



WWE Q2 2016 RESULTS – JULY 28, 2016

Forward-Looking Statements



This presentation contains forward-looking statements pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995, which are subject to various risks and uncertainties. These risks and uncertainties include, without limitation, risks relating to: WWE Network; major distribution agreements; our need to continue to develop creative and entertaining programs and events; the possibility of a decline in the popularity of our brand of sports entertainment; the continued importance of key performers and the services of Vincent K. McMahon; possible adverse changes in the regulatory atmosphere and related private sector initiatives; the highly competitive, rapidly changing and increasingly fragmented nature of the markets in which we operate and greater financial resources or marketplace presence of many of our competitors; uncertainties associated with international markets; our difficulty or inability to promote and conduct our live events and/or other businesses if we do not comply with applicable regulations; our dependence on our intellectual property rights, our need to protect those rights, and the risks of our infringement of others' intellectual property rights; the complexity of our rights agreements across distribution mechanisms and geographical areas; potential substantial liability in the event of accidents or injuries occurring during our physically demanding events including, without limitation, claims relating to CTE; large public events as well as travel to and from such events; our feature film business; our expansion into new or complementary businesses and/or strategic investments; our computer systems and online operations; privacy norms and regulations; a possible decline in general economic conditions and disruption in financial markets; our accounts receivable; our revolving credit facility; litigation; our potential failure to meet market expectations for our financial performance, which could adversely affect our stock; Vincent K. McMahon exercises control over our affairs, and his interests may conflict with the holders of our Class A common stock; a substantial number of shares are eligible for sale by the McMahons and the sale, or the perception of possible sales, of those shares could lower our stock price; and the relatively small public "float" of our Class A common stock. In addition, our dividend is dependent on a number of factors, including, among other things, our liquidity and historical and projected cash flow, strategic plan (including alternative uses of capital), our financial results and condition, contractual and legal restrictions on the payment of dividends (including under our revolving credit facility), general economic and competitive conditions and such other factors as our Board of Directors may consider relevant. Forward-looking statements made by the Company speak only as of the date made and are subject to change without any obligation on the part of the Company to update or revise them. Undue reliance should not be placed on these statements. For more information about risks and uncertainties associated with the Company's business, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of the Company's SEC filings, including, but not limited to, our annual report on Form 10-K and quarterly reports on Form 10-Q.

This presentation contains non-GAAP financial information, including OIBDA. We define OIBDA as operating income before depreciation and amortization, excluding feature film and television production amortization and related impairments. OIBDA is a non-GAAP financial measure and may be different than similarly-titled non-GAAP financial measures used by other companies. A limitation of OIBDA is that it excludes depreciation and amortization, which represents the periodic charge for certain fixed assets and intangible assets used in generating revenues for the Company's business. OIBDA should not be regarded as an alternative to operating income or net income as an indicator of operating performance, or to the statement of cash flows as a measure of liquidity, nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to OIBDA. Reconciliations of OIBDA to operating income can be found in the Company's earnings release dated July 28, 2016.



2016 Q2 – Highlights



- Revenue increased 32% (13% excluding timing impact of *WrestleMania**) to record \$199 million; OIBDA results of \$7.5 million* in-line with guidance
- Network and Live Event segments had highest level of quarterly revenue in history; International revenue increased 15% to \$49 million
- *WWE Network* had a record of 1.52M average paid subscribers during Q2 2016 - 25% higher than Q2 2015
- *SmackDown* transitioned to a live format on USA Network on July 19 and was the highest rated *SmackDown* since it moved to cable; WWE brand extension initiated July 25 - *Raw* and *SmackDown* began featuring unique talent & storylines
- WWE content had 7.7 billion video views on social and digital platforms in the 1H 2016 (more than double 1H 2015)
- Social media engagement increased 39% to 570M interactions and reached 950 million interactions on a trailing 12 month basis

* See supplemental information and notes on page 19-21 of this presentation



2016 Q2: WWE Operating Highlights



- Achieved record quarterly revenue of \$199M; financial results in-line with guidance
- Performance reflects effective execution of strategy to optimize long-term content value
 - Sustained year-over-year subscriber growth of *WWE Network*
 - Transitioned *SmackDown* to a live format, and
 - Completed the first exclusive content agreement in China

RAW

**SMACKDOWN
LIVE**



WWE announced an exclusive content deal in China, a live event in Shanghai (Sep 10) & signing of first Chinese talent to a developmental contract

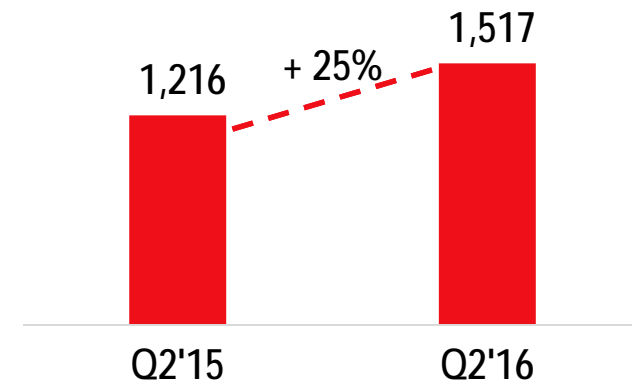


2016 Q2: WWE Operating Highlights



- Key metrics continued to show remarkable growth
 - *WWE Network* averaged 1.52 million paid subscribers, up 25% from Q2 2015
 - *WrestleMania* achieved record breaking attendance, ticket sales, viewership and social media activity
 - For 1H 2016, consumption of WWE content more than doubled to ~8B video views across Facebook, YouTube and WWE.com
 - For 1H 2016, social media fan engagements increased 39% to 570 million

Average Paid Subscribers (000s)

