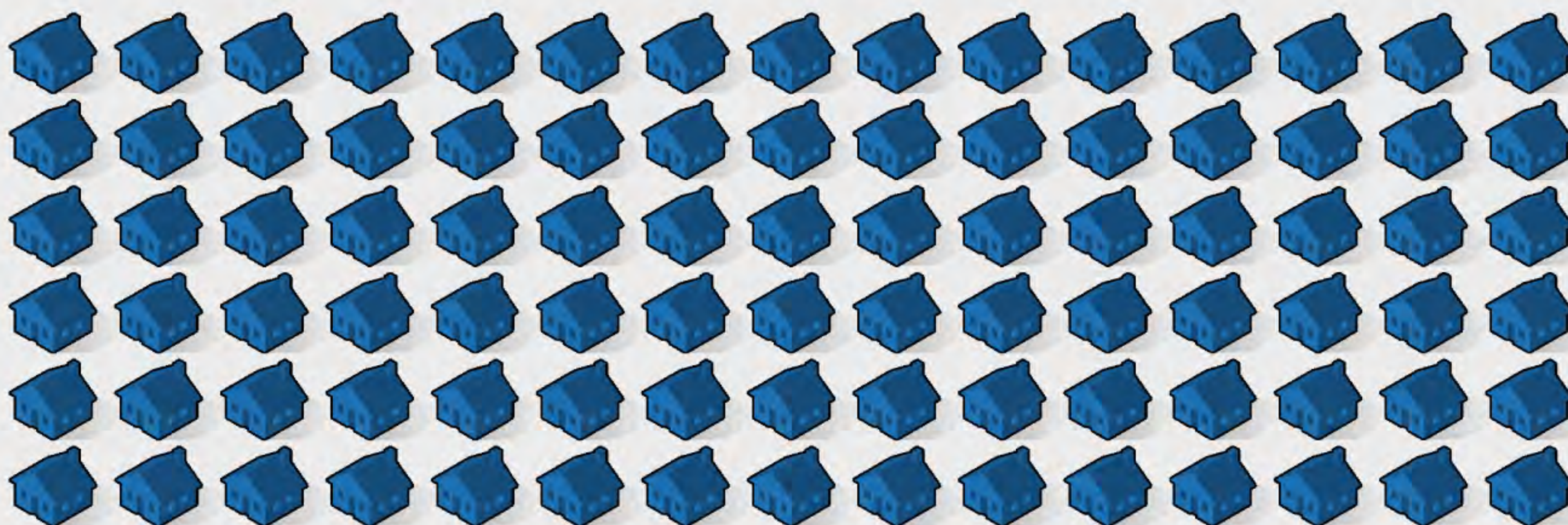
## Broad-Reach U.S. Networks Are Unwilling to Carry ATP Masters Series Tennis

### ESPN

*ESPN is PAID to carry the 4 North American ATP Masters Series Events (Indian Wells, Miami, Cincinnati and Canada)*

NUMBER OF HOUSEHOLDS REACHED: 90,000,000

EACH IMAGE REPRESENTS 1 MILLION HOMES



### THE TENNIS CHANNEL

*The Tennis Channel is the only network in the U.S. that carries the other 5 Masters Series Events (Hamburg, Rome, Paris, Madrid and Monte Carlo)*

NUMBER OF HOUSEHOLDS REACHED: 20,000,000

EACH IMAGE REPRESENTS 1 MILLION HOMES





# Networks Have Many Substitutes for Tennis Available at Current Prices

## NON-ATP TENNIS SUBSTITUTES

- **Grand Slams**
- **Davis Cup**
- **Olympics**
- **Women's Tennis (WTA)**
- **Federation Cup**
- **World Team Tennis (WTT)**
- **Bundesliga Team Tennis (BTA)**
- **AAMI Classic**
- **Turbo Tennis**
- **Outback Champions Series**
- **NCAA Tennis Events**
- **Exhibition Tennis Matches**

