UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission file number 001-16131

WORLD WRESTLING ENTERTAINMENT, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**04-2693383**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1241 East Main Street
Stamford, CT 06902
(203) 352-8600
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐		Accelerated filer	☒
Non-accelerated filer ☐	(Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At October 29, 2014 the number of shares outstanding of the Registrant's Class A common stock, par value $.01 per share, was 33,179,500 and the number of shares outstanding of the Registrant's Class B common stock, par value $.01 per share, was 42,298,437 .

WORLD WRESTLING ENTERTAINMENT, INC.

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WORLD WRESTLING ENTERTAINMENT, INC.

CONSOLIDATED INCOME STATEMENTS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net revenues	$ 120,183	$ 113,292	$ 402,065	$ 389,575
Cost of revenues (including amortization and impairments of feature film and television production assets of $6,261 and $12,039, respectively, and $22,644 and $19,485, respectively)	78,417	70,947	284,880	242,668
Selling, general and administrative expenses	39,075	32,640	136,279	110,976
Depreciation and amortization	7,730	6,503	20,648	17,819
Operating (loss) income	(5,039)	3,202	(39,742)	18,112
Loss on equity investment	(3,962)	—	(3,962)	—
Investment income, net	81	264	541	1,102
Interest expense	(546)	(438)	(1,536)	(1,270)
Other (expense) income, net	(1,061)	313	(1,100)	(1,420)
(Loss) income before income taxes	(10,527)	3,341	(45,799)	16,524
(Benefit from) provision for income taxes	(4,606)	902	(17,345)	5,870
Net (loss) income	$ (5,921)	$ 2,439	$ (28,454)	$ 10,654
(Loss) Earnings per share:				
Basic and diluted	$ (0.08)	$ 0.03	$ (0.38)	$ 0.14
Weighted average common shares outstanding:				
Basic	75,402	75,030	75,232	74,885
Diluted	75,402	75,388	75,232	75,335
Dividends declared per common share (Class A and B)	$ 0.12	$ 0.12	$ 0.36	$ 0.36

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net (loss) income	$ (5,921)	$ 2,439	$ (28,454)	$ 10,654
Other comprehensive income (loss):				
Foreign currency translation adjustment	(118)	73	(64)	(107)
Gains/(losses) on unrealized holding gains on available-for-sale securities (net of tax (benefit)/expense of ($64) and $49, respectively, ($1) and ($225), respectively)	(105)	79	(2)	(367)
Reclassification adjustment for losses (gains) realized in net income - available-for-sale securities (net of tax (benefit)/expense of ($15) and $0, respectively, and ($14) and $1, respectively)	25	—	23	(1)
Total other comprehensive (loss) income	(198)	152	(43)	(475)
Comprehensive (loss) income	$ (6,119)	$ 2,591	$ (28,497)	$ 10,179

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	As of	
	September 30, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 29,599	$ 32,911
Short-term investments, net	39,139	76,476
Accounts receivable (net of allowances for doubtful accounts and returns of $7,325 and $9,344 respectively)	56,669	59,552
Inventory	4,539	2,874
Deferred income tax assets	16,911	12,237
Prepaid expenses and other current assets	11,997	16,147
Total current assets	158,854	200,197
PROPERTY AND EQUIPMENT, NET	116,383	133,480
FEATURE FILM PRODUCTION ASSETS, NET	27,884	16,018
TELEVISION PRODUCTION ASSETS, NET	6,205	10,772
INVESTMENT SECURITIES	7,200	8,299
NON-CURRENT DEFERRED INCOME TAX ASSETS	14,407	—
OTHER ASSETS, NET	20,632	9,696
TOTAL ASSETS	$ 351,565	$ 378,462
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 4,321	$ 4,251
Accounts payable and accrued expenses	69,448	47,882
Deferred income	31,389	30,112
Total current liabilities	105,158	82,245
LONG-TERM DEBT	22,670	25,385
NON-CURRENT INCOME TAX LIABILITIES	1,700	4,884
NON-CURRENT DEFERRED INCOME	6,375	—
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Class A common stock: ($.01 par value; 180,000,000 shares authorized; 33,173,259 and 31,302,790 shares issued and outstanding as of September 30, 2014 and December 31, 2013, respectively)	332	313
Class B convertible common stock: ($.01 par value; 60,000,000 shares authorized; 42,298,437 and 43,797,830 shares issued and outstanding as of September 30, 2014 and December 31, 2013, respectively)	423	438
Additional paid-in-capital	352,589	346,974
Accumulated other comprehensive income	3,469	3,512
Accumulated deficit	(141,151)	(85,289)
Total stockholders' equity	215,662	265,948
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 351,565	$ 378,462

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock				Additional	Accumulated Other	Accumulated	
	Class A		Class B		Paid - in	Comprehensive		
	Shares	Amount	Shares	Amount	Capital	Income	Deficit	Total
Balance, December 31, 2013	**31,303**	**$ 313**	**43,798**	**$ 438**	**$ 346,974**	**$ 3,512**	**$ (85,289)**	**$ 265,948**
Net loss	—	—	—	—	—	—	(28,454)	(28,454)
Other comprehensive loss	—	—	—	—	—	(43)	—	(43)
Stock issuances, net	370	4	—	—	(1,117)	—	—	(1,113)
Conversion of Class B common stock by shareholder	1,500	15	(1,500)	(15)	—	—	—	—
Tax effect from stock-based payment arrangements	—	—	—	—	(80)	—	—	(80)
Dividends paid	—	—	—	—	315	—	(27,408)	(27,093)
Stock-based compensation	—	—	—	—	6,497	—	—	6,497
Balance, September 30, 2014	**33,173**	**$ 332**	**42,298**	**$ 423**	**$ 352,589**	**$ 3,469**	**$ (141,151)**	**$ 215,662**

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended	
	September 30, 2014	September 30, 2013
OPERATING ACTIVITIES:		
Net (loss) income	$ (28,454)	$ 10,654
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Amortization and impairments of feature film production assets	3,210	15,459
Amortization of television production assets	19,435	4,026
Depreciation and amortization	22,042	17,819
Loss on equity investment	3,962	—
Amortization of bond premium	1,014	391
Amortization of debt issuance costs	471	1,559
Stock-based compensation	6,497	3,543
Recovery from doubtful accounts	(403)	(356)
Services provided in exchange for equity instruments	(439)	(659)
Loss on disposal of property and equipment	148	335
(Benefit from) provision for deferred income taxes	(21,761)	4,040
Other non-cash items	(346)	(149)
Cash (used in)/provided by changes in operating assets and liabilities:		
Accounts receivable	3,002	(17,913)
Inventory	(1,665)	(761)
Prepaid expenses and other assets	1,404	(644)
Feature film production assets	(15,076)	(6,706)
Television production assets	(14,868)	(8,687)
Accounts payable, accrued expenses and other liabilities	8,939	(11,506)
Deferred income	7,652	1,709
Net cash (used in)/provided by operating activities	(5,236)	12,154
INVESTING ACTIVITIES:		
Purchases of property and equipment and other assets	(9,181)	(18,302)
Purchase of corporate aircraft and related improvements	—	(29,730)
Proceeds from sale of corporate aircraft	3,167	—
Net proceeds from infrastructure improvement incentives	2,937	—
Purchases of short-term investments	(2,511)	(24,112)
Proceeds from sales and maturities of investments	38,832	30,543
Purchase of equity investments	(2,204)	(2,200)
Proceeds from sales of property and equipment	—	38
Net cash provided by/(used in) investing activities	31,040	(43,763)
FINANCING ACTIVITIES:		
Proceeds from the issuance of note payable	364	29,730
Repayment of long-term debt	(3,009)	(348)
Dividends paid	(27,093)	(26,967)
Debt issuance costs	(758)	(674)
Proceeds from issuance of stock	895	640
Excess tax benefits from stock-based payment arrangements	485	261
Net cash (used in)/provided by financing activities	(29,116)	2,642
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,312)	(28,967)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	32,911	66,048
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 29,599	$ 37,081
NON-CASH INVESTING TRANSACTIONS:		