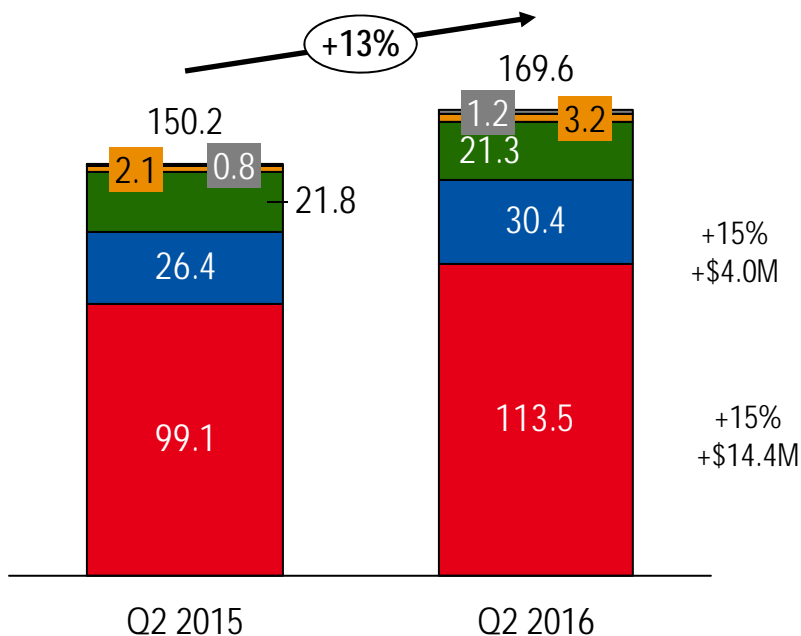


2016 Q2: Financial Highlights* (\$ in millions)

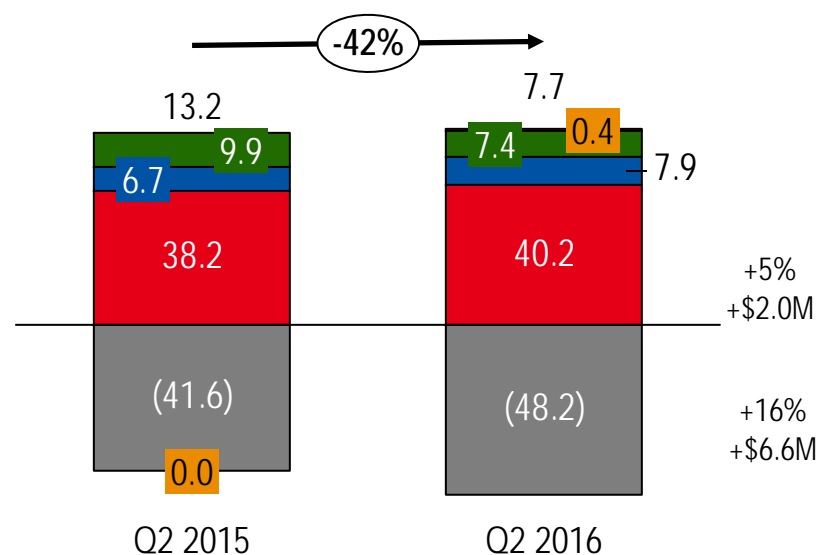


Revenue growth of 13%, on a pro forma basis with increases from across our businesses driven by the growth of *WWE Network*, contractual escalation of TV rights fees, and the strong performance of our live events business. On a pro-forma basis, OIBDA declined \$5.5 million reflecting strategic investment in key areas including content, technology and global markets

Revenue Pro forma



OIBDA Pro forma



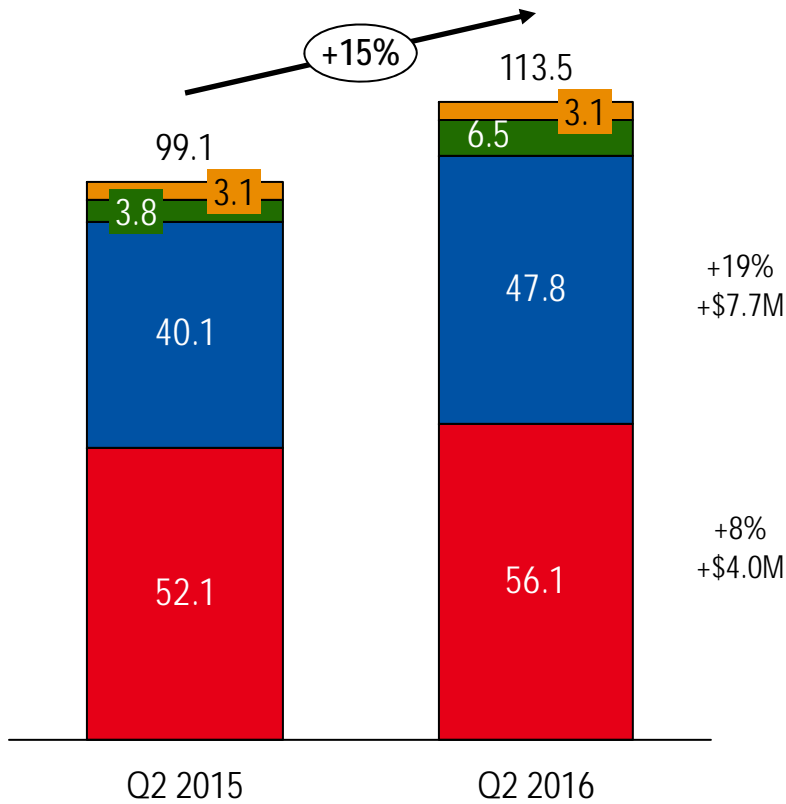
Corporate & Other
 WWE Studios
 Consumer Products
 Live Events
 Media

*For further detail of WWE's Pro forma results, see WWE's Q2 2016 Earnings Release on the Company's website at ir.corporate.wwe.com and on pages 19-21 of this presentation