## NON-TENNIS SPORTS SUBSTITUTES (PARTIAL LIST)

- **NFL**
- **NCAA**
- **MLB**
- **NBA**
- **PGA**
- **WPGA**
- **Soccer**
- **Motor Racing**
- **Horse Racing**
- **Bicycle Racing**
- **Arena Football**
- **Poker**
- **Track and Field**
- **Handball**
- **Winter Sports**

## NON-SPORTS ENTERTAINMENT SUBSTITUTES (PARTIAL LIST)

- **Movies**
- **Concerts**
- **Theater**
- **Museums**
- **Festivals/Fairs**



# Sponsors Have Numerous Sponsorship Opportunities

## TENNIS-RELATED SPONSORSHIP OPPORTUNITIES

- |  |                                    |
|--|------------------------------------|
| • <b>Grand Slam Events</b>   | • <b>Bundesliga Team Tennis</b>    |
| • <b>Davis Cup</b>   | • <b>AAMI Classic</b>              |
| • <b>Olympics</b>  | • <b>Turbo Tennis</b>              |
| • <b>Federation Cup</b>  | • <b>Outback Champions Series</b>  |
| • <b>Women's Tennis (WTA)</b>  | • <b>NCAA Tennis Events</b>        |
| • <b>World Team Tennis (WTT)</b>   | • <b>Exhibition Tennis Matches</b> |
| • <b>Individual tennis player endorsements (e.g. Federer, Sampras, etc.)</b> |                                    |

## SPONSORSHIP OPPORTUNITIES NOT RELATED TO TENNIS

### SPORTS:

- **Olympics**
- **NFL**
- **NHL**
- **NBA**
- **Soccer**
- **Golf**
- **Formula 1**
- **NASCAR**
- **Sailing**

### NON-SPORTS:

- **Concerts/ Music Events**
- **Movies**
- **Theater**
- **Festivals**
- **Museum Exhibitions**
- **Fashion Shows**



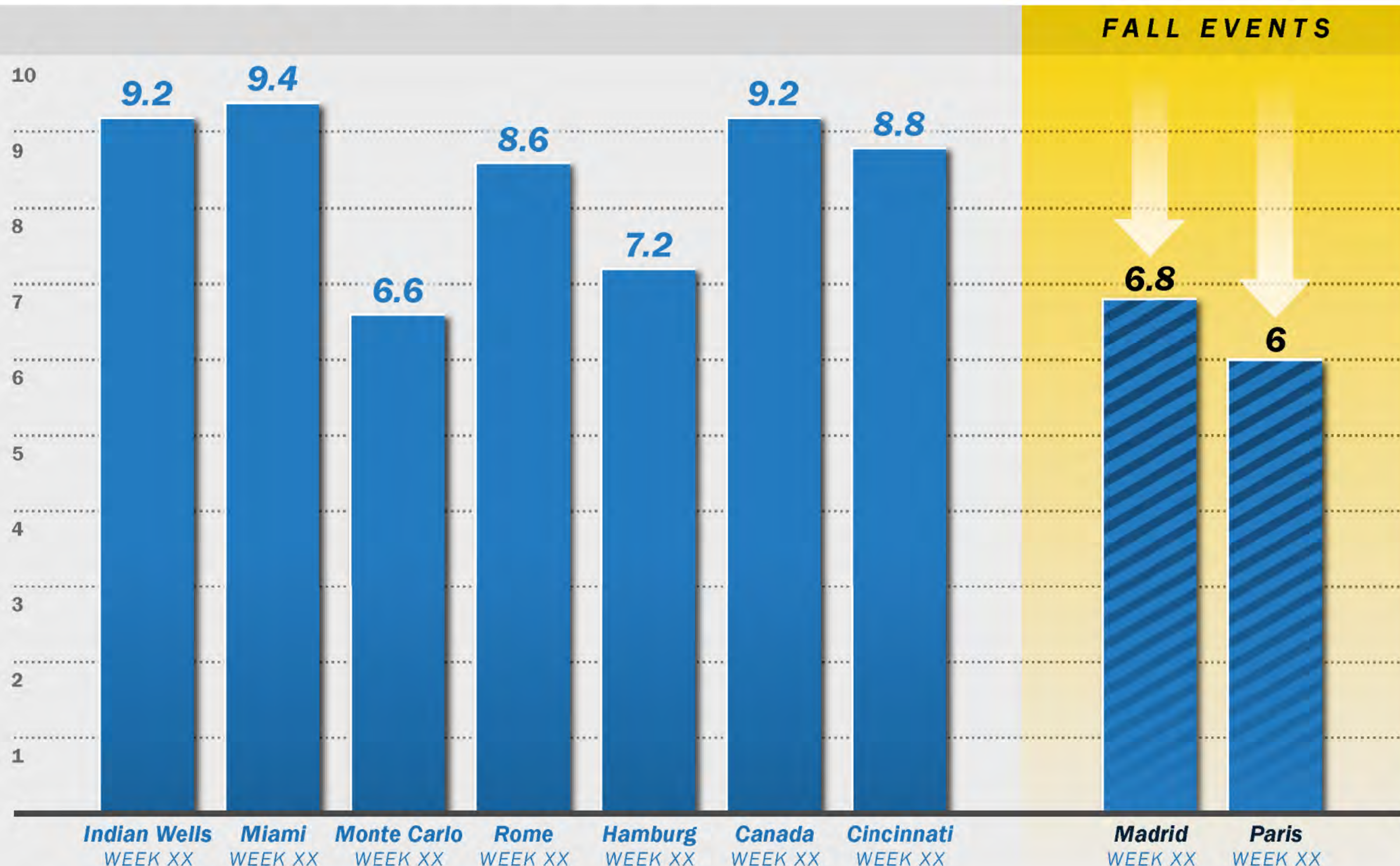
**Many of the Sponsors for Men's and Women's Tennis Events Overlap or Come from Virtually Identical Product Categories**