Non-cash purchase of property and equipment	$	720	$	1,611

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share data)
(Unaudited)

1. Basis of Presentation and Business Description

The accompanying consolidated financial statements include the accounts of WWE. "WWE" refers to World Wrestling Entertainment, Inc. and its subsidiaries, unless the context otherwise requires. References to "we," "us," "our" and the "Company" refer to WWE and its subsidiaries. We are an integrated media and entertainment company, principally engaged in the production and distribution of content through various channels including our digital over-the-top ("OTT") WWE Network, television rights agreements, pay-per-view event programming, live events, feature films, licensing of various WWE themed products and the sale of consumer products featuring our brands. Our operations are organized around the following four principal activities:

Media Division:

Network

- Revenues consist principally of subscriptions to WWE Network and fees for viewing our pay-per-view and video-on-demand programming.

Television

- Revenues consist principally of television rights fees and television advertising fees.

Home Entertainment

- Revenues consist principally of sales of WWE produced content via home entertainment platforms.

Digital Media

- Revenues consist principally of advertising sales on our websites, rights fees received for digital content, sales of various broadband and mobile content and magazine publishing.

Live Events

- Revenues consist principally of ticket sales and travel packages for live events.

Consumer Products Division:

Licensing

- Revenues consist principally of royalties or license fees related to various WWE themed products such as video games, toys and apparel.

Venue Merchandise

- Revenues consist of sales of merchandise at our live events.

WWEShop

- Revenues consist of sales of merchandise on our website through our WWEShop internet storefront.

WWE Studios

- Revenues consist of amounts earned from the investment in, the production and/or distribution of filmed entertainment.

In our prior reports filed with the Securities Exchange Commission ("SEC") through fiscal year 2013, we presented five reportable segments: Live and Televised Entertainment, Consumer Products, Digital Media, WWE Studios and Unallocated Corporate and Other. Effective January 1, 2014, we now present ten reportable segments. Information presented for the three and nine months ended September 30, 2013 included in the unaudited consolidated financial statements herein and elsewhere in this Quarterly Report has been recast to reflect our new segment presentation. See Note 2, *Segment Information*, for further details on our reportable segments. Such revisions have no impact on our consolidated financial condition, results of operations or cash flows for the periods presented.

WORLD WRESTLING ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share data)
(Unaudited)

Within the Consolidated Statements of Cash Flows from operating activities, certain prior year amounts were reclassified to conform to the current period presentation.

The accompanying consolidated financial statements are unaudited. All adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of financial position, results of operations and cash flows at the dates and for the periods presented have been included. The results of operations of any interim period are not necessarily indicative of the results of operations for the full year. All intercompany balances are eliminated in consolidation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Certain information and note disclosures normally included in annual financial statements have been condensed or omitted from these interim financial statements; these financial statements should be read in conjunction with the financial statements and notes thereto included in our Form 10-K for the year ended December 31, 2013 .

Recent Accounting Pronouncements

I n May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09, *"Revenue from Contracts with Customers (Topic 606)"* . This ASU will supersede the revenue recognition requirements in ASC 605, "Revenue Recognition", and most industry-specific guidance. The ASU requires an entity to recognize revenue in an amount that reflects the consideration to which the entity expects to receive in exchange for goods or services. This guidance is effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. This standard update is effective for our fiscal year beginning of January 1, 2017. We are currently evaluating the impact of the adoption of this new standard on our consolidated financial statements.

In April 2014, the FASB issued Accounting Standards Update No. 2014-08, " *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity"* . This ASU updated the accounting guidance related to discontinued operations. The updated accounting guidance provides a narrower definition of discontinued operations than existing GAAP. The updated accounting guidance requires that only disposals of components of an entity, or groups of components, that represent a strategic shift that has or will have a material effect on the reporting entity's operations be reported in the financial statements as discontinued operations. The updated accounting guidance also provides guidance on the financial statement presentations and disclosures of discontinued operations. On July 1, 2014, we early adopted this accounting standard update which did not have a material effect on our consolidated financial statements.

2. Segment Information

During the first quarter of 2014, the Company launched WWE Network, which changed the way that certain content is delivered to our customers. The launch of WWE Network coupled with the continued convergence within the media landscape, has resulted in a change in the Company's management reporting to its chief operating decision maker. These changes necessitated a change in the Company's segment reporting to align with management's operational view. As discussed in Note 1 , the Company currently classifies its operations into ten reportable segments. The ten reportable segments of the Company now include the following: Network (which includes our pay-per-view business), Television, Home Entertainment and Digital Media, individual segments that comprise the Media Division; Live Events; Licensing, Venue Merchandise, WWEShop, individual segments that comprise the Consumer Products Division; WWE Studios and Corporate and Other (as defined below).

We do not disclose assets by segment information. In general, assets of the Company are leveraged across its reportable segments and we do not provide assets by segment information to our chief operating decision maker, as that information is not typically used in the determination of resource allocation and assessing business performance of each reportable segment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share data)
(Unaudited)

The Company presents OIBDA as the primary measure of segment profit (loss). The Company believes the presentation of OIBDA is relevant and useful for investors because it allows investors to view our segment performance in the same manner as the primary method used by management to evaluate segment performance and make decisions about allocating resources. The Company defines OIBDA as operating income before depreciation and amortization, excluding feature film and television production asset amortization and impairments.

We do not allocate certain costs included in OIBDA of our Corporate and Other segment to the other reportable segments. Corporate and Other expense primarily includes corporate overhead and certain expenses related to sales and marketing, including our international offices, and talent development functions, including costs associated with our WWE Performance Center. These costs benefit the Company as a whole and are therefore not allocated. Revenues from transactions between our operating segments are not material.