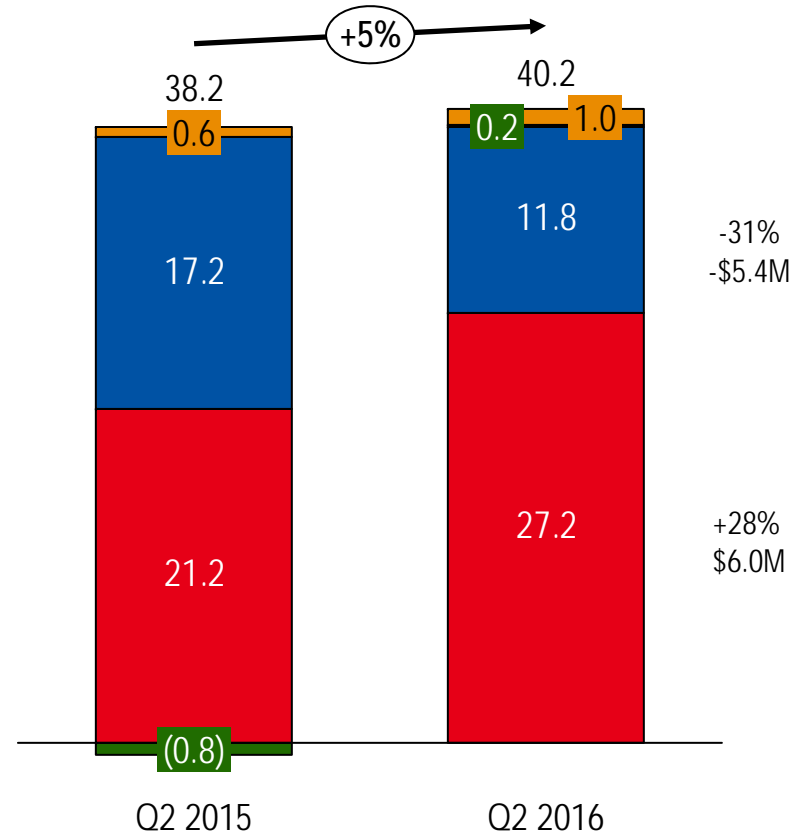
2016 Q2: Media Division* (\$ in millions)



Revenue Pro forma



OIBDA Pro forma



■ Home Entertainment
 ■ Digital Media
 ■ Network segment
 ■ Television

* See supplemental information and notes on pages 19-21 of this presentation

Network Highlights



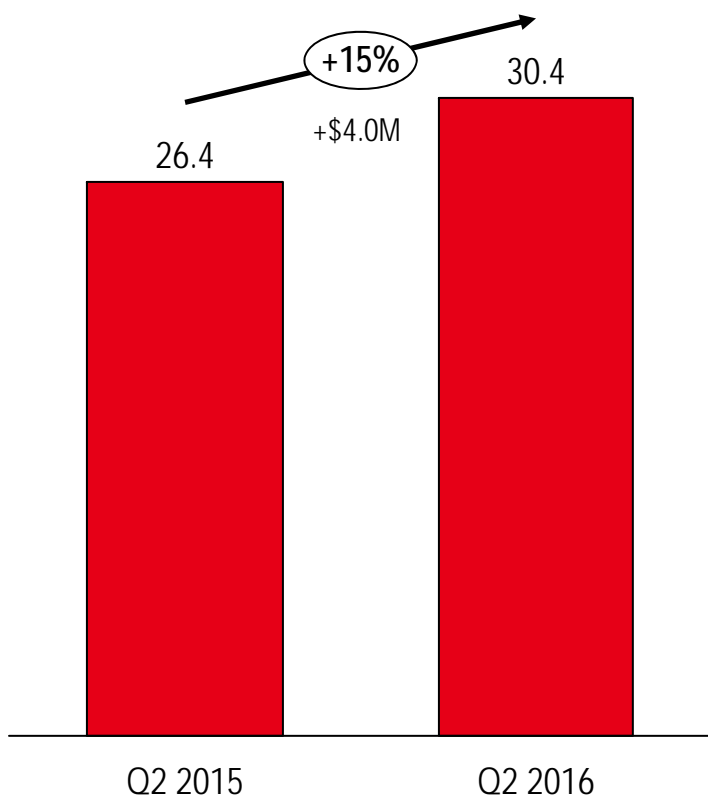
- *WWE Network* averaged 1.52 million paid subscribers, up 25% from Q2 2015; total subscribers were up 27% to 1.56 million from Q2 2015
- Increased global distribution of *WWE Network* with launches in the trailing 12 months in six countries including Malaysia, Germany and Japan
- With the increased size and maturity of the network's subscriber base, average monthly churn declined 20% to 9.9% for the first six months of 2016 from 12.3% for the comparable period in 2015
- Content continues to drive viewer engagement



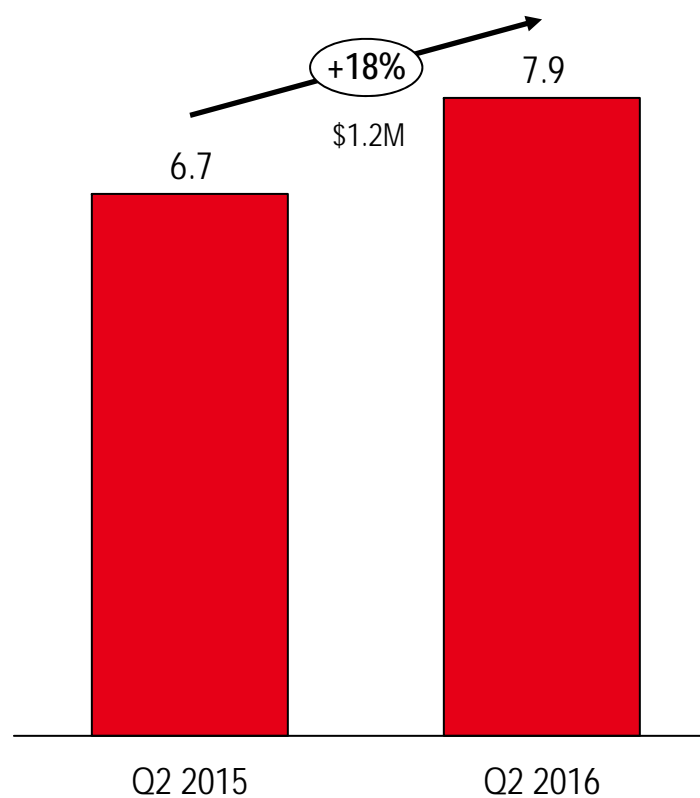
2016 Q2: Live Events* (\$ in millions)