	EXAMPLE: ROGERS CUP IN CANADA	
TITLE SPONSOR	MEN'S TOURNAMENT	WOMEN'S TOURNAMENT
WIRELESS COMMUNICATIONS COMPANIES:	<input checked="" type="checkbox"/> • Rogers Communications	<input checked="" type="checkbox"/> • Rogers Communications
OTHER SPONSORS	MEN'S TOURNAMENT	WOMEN'S TOURNAMENT
FINANCIAL SERVICES COMPANIES:	<input checked="" type="checkbox"/> • Desjardins <input checked="" type="checkbox"/> • State Farm	<input checked="" type="checkbox"/> • National Bank
AUTOMOBILE COMPANIES:	<input checked="" type="checkbox"/> • Mercedes-Benz	<input checked="" type="checkbox"/> • Acura
CAMERA COMPANIES:	<input checked="" type="checkbox"/> • Canon	<input checked="" type="checkbox"/> • Canon



## Late-Season Masters Series Events Had Difficulty Maintaining Top Player Participation

2003-2007 AVERAGE TOP 10 PLAYER PARTICIPATION





# There Is No "Traditional" Hamburg Week

## ① 1948 – 1970:

*In one week during the last week in July to third week in August*

## ② 1971 – 1984:

*In one week during the second week in May to second week in June*

## ③ 1985:

*In the last week in April*