The following tables present summarized financial information for each of the Company's reportable segments:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Net revenues:				
Network	$ 26,119	$ 15,553	$ 87,786	$ 69,719
Television	42,198	44,817	126,277	121,273
Home Entertainment	3,625	5,135	19,488	19,197
Digital Media	5,001	7,134	16,879	21,683
Live Events	21,742	25,138	83,742	87,719
Licensing	10,011	5,733	29,534	36,396
Venue Merchandise	4,163	4,024	15,663	16,024
WWEShop	4,290	2,956	12,485	9,497
WWE Studios	1,928	1,812	8,009	5,835
Corporate & Other	1,106	990	2,202	2,232
Total net revenues	$ 120,183	$ 113,292	$ 402,065	$ 389,575
OIBDA:				
Network	$ 2,317	$ 7,378	$ (8,619)	$ 20,598
Television	20,712	21,260	43,001	44,680
Home Entertainment	1,277	1,942	10,423	8,226
Digital Media	2,004	3,115	811	5,531
Live Events	3,850	5,690	23,149	27,232
Licensing	5,828	3,228	16,450	27,659
Venue Merchandise	1,632	1,653	6,325	6,184
WWEShop	729	551	2,400	1,709
WWE Studios	(421)	(7,417)	940	(12,789)
Corporate & Other	(35,237)	(27,695)	(113,974)	(93,099)
Total OIBDA	$ 2,691	$ 9,705	$ (19,094)	$ 35,931

WORLD WRESTLING ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share data)
(Unaudited)

Reconciliation of Total Operating (Loss) Income to Total OIBDA

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Total operating (loss) income	$ (5,039)	$ 3,202	$ (39,742)	$ 18,112
Depreciation and amortization	7,730	6,503	20,648	17,819
Total OIBDA	$ 2,691	$ 9,705	$ (19,094)	$ 35,931

Geographic Information

Net revenues by major geographic region are based upon the geographic location of where our content is distributed. The information below summarizes net revenues to unaffiliated customers by geographic area:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
North America	$ 93,866	$ 87,341	$ 318,842	$ 304,190
Europe/Middle East/Africa	11,646	11,249	47,840	51,406
Asia Pacific	13,704	13,737	30,991	29,580
Latin America	967	965	4,392	4,399
Total net revenues	$ 120,183	$ 113,292	$ 402,065	$ 389,575

Revenues generated from the United Kingdom, our largest international market, totaled $7,699 and $27,606 for the three and nine months ended September 30, 2014 , respectively, and $5,249 and $24,777 for the corresponding periods in 2013. The Company’s property and equipment was almost entirely located in the United States at September 30, 2014 and 2013 .

3. Stock-based Compensation

Restricted Stock Units

The Company grants restricted stock units ("RSUs") to officers and employees under the 2007 Amended and Restated Omnibus Incentive Plan (the "2007 Plan"). Stock-based compensation costs associated with our RSUs are determined using the fair market value of the Company’s common stock on the date of the grant. These costs are recognized over the requisite service period using the graded vesting method, net of estimated forfeitures. RSUs have a service requirement typically over a three-year to three and one half year vesting schedule. We estimate forfeitures based on historical trends when recognizing compensation expense and adjust the estimate of forfeitures when they are expected to differ. Unvested RSUs accrue dividend equivalents at the same rate as are paid on our shares of Class A common stock. The dividend equivalents are subject to the same vesting schedule as the underlying RSUs.

(In thousands, except share data)

The following table summarizes the RSU activity during the nine months ended September 30, 2014 :

	Units	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2014	107,034	$ 9.87
Granted	106,296	$ 23.28
Vested	(71,300)	$ 11.14
Forfeited	(25,184)	$ 13.09
Dividend equivalents	3,482	$ 18.69
Unvested at September 30, 2014	120,328	$ 20.54

Performance Stock Units

Stock-based compensation costs associated with our performance stock units ("PSUs") are initially determined using the fair market value of the Company's common stock on the date the awards are approved by our Compensation Committee (service inception date) and are granted under the 2007 Plan. The vesting of these PSUs are subject to certain performance conditions and a service requirement of approximately three and one half years. Until such time as the performance conditions are met, stock compensation costs associated with these PSUs are re-measured each reporting period based upon the fair market value of the Company's common stock and the probability of attainment on the reporting date. The ultimate number of PSUs that are issued to an employee is the result of the actual performance of the Company at the end of the performance period compared to the performance conditions. Stock compensation costs for our PSUs are recognized over the requisite service period using the graded vesting method, net of estimated forfeitures. Unvested PSUs accrue dividend equivalents once the performance conditions are met at the same rate as are paid on our shares of Class A common stock. The dividend equivalents are subject to the same vesting schedule as the underlying PSUs.

The following table summarizes the PSU activity during the nine months ended September 30, 2014 :

	Units	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2014	1,259,629	$ 13.46
Granted	278,281	$ 13.77
Achievement adjustment	(387,633)	$ 23.99
Vested	(371,197)	$ 13.71
Forfeited	(39,828)	$ 18.32
Dividend equivalents	16,569	$ 15.51
Unvested at September 30, 2014	755,821	$ 15.44

During the year ended December 31, 2013, we granted 804,896 PSUs which were subject to performance conditions. During the three months ended March 31, 2014, certain performance conditions related to these PSUs were partially met which resulted in a reduction of 387,633 PSUs in 2014 relating to the initial 2013 PSU grant.

During the three months ended March 31, 2014, we granted 278,281 PSUs which are subject to certain performance conditions.

Stock-based compensation costs totaled $1,597 and $785 for the three months ended September 30, 2014 and 2013 , respectively, and $6,497 and $3,543 for the nine months ended September 30, 2014 and 2013 , respectively.

WORLD WRESTLING ENTERTAINMENT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share data)
(Unaudited)

4. Property and Equipment

Property and equipment consisted of the following:

	As of	
	September 30, 2014	December 31, 2013
Land, buildings and improvements	$ 106,021	$ 106,749
Equipment	109,394	107,305
Corporate aircrafts	31,277	51,757
Vehicles	244	244
	246,936	266,055
Less accumulated depreciation	(130,553)	(132,575)
Total	$ 116,383	$ 133,480

Depreciation expense for property and equipment totaled $7,314 and $19,420 for the three months and nine months ended September 30, 2014 , respectively, as compared to $6,111 and $16,653 for the corresponding periods in the prior year. During the first quarter of 2014, the Company received tax credits relating to our infrastructure improvements in conjunction with capital projects to support our increased content production efforts. Depreciation expense for the nine months ended September 30, 2014 reflects a benefit of $1,388 from the recognition of the infrastructure tax credit noted above. The credit was used to reduce the carrying value of the assets as of their in-service date and consequently the adjustment to depreciation expense reflects the revised amount incurred to date. The credit was received in the current year, but related to assets placed in service in prior years. Additionally, in conjunction with the anticipated sale of our old corporate aircraft, which sale did occur during the third quarter of 2014, depreciation expense for the nine months ended September 30, 2014 includes an adjustment of $1,600 to reduce the carrying value of the asset to its estimated fair value. Depreciation expense for the third quarter of 2014 includes an impairment charge of $1,757 related to a change in business strategy related to our gamification platform. See Note 14, *Restructuring Charge* , for further details.

5. Feature Film Production Assets, Net

Feature film production assets consisted of the following:

	As of	
	September 30, 2014	December 31, 2013
Feature film productions:		
In release	$ 11,740	$ 9,413
Completed but not released	5,115	3,130
In production	10,490	2,686
In development	539	789
Total	$ 27,884	$ 16,018

Approximately 55% of “In release” film production assets are estimated to be amortized over the next 12 months and approximately 79% of “In release” film production assets are estimated to be amortized over the next three years. We anticipate amortizing 80% of our "In release" film production asset within four years as we receive revenues associated with international distribution of our licensed films.