Revenue Pro forma

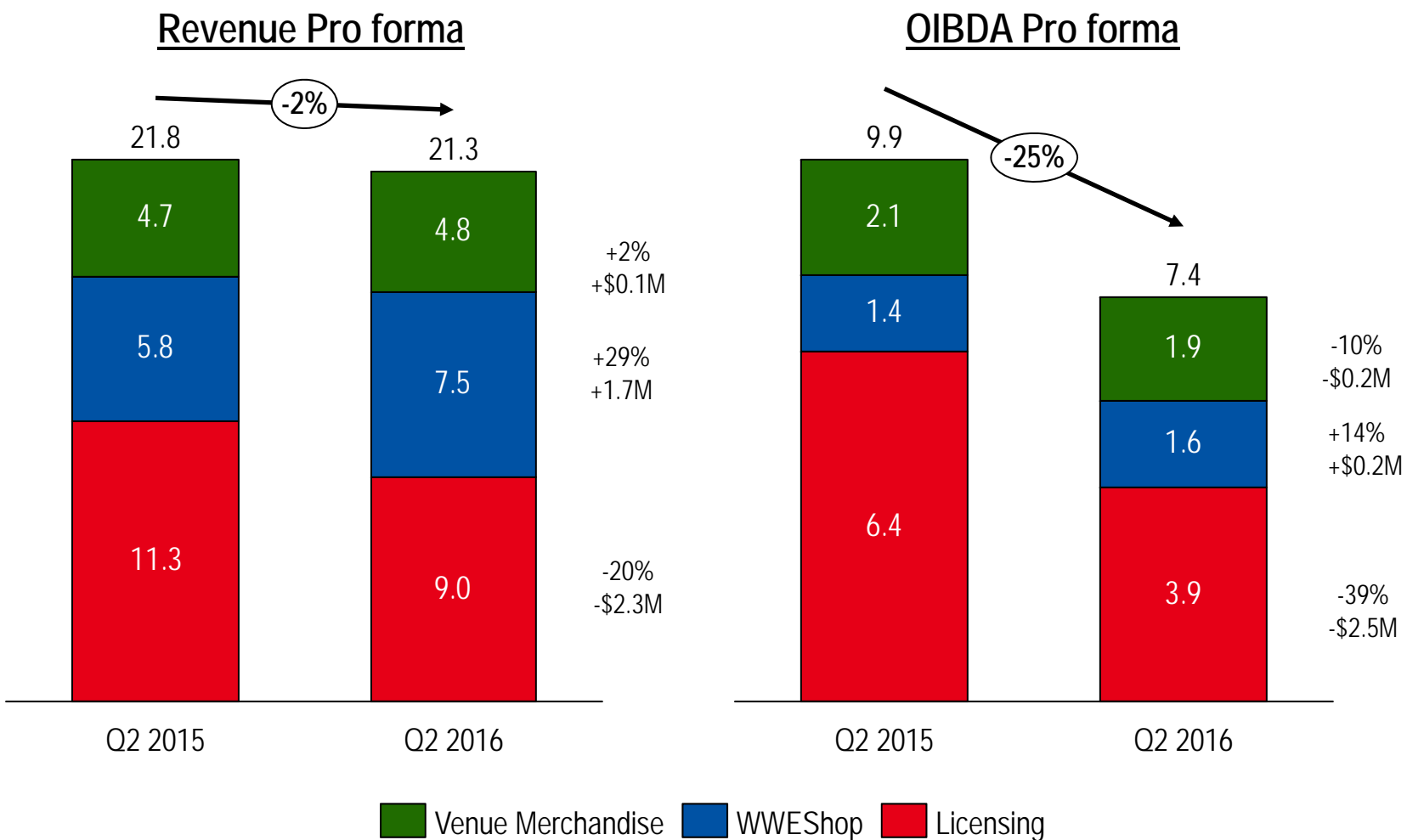


OIBDA Pro forma



* See supplemental information and notes on pages 19-21 of this presentation

2016 Q2: Consumer Products* (\$ in millions)

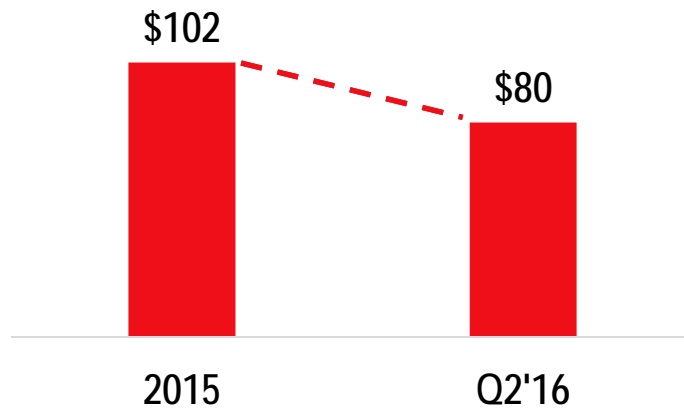


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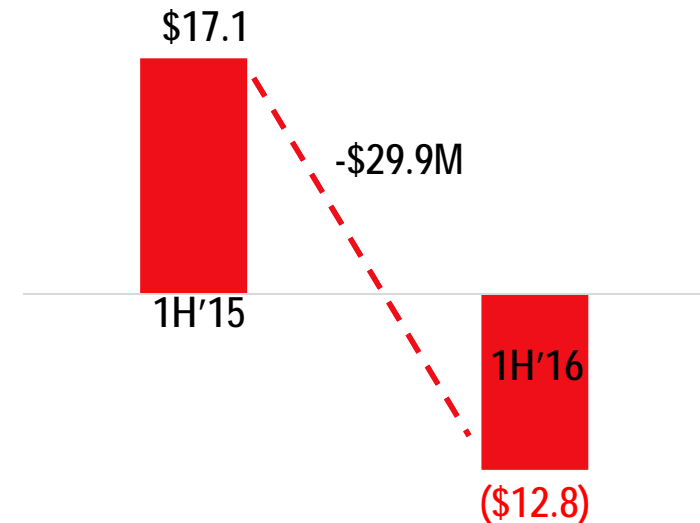
Capital Structure (\$ in millions)