## ④ 1986:

*In the third week in September*

## ⑤ 1987 – 1988:

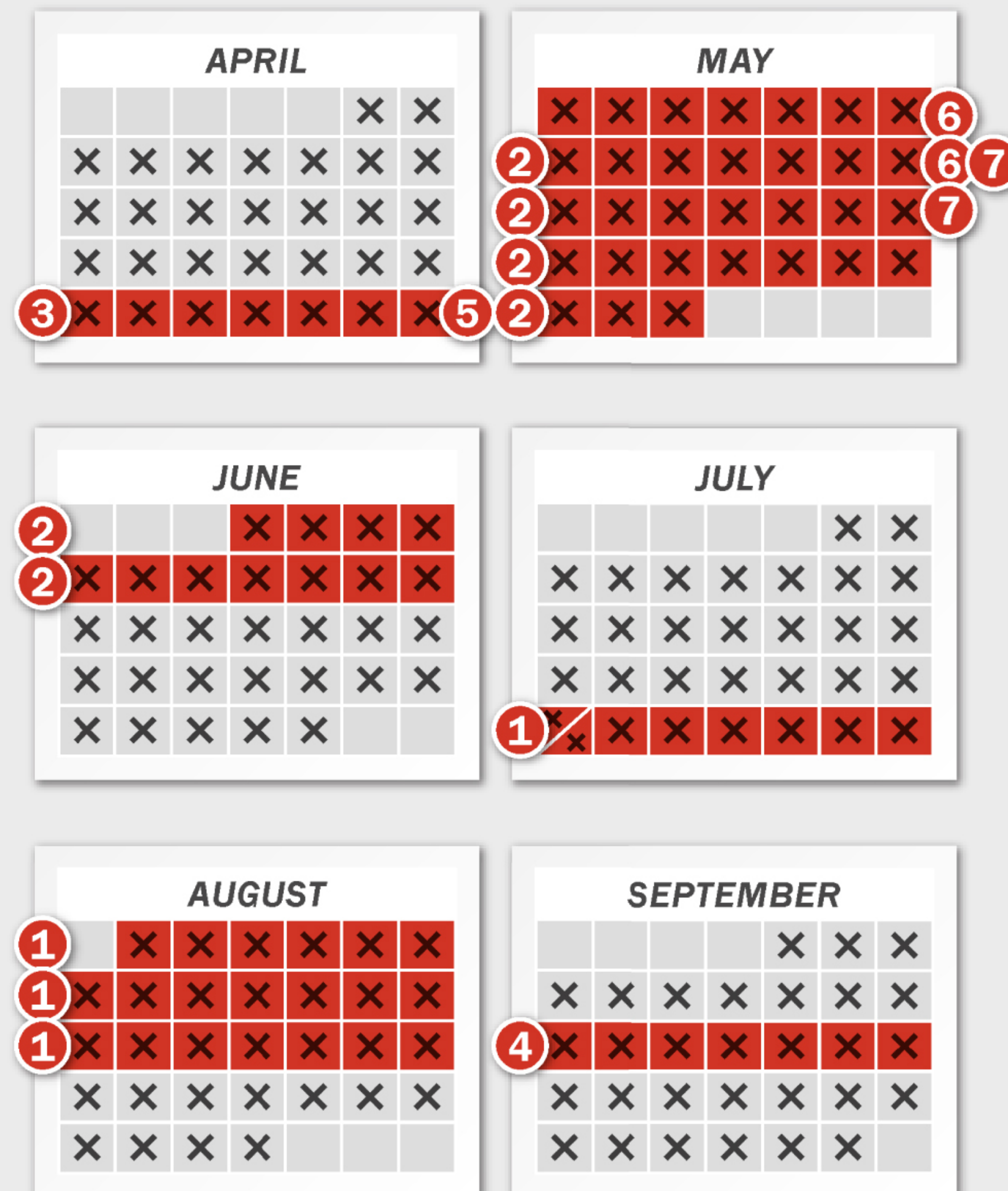
*In the last week in April*

## ⑥ 1989 – 1999:

*In one of the first two weeks in May (3 weeks before French Open)*

## ⑦ 2000 – 2008:

*In one of the second or third weeks in May (2 weeks before French Open)*

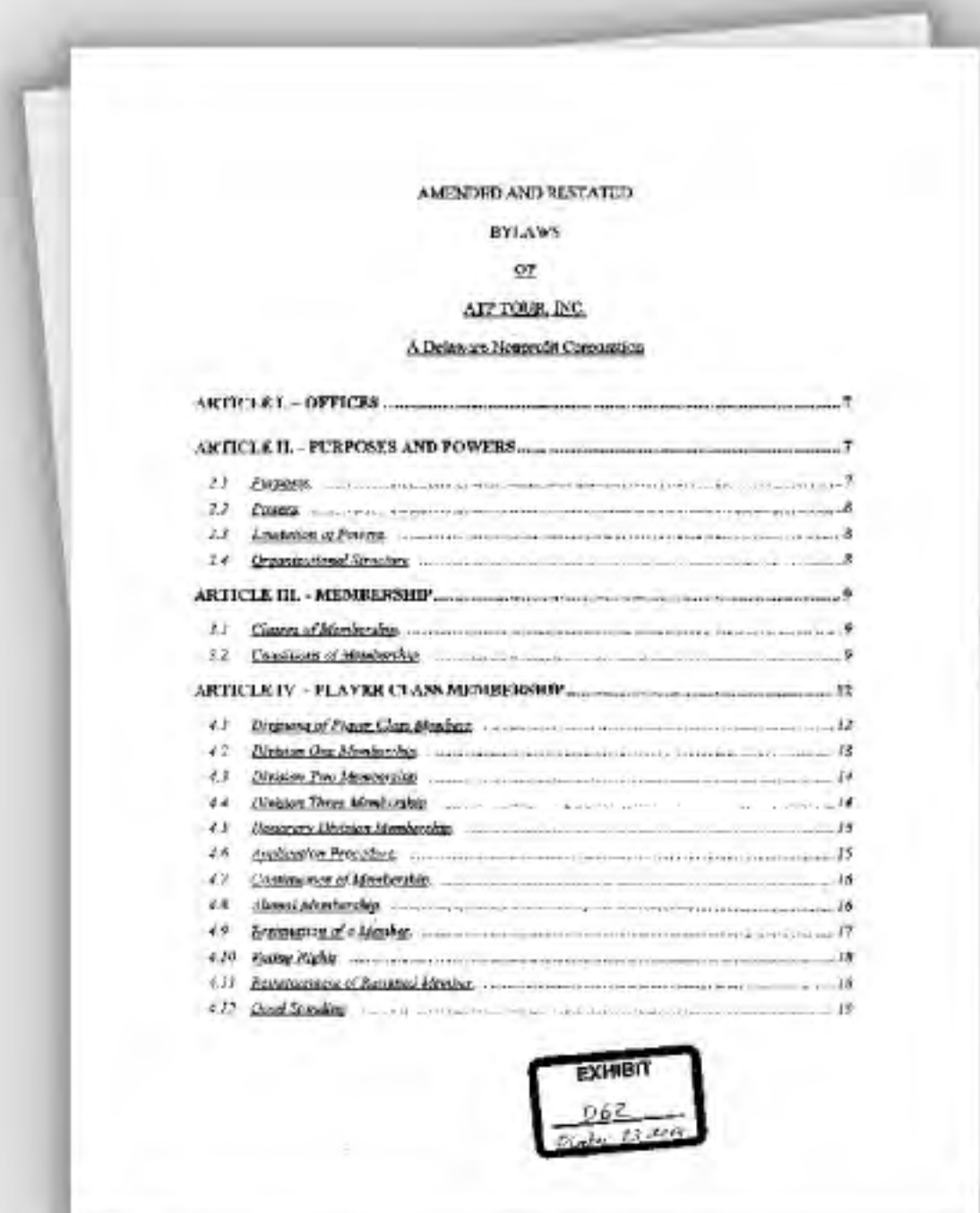


Source: DTX 1106, DTX 1107



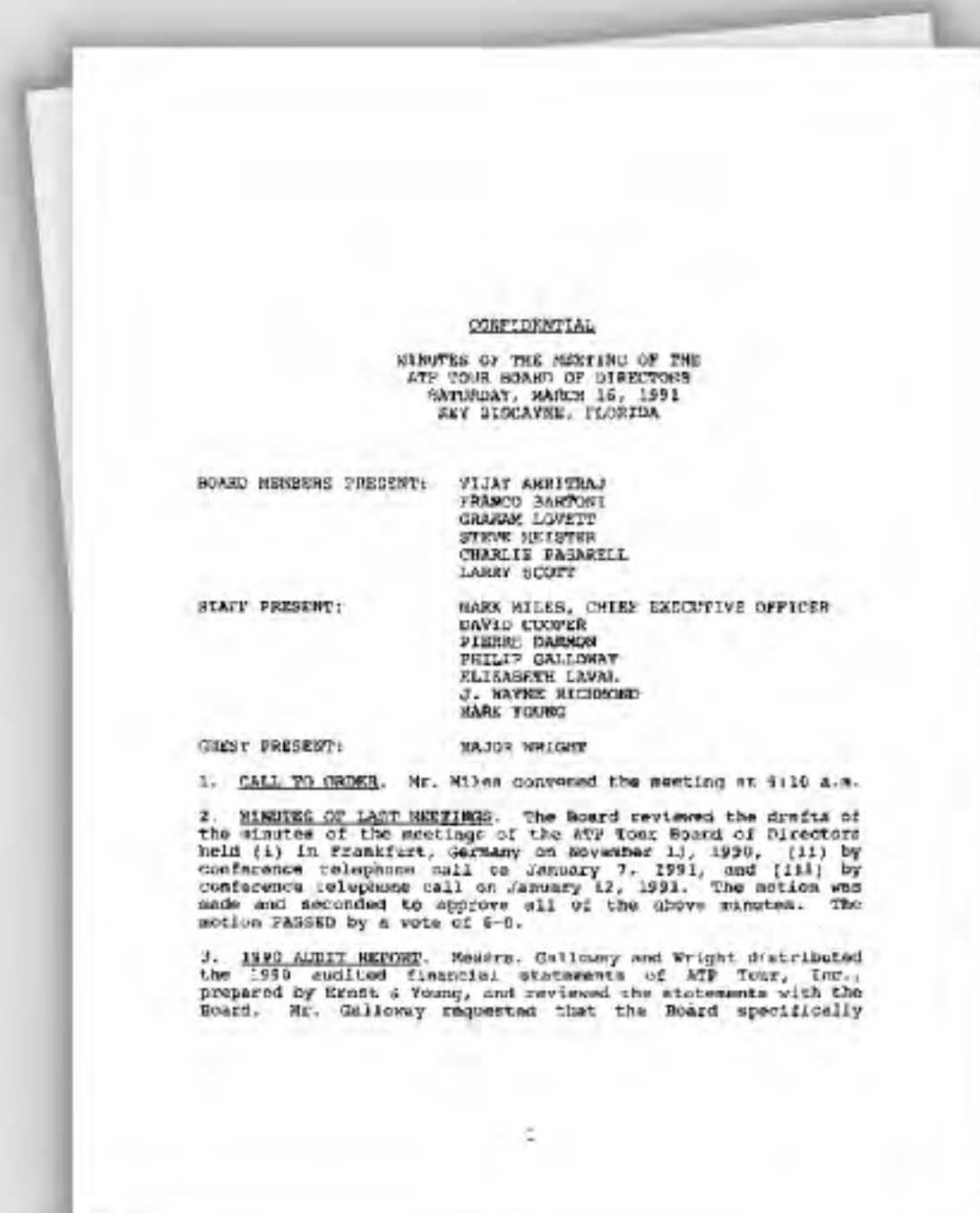
# Plaintiffs Have Recognized ATP's Authority to Recategorize Tournaments and Set the Tour Calendar