During the nine months ended September 30, 2014 , we released one feature film via theatrical distribution, *Oculus* , and two films direct to DVD, *Scooby Doo at WrestleMania* and *Leprechaun: Origins* , which comprise $4,980 of our "In release" feature film assets as of September 30, 2014 . During 2013 , the Company entered into an agreement to co-distribute the feature film *Road to Paloma* . This film was released via a limited theatrical release and on DVD in July 2014. The Company intends to recognize

(In thousands, except share data)

revenue generated by this film in a manner similar to how it recognizes revenue for its licensed films. In 2014, the Company did not record any revenue associated with this release. Third-party distributors control the distribution and marketing of co-distributed films, and as a result, we recognize revenue on a net basis after the third-party distributor recoups distribution fees and expenses and results are reported to us. Results are typically reported to us in periods subsequent to the initial release of the film. During the nine months ended September 30, 2013 , we released three feature films via theatrical distribution, *No One Lives* , *The Call* and *Dead Man Down* and two films, *12 Rounds 2: Reloaded* and *The Marine 3: Homefront* direct to DVD, which aggregate $3,625 of our "In release" feature film assets as of September 30, 2014 .

Unamortized feature film production assets are evaluated for impairment each reporting period. We review and revise estimates of ultimate revenue and participation costs at each reporting period to reflect the most current information available. If estimates for a film's ultimate revenue are revised and indicate a significant decline in a film's profitability or if events or circumstances change that indicate we should assess whether the fair value of a film is less than its unamortized film costs, we calculate the film's estimated fair value using a discounted cash flows model. If fair value is less than unamortized cost, the film asset is written down to fair value.

We did not record any impairment charges during the three and nine months ended September 30, 2014 related to our feature films. During the three and nine months ended September 30, 2013 , we recorded impairment charges of $6,965 and $11,661 , respectively related to our feature films. These impairment charges represent the excess of the recorded net carrying value over the estimated fair value.

We currently have five films designated as "Completed but not released" and have six films "In production". We also have capitalized certain script development costs for various other film projects designated as "In development". Capitalized script development costs are evaluated at each reporting period for impairment and to determine if a project is deemed to be abandoned. During the nine months ended September 30, 2014 , we expensed $339 related to previously capitalized development costs of abandoned projects. We did not incur any comparable expenses for the three months ended September 30, 2014 or in the prior year periods.

6. Television Production Assets, Net

Television production assets consisted of the following:

	As of	
	September 30, 2014	December 31, 2013
Television productions:		
In release	$ 5,932	$ 1,365
In production	273	9,407
Total	$ 6,205	$ 10,772

Television production assets consist primarily of episodic content series we have produced for distribution through a variety of platforms including on WWE Network. Amounts capitalized primarily include development costs, production costs, production overhead and employee salaries. We have $6,205 and $10,772 capitalized as of September 30, 2014 and December 31, 2013 , respectively, related to this type of programming. Costs to produce our live event programming are expensed when the event is first broadcast. Costs to produce episodic programming for television or distribution on WWE Network are amortized in the proportion that revenues bear to management's estimates of the ultimate revenue expected to be recognized from exploitation, exhibition or sale. During the three and nine months ended September 30, 2014 , we amortized $5,121 and $19,435 of television production assets, of which $1,621 and $9,668 were related to Network programming and $3,500 and $9,767 were related to Television programming, respectively. During the three and nine months ended September 30, 2013 , we amortized $4,026 related to Television programming.

(In thousands, except share data)

Unamortized television production assets are evaluated for impairment each reporting period. If conditions indicate a potential impairment, and the estimated future cash flows are not sufficient to recover the unamortized asset, the asset is written down to fair value. In addition, if we determine that a program will not likely air, we will write-off the remaining unamortized asset. During the three and nine months ended September 30, 2014 and 2013 , we did not record any impairments related to our television production assets.

7. Investment Securities and Short-Term Investments

Investment Securities:

WWE maintains several cost method investments. On March 14, 2014, the Company invested $2,000 in Series E Preferred Stock of a software application developer. On June 25, 2012, the Company invested $5,000 in Series B Preferred Stock in a mobile video publishing business, ("Investment"), and entered into a two-year strategic partnership during which time WWE received $1,758 in common stock. In July of 2014 this Investment initiated a convertible note financing arrangement, the (“July financing”) which resulted in a change in WWE's ownership of common shares, preferred stock and convertible notes. We evaluate our cost method investments for impairment if factors indicate that a significant decrease in value has occurred. As a result of the July financing we performed an analysis to reassess the fair value of this Investment due to the change in the capital structure and recorded an impairment charge of $3,962 for the excess of the carrying value over the estimated fair value of $3,000 . The Company did not record any impairment charge on these assets during the nine months ended September 30, 2013 . Investment Securities in our Consolidated Balance Sheets as of September 30, 2014 and December 31, 2013 of $7,200 and $8,299 , respectively, are amounts related to these investments.

Short-Term Investments:

Short-term investments measured at fair value consisted of the following:

	September 30, 2014				December 31, 2013			
		Gross Unrealized				Gross Unrealized		
	Amortized Cost	Gain	(Loss)	Fair Value	Amortized Cost	Gain	(Loss)	Fair Value
Municipal bonds	$ 19,577	$ 64	$ —	$ 19,641	$ 44,636	$ 176	$ (91)	$ 44,721
Corporate bonds	19,512	39	(53)	19,498	31,825	104	(174)	31,755
Total	$ 39,089	$ 103	$ (53)	$ 39,139	$ 76,461	$ 280	$ (265)	$ 76,476

We classify the investments listed in the above table as available-for-sale securities. Such investments consist primarily of corporate and municipal bonds, including pre-refunded municipal bonds. These investments are stated at fair value as required by the applicable accounting guidance. Unrealized gains and losses on such securities are reflected, net of tax, as other comprehensive income (loss) in the Consolidated Statements of Comprehensive Income.

Our municipal and corporate bonds are included in Short-term investments, net on our Consolidated Balance Sheets. Realized gains and losses on investments are included in earnings and are derived using the specific identification method for determining the cost of securities sold. As of September 30, 2014 , contractual maturities of these bonds are as follows:

	Maturities
Municipal bonds	1 month-4 years
Corporate bonds	4 months-3 years

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The following table summarizes the short-term investment activity:

	Three Months Ended		Nine Months Ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Proceeds from sale of short-term investments	$ 14,794	$ —	$ 22,572	$ 2,793
Proceeds from maturities and calls of short-term investments	$ 7,225	$ 7,480	$ 16,260	$ 27,750
Gross realized (loss) gains on sale of short-term investments	$ (40)	$ —	$ (37)	$ 1

8. Fair Value Measurement

Fair value is determined based on the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement based on assumptions that "market participants" would use to price the asset or liability. Accordingly, the framework considers markets or observable inputs as the preferred source of value followed by assumptions based on hypothetical transactions, in the absence of market inputs. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of assets and liabilities should include consideration of non-performance risk including the Company's own credit risk.