Cash & ST Investments



Free Cash Flow



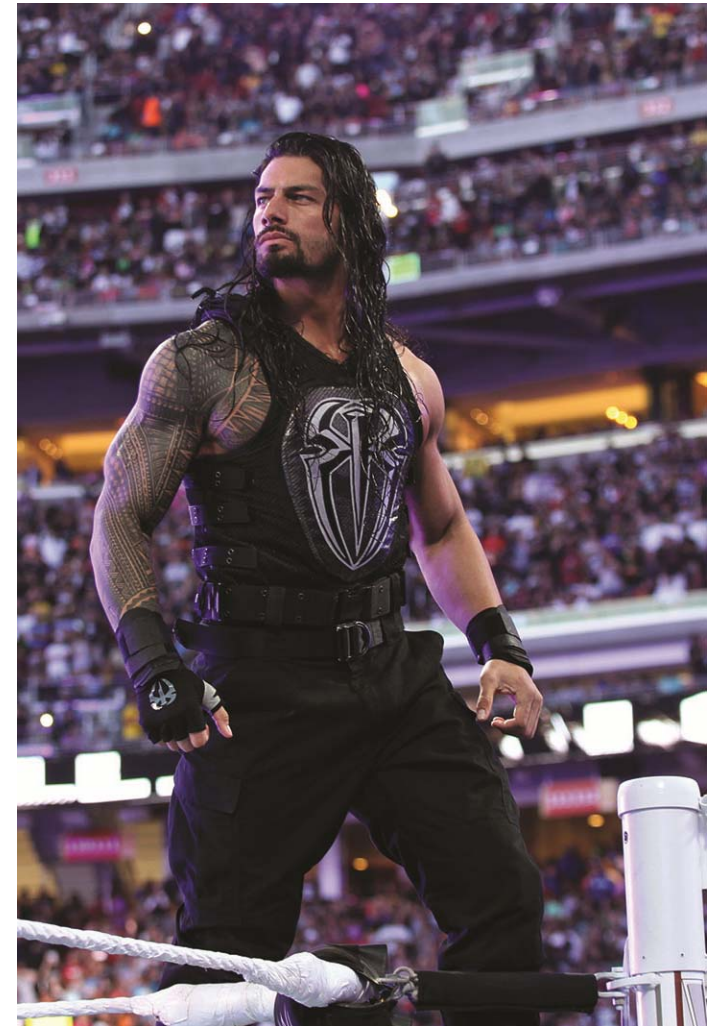
- Debt capacity under revolving credit facility at quarter-end 2016 = ~\$190M
- Decrease in free cash flow primarily due to the timing of working capital, including the receipt of payments related to the Company's television rights agreements, as well as the increased payout of management incentive compensation compared to the prior year period.

* See notes on page 21 of this presentation

Q3 Business Outlook*



- For Q3'16, the Company projects average paid subscribers of approximately 1.49 million (+/- 2%), represents 27% growth from Q3'15
- Q3'16 network subscriber estimate represents an approximate 2% sequential decline from Q2'16, which compares to a 4% decline from Q2'15 to Q3'15
- Estimate Q3'16 Adjusted OIBDA¹ of \$24M to \$28M (compared to \$23.4M in Q3'15); represents growth due to increased monetization of content and strong performance of Live Events



* See notes on page 21 of this presentation

¹ The definition of Adjusted OIBDA and a Reconciliation of Q3 2016 Operating Income to Adjusted OIBDA can be found in the Supplemental Information in the Company's earnings release dated July 28, 2016 located on the Company's website at ir.corporate.wwe.com.

2016 Perspective*



- If the range of average paid subscribers increase 20%-25% for the full year 2016, Adjusted OIBDA could range between \$70M - \$85M
- If recent subscriber acquisition and retention trends continue over the remainder of 2016, management believes growth in subscribers would be at the upper end of the range and Adjusted 2016 OIBDA would be \$80M-\$85M
- Expect year-over-year growth in Adjusted OIBDA¹ over second half of 2016



* See notes on page 21 of this presentation

¹ The definition of Adjusted OIBDA and a Reconciliation of Operating Income to Adjusted OIBDA can be found in the Supplemental Information in the Company's earnings release dated July 28, 2016 located on the Company's website at ir.corporate.wwe.com.