DTX 35



**ATP's Bylaws**

DTX 42



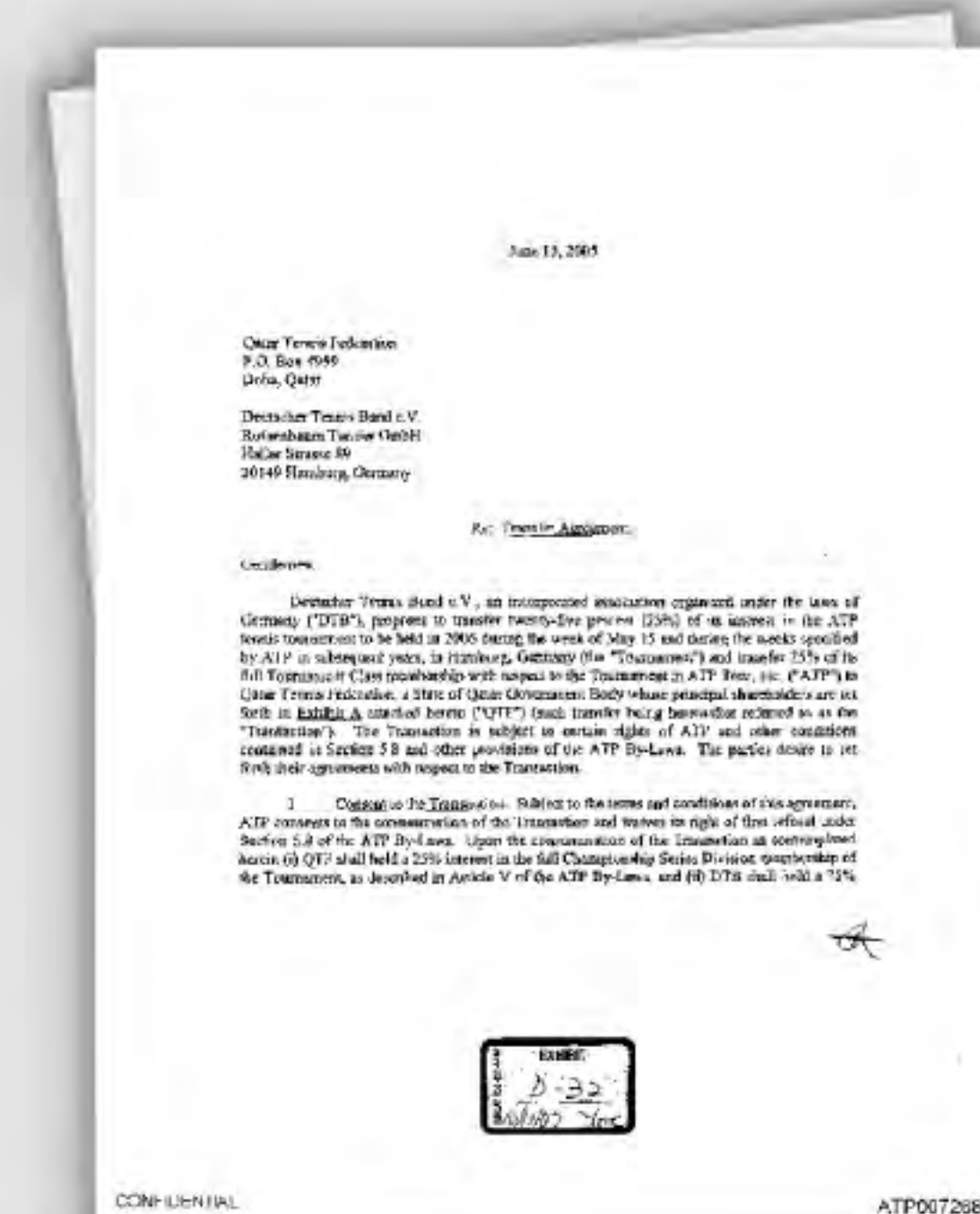
**Bylaws Board Resolution**

DTX 721



**Sale Agreement between DTB and QTF**

DTX 722



**Transfer Agreement between DTB, QTF, and ATP**



# **The Plaintiffs Recognized and Advocated the Benefits of the ATP Tour**

ELEMENTS OF TOUR	SUPPORTED BY PLAINTIFFS IN THE PAST	COMPLAINED ABOUT BY PLAINTIFFS IN THIS CASE	WHAT PLAINTIFFS WANT FOR THEMSELVES UNDER BNW
• A CIRCUIT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• TIERS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• PLAYER COMMITMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• CENTRALIZED CALENDAR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• RANKING SYSTEM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• POOLING OF MEDIA RIGHTS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• POOLING OF SPONSORSHIP RIGHTS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• BRANDING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



# **The Plaintiffs Recognized and Advocated the Benefits of the ATP Tour**

ELEMENTS OF TOUR	SUPPORTED BY PLAINTIFFS IN THE PAST	COMPLAINED ABOUT BY PLAINTIFFS IN THIS CASE	WHAT PLAINTIFFS WANT FOR THEMSELVES UNDER BNW
• A CIRCUIT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• TIERS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• PLAYER COMMITMENT	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• CENTRALIZED CALENDAR	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• RANKING SYSTEM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• POOLING OF MEDIA RIGHTS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• POOLING OF SPONSORSHIP RIGHTS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
• BRANDING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>