Additionally, the accounting guidance establishes a three-level hierarchy that ranks the quality and reliability of information used in developing fair value estimates. The hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. In cases where two or more levels of inputs are used to determine fair value, a financial instrument's level is determined based on the lowest level input that is considered significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are summarized as follows:

Level 1- quoted prices in active markets for identical assets or liabilities;

Level 2- quoted prices in active markets for similar assets and liabilities and inputs that are observable for the asset or liability; or

Level 3- unobservable inputs, such as discounted cash flow models or valuations

The following assets are required to be measured at fair value on a recurring basis and the classification within the hierarchy was as follows:

	Fair Value at September 30, 2014				Fair Value at December 31, 2013			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Municipal bonds	$ 19,641	$ —	$ 19,641	$ —	$ 44,721	$ —	$ 44,721	$ —
Corporate bonds	19,498	—	19,498	—	31,755	—	31,755	—
Total	$ 39,139	$ —	$ 39,139	$ —	$ 76,476	$ —	$ 76,476	$ —

Certain financial instruments are carried at cost on the Consolidated Balance Sheets, which approximates fair value due to their short-term, highly liquid nature. The carrying amounts of cash and cash equivalents, money market accounts, accounts receivable and accounts payable approximate fair value because of the short-term nature of such instruments.

We have classified our investment in municipal and corporate bonds within Level 2 as their valuation requires quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and/or model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data. The municipal and corporate bonds are valued based on model-driven valuations. A third party service provider

assists the Company with compiling market prices from a variety of industry standard data sources, security master files from large financial institutions and other third-party sources that are used to value our municipal and corporate bond investments.

The fair value measurements of our investment securities, which are recorded under the cost method, are classified within Level 3 as significant unobservable inputs are used to fair value these assets due to the absence of quoted market prices and inherent lack of liquidity. Significant unobservable inputs include variables such as near-term prospects of the investees, recent financing activities of the investees, and the investees' capital structure as well as other economic variables, which reflect assumptions market participants would use in pricing these assets. Our investments are recorded at fair value only if an impairment charge is recognized. During the nine months ended September 30, 2014 , the Company recorded an impairment charge of $3,962 on the Investment for the excess of the carrying value over the estimated fair value of $3,000 . The Company did not record any impairment charge on these assets during the nine months ended September 30, 2013 .

The Company's long lived property and equipment, feature film and television production assets are required to be measured at fair value on a non-recurring basis if it is determined that indicators of impairment exist. These assets are recorded at fair value only when an impairment is recognized. During the nine months ended September 30, 2014 , the Company recorded an adjustment of $1,600 to reduce the carrying value of our old corporate aircraft to its estimated fair value and recorded an impairment charge of $1,757 related to a change in business strategy related to our gamification platform. During the nine months ended September 30, 2013 , the Company recorded an impairment charge of $11,661 on a feature film production asset based on a fair value measurement of $2,363 . See Note 5, *Feature Film Production Assets* , for further discussion. The Company classifies these assets as Level 3 within the fair value hierarchy due to significant unobservable inputs. The Company utilizes a discounted cash flows model to determine the fair value of impaired films where indicators of impairment exist. The significant unobservable inputs to this model are the Company's expected cash flows for the film, including projected home video sales, pay and free TV sales and international sales, and a discount rate of 13% that we estimate market participants would seek for bearing the risk associated with such assets. The Company utilizes an independent third party valuation specialist who assists us in gathering the necessary inputs used in our model.

The fair value of the Company's long-term debt, consisting of a promissory note payable to RBS Asset Finance, Inc. is estimated based upon quoted price estimates for similar debt arrangements. At September 30, 2014 , the face amount of the note approximates its fair value.

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9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

	As of	
	September 30, 2014	December 31, 2013
Trade related	$ 9,563	$ 8,565
Staff related	9,236	5,580
Management incentive compensation	9,978	5,711
Talent related	6,226	6,304
Accrued WWE Network related expenses	13,116	2,477
Accrued event and television production	4,294	4,429
Accrued home entertainment expenses	738	1,341
Accrued legal and professional	1,802	1,903
Accrued purchases of property and equipment	720	1,700
Accrued film liability	2,559	2,654
Accrued other	11,216	7,218
Total	$ 69,448	$ 47,882

Accrued other at September 30, 2014 includes an accrual for costs associated with our domestic television rights agreement, as well as, other miscellaneous accruals, none of which categories individually exceeds 5% of current liabilities. The increase in accrued expenses is also due to the timing of staff related expenses and an increase in management incentive compensation based on Company performance and for various accrued expenses related to WWE Network operations.

10. Debt

Aircraft Financing

On August 7, 2013, the Company entered into a $31,568 promissory note (the “Note”) with RBS Asset Finance, Inc., for the purchase of a 2007 Bombardier Global 5000 aircraft and refurbishments. The Note bears interest at a rate of 2.18% per annum, is payable in monthly installments of $406 , inclusive of interest, beginning in September 2013, and has a final maturity of August 7, 2020. The Note is secured by a first priority perfected security interest in the newly purchased aircraft. As of September 30, 2014 , the amount outstanding under the Note was $26,991 .

Revolving Credit Facility

In September 2011, the Company entered into a $200,000 senior unsecured revolving credit facility with a syndicated group of banks, with JPMorgan Chase acting as administrative agent. Applicable interest rates for the borrowings under the revolving credit facility are based on the Company's current consolidated leverage ratio. As of September 30, 2014 , the LIBOR-based rate plus margin was 2.49% . The Company is also required to pay a commitment fee calculated at a rate per annum of 0.375% on the average daily unused portion of the credit facility. Under the terms of the revolving credit facility, the Company is subject to certain financial covenants and restrictions, including restrictions on our ability to pay dividends and limitations with respect to our indebtedness, liens, mergers and acquisitions, dispositions of assets, investments, capital expenditures, and transactions with affiliates.

In April 2013, the Company amended and restated the revolving credit facility. Under the terms of the amended credit facility, (i) the maturity date was extended to September 9, 2016, (ii) changes were made to the applicable margin for borrowings under the facility, and (iii) restrictions on certain financial covenants were amended to provide for greater financial flexibility.

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On May 1, 2014, the Company entered into a First Amendment to its Amended and Restated Credit Facility ("the Amendment") and further modified certain financial covenants to provide for greater financial flexibility. The Amendment, among other things, (a) adjusts the consolidated EBITDA calculation for the four quarterly periods in 2014 and the first and second quarters of 2015 by permitting the add-back of WWE Network Expenses subject to specified maximum amounts in such periods, (b) increases the consolidated EBITDA calculation by the amount of any net investments in respect of feature film production, subject to specified maximum amounts for the quarters ending September 30, 2014 and December 31, 2014 and (c) reduces the consolidated fixed charge coverage ratio for four quarters in 2014 and the first two quarters in 2015 such that the consolidated fixed charge coverage ratio may not be less than 1.0:1.0 for the respective quarterly periods ending March 31, 2014, June 30, 2014, September 30, 2014 and December 31, 2014, increasing to 1.10:1.0 for the quarter ending March 31, 2015, to 1.15:1.0 for the quarter ending June 30, 2015, and to 1.25:1.0 for the quarter ending September 30, 2015 and thereafter. The Amendment also includes certain additional allowances for the Company to make investments in special film entities.

As of September 30, 2014 , the Company is in compliance with the provisions of the Amendment and has available debt capacity under the terms of the revolving credit facility of approximately $160,000 . As of September 30, 2014 and December 31, 2013, there were no amounts outstanding under the credit facility.