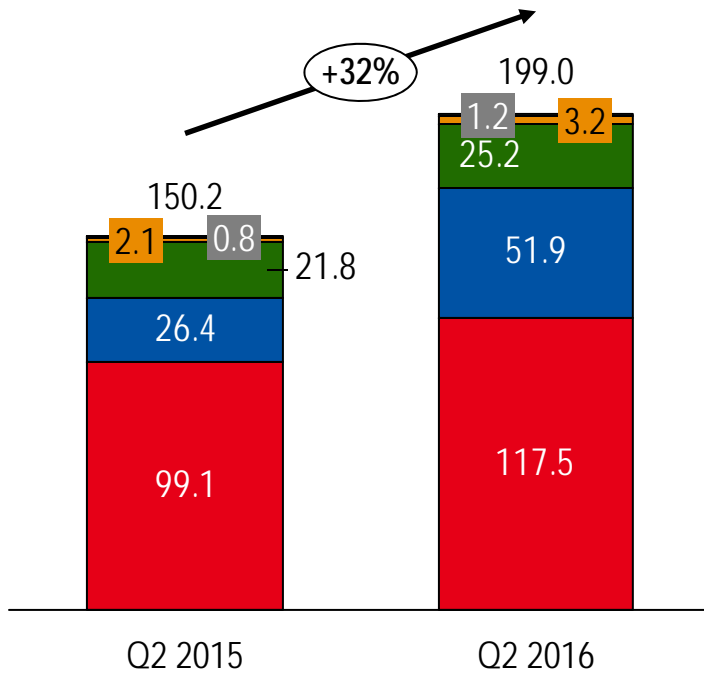


APPENDIX

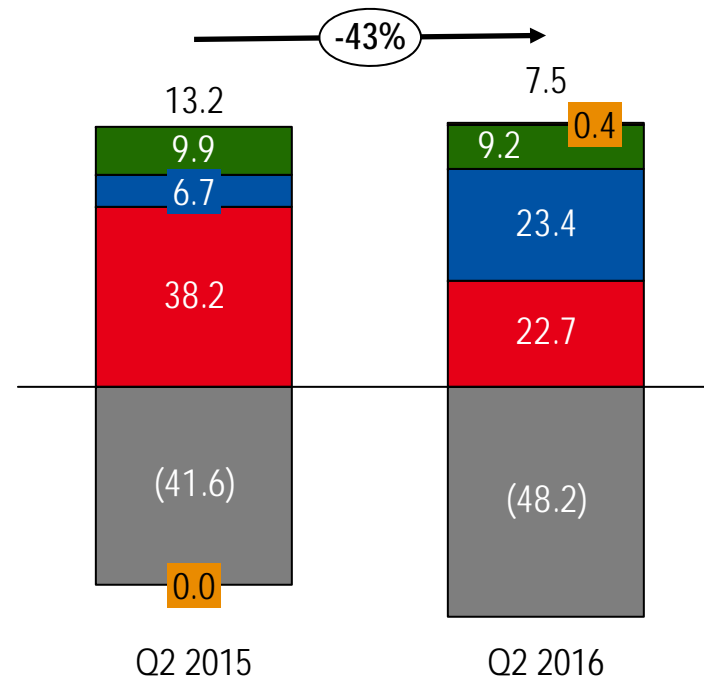
2016 Q2: Financial Highlights As Reported (\$ in millions)



Revenue

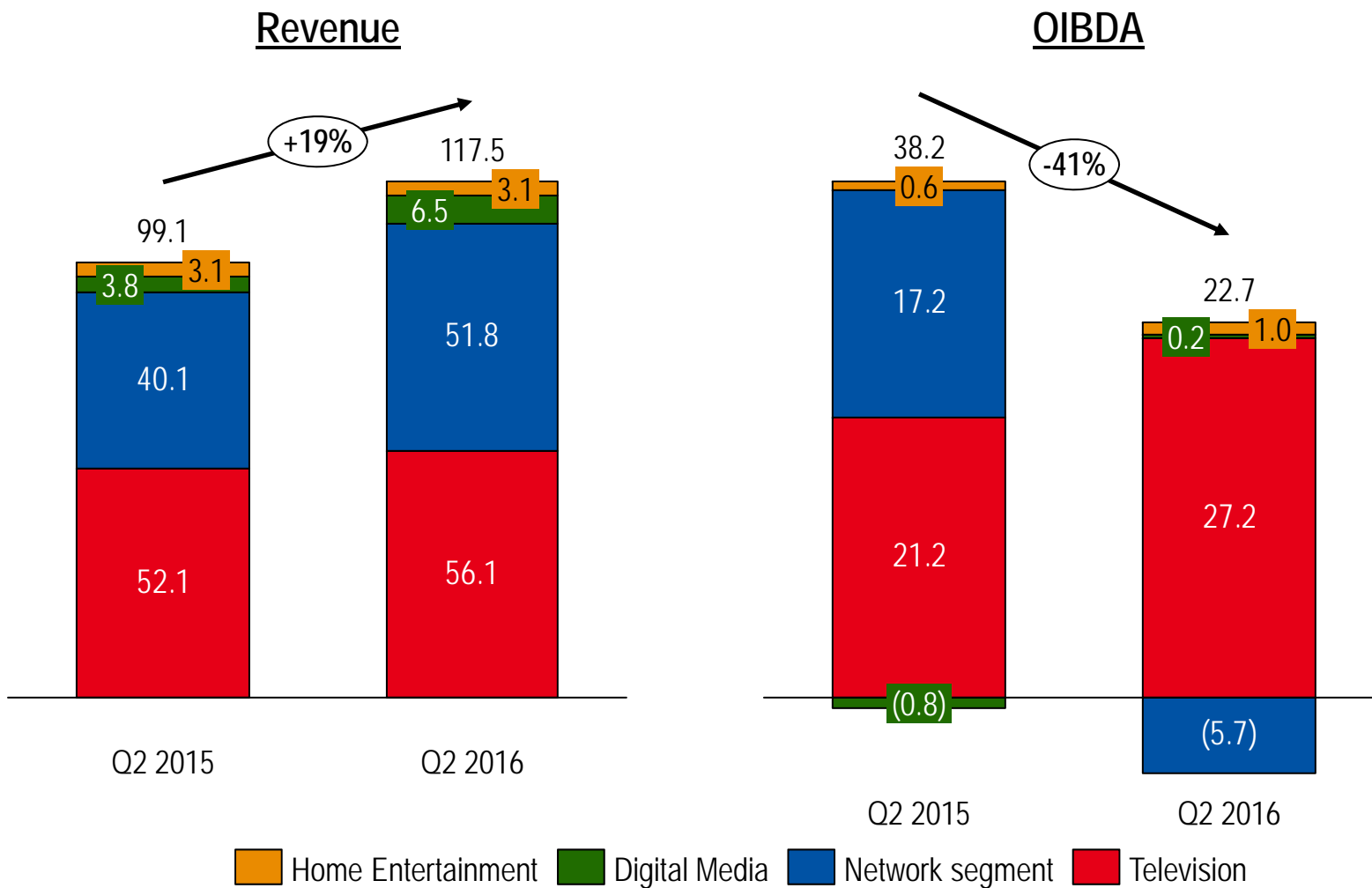


OIBDA

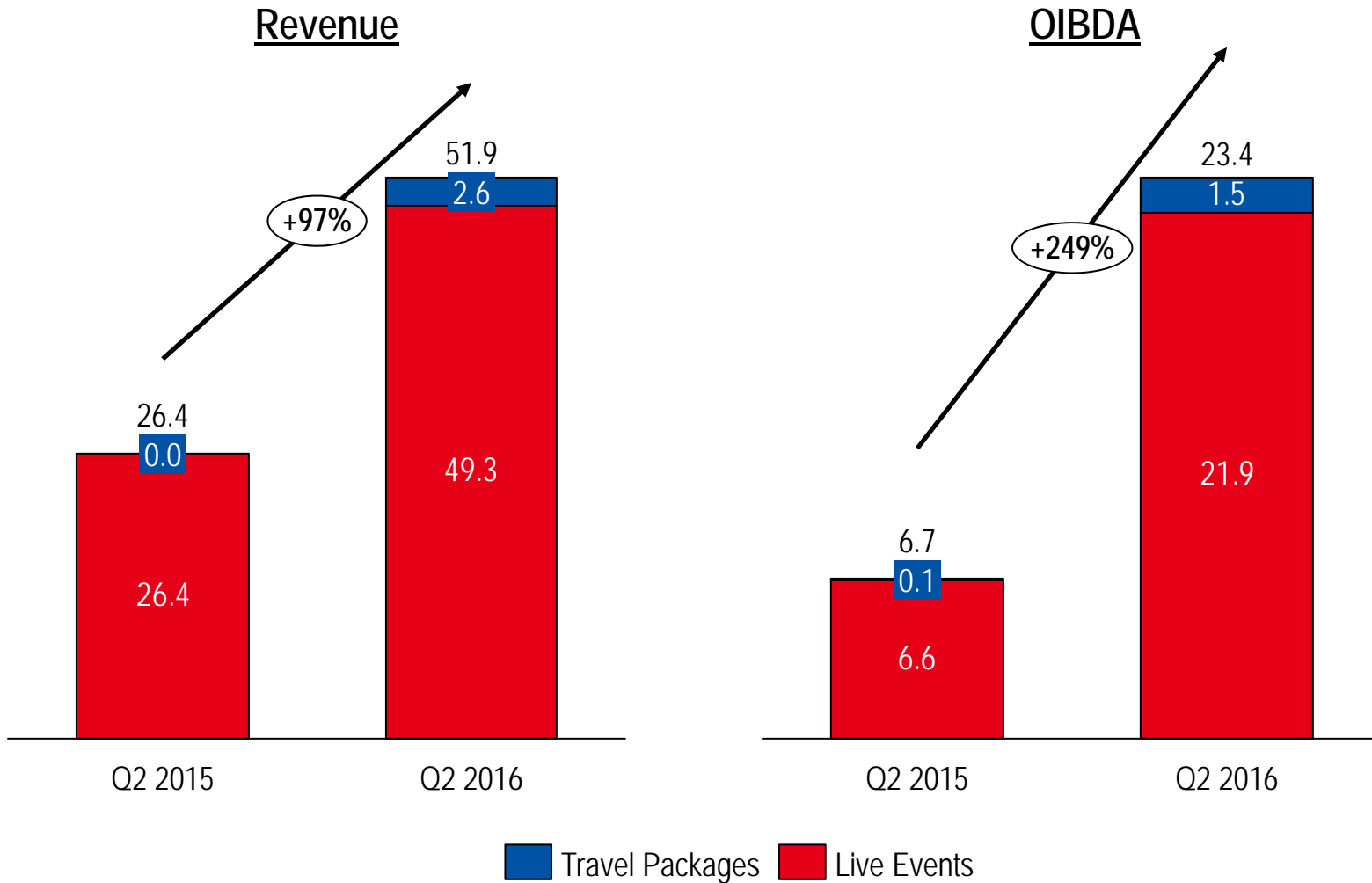


Corporate & Other
 WWE Studios
 Consumer Products
 Live Events
 Media

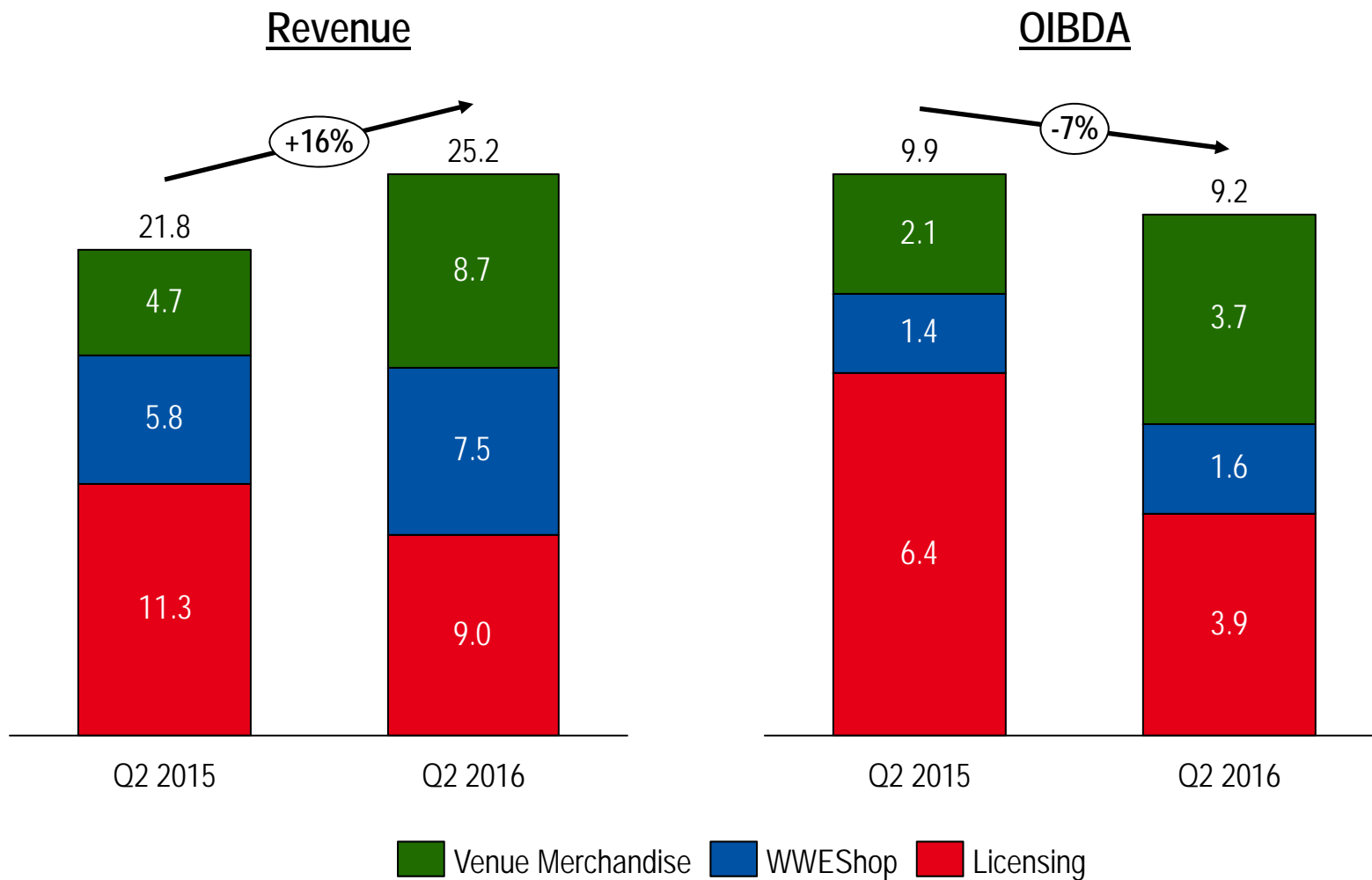
2016 Q2: Media Division As Reported (\$ in millions)