11. Concentration of Credit Risk

We continually monitor our position with, and the credit quality of, the financial institutions that are counterparties to our financial instruments. Our accounts receivable relate principally to a limited number of distributors, including our network, television, pay-per-view and home video distributors and licensees that produce consumer products containing our intellectual trademarks. We closely monitor the status of receivables with these customers and maintain allowances for anticipated losses as deemed appropriate. At September 30, 2014 , our largest single customer balance was approximately 13% of our gross accounts receivable balance.

12. Income Taxes

As of September 30, 2014 , we had $16,911 of deferred tax assets, net included in current assets and $14,407 included in non-current assets in our Consolidated Balance Sheets. As of December 31, 2013 , we had $12,237 of deferred tax assets, net included in current assets and $2,681 of deferred tax liabilities, net included in Noncurrent Income Tax Liabilities in our Consolidated Balance Sheets. The large increase in our deferred tax asset balance was driven by our operating loss in the current year and associated net operating loss and foreign tax credit carryforwards.

The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is required to reduce the net deferred tax assets to the amount that is more likely than not to be realized in future periods. The Company believes that based on past performance, expected future taxable income and prudent and feasible tax planning strategies, it is more likely than not that the net deferred tax asset will be realized. Changes in these factors may cause us to increase our valuation allowance on deferred tax assets, which would impact our income tax expense in the period we determine that these factors have changed.

13. Film and Television Production Incentives

The Company has access to various governmental programs that are designed to promote film and television production within the United States of America and certain international jurisdictions. Incentives earned with respect to expenditures on qualifying film, television and other production activities, including qualifying capital projects, are included as an offset to the related asset or as an offset to production expenses when we have reasonable assurance regarding the realizable amount of the incentives. During the nine months ended September 30, 2014 , we received $3,080 for infrastructure improvement incentives relating to qualifying capital projects. Of this amount $2,937 , was recorded as a reduction in property and equipment. We did not receive any similar incentives for the nine months ended September 30, 2013 . During the three and nine months ended September 30, 2014 and 2013 , we received $1,515 and $1,971 , and $427 and $864 , respectively, of incentives relating to feature film productions which reduced the related assets. During the three and nine months ended September 30, 2014 , we received $10,833 of incentives relating to television production activities that was recorded as an offset to production expenses. During the three and nine months ended

September 30, 2013 , we received $9,805 and $10,201 , respectively of incentives related to television production activities that were recorded as an offset to production expenses.

14. Restructuring Charge

On July 31, 2014, the Company announced a restructuring plan in support of a cost cutting initiative. Included in this restructuring was the shutdown of our magazine publishing business, a shift in our gamification strategy, and a reduction in our approved headcount. Additionally, the cost cutting initiatives include reducing prospective spending throughout our operations. As a result of these efforts, the Company recorded a one-time pre-tax restructuring charge of approximately $4,200 in the third quarter of 2014, comprised primarily of a cash charge of approximately $2,000 for severance costs and the write-down of certain assets associated with our gamification business resulting in a non-cash charge of approximately $1,800 . The severance costs are recorded in Selling, General and Administrative expenses in our Consolidated Statements of Income. Approximately $1,100 of cash spend related to severance and other restructuring charges was paid out in the third quarter and we anticipate that a majority of the remaining liability will be paid out over the next two quarters.

15. Commitments and Contingencies

Legal Proceedings

On July 26, 2014, the Company received notice of a lawsuit filed in the United States District Court for the District of Connecticut, entitled Warren Ganues and Dominic Varriale, on behalf of themselves and all others similarly situated, v. World Wrestling Entertainment, Inc., Vincent K. McMahon and George A. Barrios , alleging violations of federal securities laws based on certain statements relating to the negotiation of WWE's domestic television license. The complaint seeks certain unspecified damages. A nearly identical lawsuit was filed one month later entitled Curtis Swanson, on behalf of himself and all others similarly situated, v. World Wrestling Entertainment, Inc., Vincent K. McMahon and George A. Barrios . Both lawsuits are purported securities class actions subject to the Private Securities Litigation Reform Act of 1995 ("PSLRA"). On September 23-24, five putative plaintiffs filed motions to be appointed lead plaintiff and to consolidate the two cases pursuant to the PSLRA. The Company joined the motion for consolidation made by the putative lead plaintiffs. The Company believes the claims are without merit and intends to vigorously defend itself against them.

On October 25, 2014, the Company received notice of a purported class action lawsuit filed in the United States District Court for the District of Oregon, entitled William Albert Haynes III, on behalf of himself and others similarly situated, v. World Wrestling Entertainment, Inc. alleging, among other things, that the Company concealed and denied medical research and evidence concerning traumatic brain injuries suffered by WWE's performers. The Company believes the claims are without merit and intends to vigorously defend itself against them.

In addition to the foregoing, we are involved in several other litigations and claims that we consider to be in the ordinary course of our business. By its nature, the outcome of litigation is not known but the Company does not currently expect this litigation to have a material adverse effect on our financial condition, results of operations or liquidity. We may from time to time become a party to other legal proceedings.

16. Subsequent Event

In October of 2014, the Company received a $50,000 advance payment related to a recently executed television distribution agreement. The $50,000 advance will be recorded as deferred revenue and will be reduced as earned per the terms of the agreement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Background

The following analysis outlines all material activities contained within each of our reportable segments.

Media Division:

Network

- Revenues consist principally of subscriptions to WWE Network and fees for viewing our pay-per-view and video-on-demand programming.

Television

- Revenues consist principally of television rights fees and television advertising fees.

Home Entertainment

- Revenues consist principally of sales of WWE produced content via home entertainment platforms.

Digital Media

- Revenues consist principally of advertising sales on our websites, rights fees received for digital content, sales of various broadband and mobile content and magazine publishing.

Live Events

- Revenues consist principally of ticket sales and travel packages for live events.

Consumer Products Division:

Licensing

- Revenues consist principally of royalties or license fees related to various WWE themed products such as video games, toys and apparel.

Venue Merchandise

- Revenues consist of sales of merchandise at our live events.

WWEShop

- Revenues consist of sales of merchandise on our website through our WWEShop internet storefront.

WWE Studios

- Revenues consist of amounts earned from the investment in, the production and/or distribution of filmed entertainment.

Corporate & Other

- Revenues consist of amounts earned from talent appearances. Expenses include corporate overhead and certain expenses related to sales and marketing, including our international offices, and talent development functions.

Results of Operations

The Company presents OIBDA as the primary measure of segment profit (loss). The Company believes the presentation of OIBDA is relevant and useful for investors because it allows investors to view our segment performance in the same manner as the primary method used by management to evaluate segment performance and make decisions about allocating resources. The Company defines OIBDA as operating income before depreciation and amortization, excluding feature film and television production asset amortization and 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 our 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. See Note 2, *Segment Information* in the accompanying Consolidated Financial Statements for a reconciliation of OIBDA to operating income for the periods presented.