2016 Q2: Live Events As Reported (\$ in millions)



2016 Q2: Consumer Products As Reported (\$ in millions)



Pro Forma Excludes Timing Impact of WrestleMania 32 (\$ in millions)



<u>Revenues</u>	Q2 2016 Reported	Q2 2016 WM 32 Timing	Q2 2016 Pro Forma	Q2 2015 Reported
<u>Media Division</u>				
Pay-per-view	\$ 5.9	\$ (4.0)	\$ 1.9	\$ 3.5
Subscriptions	45.9	—	45.9	36.6
Network	51.8	(4.0)	47.8	40.1
Television	56.1	—	56.1	52.1
Home Entertainment	3.1	—	3.1	3.1
Digital Media	6.5	—	6.5	3.8
Media Division	117.5	(4.0)	113.5	99.1
Live Events	51.9	(21.5)	30.4	26.4
<u>Consumer Products Division</u>				
Licensing	9.0	—	9.0	11.3
Venue Merchandise	8.7	(3.9)	4.8	4.7
WWE Shop	7.5	—	7.5	5.8
Consumer Products Division	25.2	(3.9)	21.3	21.8
WWE Studios	3.2	—	3.2	2.1
Corporate and Other	1.2	—	1.2	0.8
Total Revenues	\$ 199.0	\$ (29.4)	\$ 169.6	\$ 150.2

The impact of *WrestleMania* is measured using a pro forma statement rather than as an adjusting item to the Company's reported results because adjustments to the Company's financial measures are limited by definition to items that are difficult to predict and are considered unusual or non-recurring in nature. As defined, adjusted financial measures would exclude certain material items, including but not limited to, non-cash impairments of film, intangible and fixed assets, gains and losses on asset sales, as well as material restructuring charges. No such items were reported in or have been adjusted from second quarter 2016 or second quarter 2015 results. (For further information, see WWE's Q2 2016 earnings release on the Company's website at ir.corporate.wwe.com.)

Pro Forma Excludes Timing Impact of WrestleMania 32 (\$ in millions)



	Q2 2016 Reported	Q2 2016 WM 32 Timing	Q2 2016 Pro Forma	Q2 2015 Reported
<u>OIBDA:</u>				
Media Division	\$ 22.7	\$ 17.5	\$ 40.2	\$ 38.2
Live Events	23.4	(15.5)	7.9	6.7
Consumer Products Division	9.2	(1.8)	7.4	9.9
WWE Studios	0.4	—	0.4	—
Corporate and Other	(48.2)	—	(48.2)	(41.6)
OIBDA	7.5	0.2	7.7	13.2
Depreciation & amortization	(6.0)	—	(6.0)	(5.9)
Operating income	1.5	0.2	1.7	7.3
Interest and other, net	(0.6)	—	(0.6)	(0.3)
Income before taxes	0.9	0.2	1.1	7.0
Provision for income taxes	0.1	—	0.1	1.9
Net income	\$ 0.8	\$ 0.2	\$ 1.0	\$ 5.1
EPS - basic and diluted	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.07

The impact of *WrestleMania* is measured using a pro forma statement rather than as an adjusting item to the Company's reported results because adjustments to the Company's financial measures are limited by definition to items that are difficult to predict and are considered unusual or non-recurring in nature. As defined, adjusted financial measures would exclude certain material items, including but not limited to, non-cash impairments of film, intangible and fixed assets, gains and losses on asset sales, as well as material restructuring charges. No such items were reported in or have been adjusted from second quarter 2016 or second quarter 2015 results. (For further information, see WWE's Q2 2016 earnings release on the Company's website at ir.corporate.wwe.com.)

Notes: Non-GAAP Measures



- The definition of Adjusted OIBDA, the Reconciliation of Q2 2016 Operating Income to Adjusted OIBDA, and the Pro Forma Income Statement & Reconciliation to GAAP Measures for a pro-forma analysis excluding *WrestleMania* from second quarter 2016 results, can be found in the Supplemental Information of the Company's earnings release dated May 10, 2016.
- Beginning January 2016, the Company started allocating certain shared expenses between its Network and Television segments. Management believes this allocation more accurately reflects the operations of these segments. For the second quarter 2016, the implementation of this allocation methodology reduced Network segment OIBDA by \$5.3 million and increased Television segment OIBDA by a corresponding \$5.3 million. For the first half 2016, the implementation of this allocation methodology reduced Network segment OIBDA by \$8.4 million and increased Television segment OIBDA by a corresponding \$8.4 million. The allocation methodology had no impact on the Company's consolidated financial statements.
- The Company defines OIBDA as operating income before depreciation and amortization, excluding feature film and television production amortization and related impairments. OIBDA is a non-GAAP financial measure and may be different than similarly-titled non-GAAP financial measures used by other companies. A limitation of OIBDA is that it excludes depreciation and amortization, which represents the periodic charge for certain fixed assets and intangible assets used in generating revenues for the Company's business. OIBDA should not be regarded as an alternative to operating income or net income as an indicator of operating performance, or to the statement of cash flows as a measure of liquidity, nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to OIBDA.
- Adjusted OIBDA, Adjusted Operating income, Adjusted Net income and Adjusted Earnings per share exclude certain material items, which otherwise would impact the comparability of results between periods. These should not be considered as an alternative to net income, cash flows from operations or any other indicator of WWE's performance or liquidity, determined in accordance with U.S. GAAP.
- The Company defines Free Cash Flow as net cash provided by operating activities less cash used for capital expenditures. Although it is not a recognized measure of liquidity under U.S. GAAP, Free Cash Flow provides useful information regarding the amount of cash our continuing business is generating after capital expenditures, available for reinvesting in the business, debt service, and payment of dividends