Results of Operations

Three Months Ended September 30, 2014 compared to Three Months Ended September 30, 2013
(dollars in millions)

Summary

	Three Months Ended		
	September 30, 2014	September 30, 2013	increase (decrease)
Net Revenues			
Media Division	$ 76.9	$ 72.7	6 %
Live Events	21.8	25.1	(13)%
Consumer Products Division	18.5	12.6	47 %
WWE Studios	1.9	1.8	6 %
Corporate & Other	1.1	1.1	— %
Total	120.2	113.3	6 %
OIBDA			
Media Division	$ 26.3	$ 33.7	(22)%
Live Events	3.9	5.6	(30)%
Consumer Products Division	8.2	5.5	49 %
WWE Studios	(0.4)	(7.4)	(95)%
Corporate & Other	(35.3)	(27.7)	27 %
Total	2.7	9.7	(72)%
OIBDA as a percentage of revenues	2%	9%	
Depreciation and amortization expense	$ 7.7	$ 6.5	18 %
Operating (loss) income	(5.0)	3.2	(256)%
Loss in equity investment	(4.0)	—	(100)%
Investment and other (expense) income, net	(1.5)	0.1	(1,600)%
(Loss) income before income taxes	(10.5)	3.3	(418)%
(Benefit from) provision for income taxes	(4.6)	0.9	(611)%
Net (loss) income	$ (5.9)	$ 2.4	(346)%

Our Media division revenues increased 6% driven primarily the impact of the launch of our WWE Network. Our Live Events segment revenues decreased by 13% primarily due to unfavorable North American venue mix. Our Consumer Products division experienced a 47% increase in revenues, primarily due to increased video game royalties. Our WWE Studios segment increased slightly by $0.1 million.

The comparability of our results in the current year quarter were impacted by $4.2 million in restructuring charges of which $2.4 million relates to severance and other costs and is included in Corporate and Other Expense with $0.3 million included in our Digital Media segment, and $1.8 million relates to the impairment of gamification assets and is included in depreciation and amortization expense. The current year quarter also includes a $4.0 million impairment of an equity investment and is included in other expense. In the prior year quarter, our results were impacted by $7.0 million of impairment charges related to our film portfolio.

Media Division

The following tables present the performance results for our segments within our Media division (dollars in millions, except where noted):

Revenues-Media Division	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	increase (decrease)
Network	$ 26.1	$ 15.5	68 %
Subscriptions	$ 22.4	N/A	
Pay-per-view	$ 3.7	$ 14.6	(75)%
Video-on-demand	$ —	$ 0.9	(100)%
Monthly subscription price (dollars) [a]	$9.99 / $12.99	N/A	
Number of paid subscribers at period end	731,359	N/A	
Domestic	702,883	N/A	
International	28,476	N/A	
Number of average paid subscribers [b]	723,174	N/A	
Number of pay-per-view events	3	3	— %
Number of buys from pay-per-view events	284,600	761,000	(63)%
Average revenue per buy (dollars)	$ 12.83	$ 19.35	(34)%
Pay-per-view domestic retail price, excluding *WrestleMania* (dollars)	$ 44.95	$ 44.95	— %
Television	$ 42.2	$ 44.8	(6)%
Home Entertainment	$ 3.6	$ 5.2	(31)%
Gross units shipped	429,000	718,200	(40)%
Digital Media	$ 5.0	$ 7.2	(31)%
Total	$ 76.9	$ 72.7	6 %
Television Ratings			
Average weekly household ratings for *RAW*	3.4	3.3	3 %
Average weekly household ratings for *SmackDown*	2.2	2.2	— %
Average weekly household ratings for *WWE Main Event*	N/A	0.9	
Average weekly household ratings for *Total Divas* (E!)	1.4	1.4	— %

OIBDA-Media Division	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	increase (decrease)
Network	$ 2.3	$ 7.4	(69)%
Television	20.7	21.3	(3)%
Home Entertainment	1.3	1.9	(32)%
Digital Media	2.0	3.1	(35)%
Total	$ 26.3	$ 33.7	(22)%
OIBDA as a percentage of revenues	34%	46%	

(a) This is our pricing for our domestic subscribers. In certain international territories, subscribers can access the Network by other means, subscription pricing may vary.

(b) Average subscribers shown for 2014 represent the average level of subscribers over the three months ended September 30, 2014. *WWE Network* launched in the U.S. on February 24, 2014.

Network revenues, which include revenues generated by WWE Network, pay-per-view and video-on-demand, increased 68% or $10.6 million in the current quarter as compared to the prior year quarter as new subscription revenue more than offset a decline in pay-per-view revenue. WWE Network generated $22.4 million in subscription revenue with approximately 723,000 average paid subscribers at quarter-end. During the three months ended September 30, 2014 , WWE Network had approximately 285,000 gross additions to its subscriber base, offset by churn of 254,000 subscribers. Gross additions include unique new subscribers and win-backs (subscribers that previously churned out and subsequently became a subscriber). WWE Network launched on February 24, 2014 and is a subscription based OTT product which includes our events previously distributed as pay-per-view events. As subscribers join WWE Network, it is expected that pay-per-view buys will decrease. Network subscription revenue was partially offset by a $10.9 million decline in pay-per-view revenue, driven by an overall 63% decline in buys for the Company's pay-per-view events and a 34% decline in revenue per buy to $12.83, as a higher percentage of our buys are now generated internationally, which has lower pricing than domestic. Total Network OIBDA as a percentage of revenues decreased to 9% in the current year quarter as compared to 48% in the prior year quarter driven mainly by the costs associated with the launch and ongoing support of our WWE Network. Included in the current quarter results is approximately $6.7 million of costs related to advertising,$2.8 million of programming costs, and $2.7 million of development costs.

The following table contains subscriber data for the three months ended September 30, 2014 :

	September 30, 2014
Beginning subscribers	699,752
Net subscriber additions	31,607
Ending subscribers	731,359

Television revenues, which include revenues generated from television rights fees and advertising, decreased by 6% or $2.6 million in the current year quarter as compared to the prior year quarter. Our domestic television rights fees decreased by $4.1 million, primarily due to the timing of airing our *Total Divas* program, which is carried on the E! Network, as five fewer episodes were aired in the current year quarter as compared to the prior year quarter. In addition, the decrease in revenues includes the absence of rights fees from our *Main Event* program which ceased television distribution in the first quarter of 2014 and is currently broadcast on WWE Network . These decreases were partially offset by increases in our international rights business which increased by $1.1 million as a result of contractual increases for existing programs. The television OIBDA as a percentage of revenues increased to 49% from 48% in the prior year quarter.

Home entertainment revenues, which include revenues generated from the sale of WWE produced content via home entertainment platforms such as DVD and Blu-Ray discs, decreased 31% or $1.6 million in the current year quarter compared to the prior year quarter. This decrease reflected a 40% decline in units shipped, combined with a 19% decrease in the average price per unit to $9.22. The decline in unit shipments reflects reduced shipments of WWE's catalog titles which are typically characterized by lower prices and profit margins than new releases. The average effective price decline reflected retail pricing pressure on both new releases and catalog titles which more than offset the impact of product mix. Home entertainment OIBDA as a percentage of revenues decreased to 36% in the current year quarter compared to 37% in the prior year quarter driven by decreased revenues and in part due to higher talent royalties.

Digital media revenues, which include revenues generated from WWE.com and from our magazine publishing business, decreased 31% or $2.2 million . The decrease in revenue was primarily related to a $1.5 million decline in WWE.com revenues as pay-per-view webcast sales declined due to the launch of WWE Network. Additionally, the decrease reflected lower advertising revenues across various platforms. Publishing revenues declined by $0.7 million in the current quarter primarily due to the discontinuance of our print WWE Magazine business. These declines were partially offset by higher YouTube royalties versus the prior year quarter as the Company's video streams continue to rise with approximately 3 billion streams year-to-date through September 30, 2014 . Digital media OIBDA as a percentage of revenues decreased to 40% in the current year quarter compared to 43% in the prior year quarter driven primarily by lower revenues and the discontinuance our print magazine business.

Live Events

The following tables present the performance results and key drivers for our Live Events segment (dollars in millions, except where noted):

Revenues- Live Events	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	increase (decrease)
Live events	$ 21.6	$ 25.0	(14)%
North America	$ 17.3	$ 17.5	(1)%
International	$ 4.3	$ 7.5	(43)%
Total live event attendance	421,300	435,200	(3)%
Number of North American events	73	62	18 %
Average North American attendance	5,100	5,500	(7)%
Average North American ticket price (dollars)	$ 44.60	$ 46.78	(5)%
Number of international events	6	14	(57)%
Average international attendance	7,700	6,700	15 %
Average international ticket price (dollars)	$ 92.89	$ 72.30	28 %
Travel packages	$ 0.2	$ 0.1	100 %
Total live events	$ 21.8	$ 25.1	(13)%

OIBDA-Live Events	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	increase (decrease)
Live events	$ 3.8	$ 5.6	(32)%
Travel packages	0.1	—	100 %
Total	$ 3.9	$ 5.6	(30)%
OIBDA as a percentage of revenues	18%	22%	

Live events revenues, which include revenues from ticket sales and travel packages, decreased 13% or $3.3 million in the current year quarter as compared to the prior year quarter. Revenues from our international live events business decreased by $3.2 million primarily due to the staging of eight fewer events in the current year quarter as compared to the prior year quarter, which was partially offset by a 28% increase in average ticket prices to $92.89 and a 15% increase in average attendance. The changes in ticket prices and average attendance were predominantly due to changes in country mix. Revenues from our North America live events business decreased by $0.2 million or 1% , primarily due to an overall 7% lower average attendance and a 5% decrease in average ticket prices to $44.60 due to venue mix. The decrease was partially offset by staging eleven additional events. Live events OIBDA as a percentage of revenues decreased to 18% in the current year quarter compared to 22% in the prior year quarter, driven in part, by higher event venue costs and an increase in production costs.

Consumer Products Division

The following tables present the performance results and key drivers for our Consumer Products division (dollars in millions, except where noted):

Revenues-Consumer Products Division	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	increase (decrease)
Licensing	$ 10.0	$ 5.7	75 %
Venue merchandise	4.2	4.0	5 %
Domestic per capita spending (dollars)	$ 9.69	$ 9.53	2 %
WWEShop	4.3	2.9	48 %
Average WWEShop revenues per order (dollars)	$ 47.59	$ 48.87	(3)%
Total	$ 18.5	$ 12.6	47 %

OIBDA-Consumer Products Division	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	increase (decrease)
Licensing	$ 5.9	$ 3.3	79 %
Venue merchandise	1.6	1.7	(6)%
WWEShop	0.7	0.5	40 %
Total	$ 8.2	$ 5.5	49 %
OIBDA as a percentage of revenues	44%	44%	

Licensing revenues increased 75% or $4.3 million in the current year quarter as compared to the prior year quarter primarily driven by higher contractual royalty rates in the current year quarter compared to the prior year quarter for video game revenue. Licensing OIBDA as a percentage of revenues increased slightly to 59% in the current year quarter compared to 58% in the prior year quarter.

Venue merchandise revenues increased by $0.2 million in the current year quarter as compared to the prior year quarter primarily due a 2% increase in per capital merchandise spend at domestic events, which was partially offset by a 3% lower total attendance. The venue merchandise OIBDA as a percentage of revenues decreased to 38% from 43% in the prior year quarter due to higher event venue costs.

WWEShop revenues increased 48% or $1.4 million in the current year quarter compared to the prior year quarter, based on a 50% increase in the volume of online merchandise sales to approximately 89,900 orders globally. Orders increased primarily due to mobile shop optimization and a distribution strategy in the UK utilizing Amazon UK. The average revenue per order decreased 3% to $47.59 in the current year quarter compared to the prior year quarter. WWEShop OIBDA as a percentage of revenues decreased to 16% in the current year quarter from 17% in the prior year quarter due to lower margins related to international sales.

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WWE Studios

The following table presents the detailed information for our WWE Studios segment (dollars in millions):

Title	Release Date	Production Costs*	Feature Film Production Assets-net as of Sept 30, 2014	Inception to-date Revenue	Inception to-date OIBDA	For the Three Months Ended September 30, Revenue 2014	Revenue 2013	OIBDA 2014	OIBDA 2013
2014									
Leprechaun: Origins	Aug 2014	$ 1.0	$ 1.0	$ —	$ —	$ —	$ N/A	$ —	$ N/A
Oculus	April 2014	3.0	3.0	—	—	—	N/A	—	N/A
Scooby Doo! WrestleMania Mystery	Mar 2014	1.3	1.0	0.5	0.2	0.5	N/A	0.2	N/A
		5.3	5.0	0.5	0.2	0.5	—	0.2	—
2013									
Christmas Bounty	Nov 2013	3.7	0.1	4.1	0.5	—	N/A	—	N/A
12 Rounds 2: Reloaded	June 2013	1.4	1.0	0.8	0.4	0.3	—	0.2	—
No One Lives	May 2013	2.2	0.4	0.9	(0.8)	—	0.1	—	(0.9)
The Call	Mar 2013	1.0	0.4	4.0	3.4	0.2	—	0.1	—
Dead Man Down	Mar 2013	5.8	1.0	—	(4.7)	—	—	—	—
The Marine 3: Homefront	Mar 2013	1.5	0.8	1.2	0.6	0.4	—	0.2	—
		15.6	3.7	11.0	(0.6)	0.9	0.1	0.5	(0.9)
Prior Releases		116.3	3.1	103.6	(31.0)	0.5	1.7	0.1	(5.6)
Completed but not released		5.1	5.1	—	—	—	—	—	—
In production		10.5	10.5	—	—	—	—	—	—
In development		0.5	0.5	—	(4.4)		—	—	—
Sub-total		$ 153.3	$ 27.9	$ 115.1	$ (35.8)	$ 1.9	$ 1.8	0.8	(6.5)
Selling, General & Administrative Expenses								(1.2)	(0.9)
Total								$ (0.4)	$ (7.4)

* Production costs are presented net of the associated benefit of production incentives.

During the current year quarter, we released one film direct to DVD, *Leprechaun: Origins*. During 2013 , the Company entered into an agreement to co-distribute the feature film *Road to Paloma* . This film was released via a limited theatrical release and on DVD in July 2014. The Company intends to recognize revenue generated by this film in a manner similar to how it recognizes revenue for its licensed films. In 2014, the Company did not record any revenue associated with this release. Third-party distributors control the distribution and marketing of co-distributed films, and as a result, we recognize revenue on a net basis after the third-party distributor recoups distribution fees and expenses and results are reported to us. Results are typically reported to us in quarters subsequent to the initial release of these films. We did not release any feature films in the prior year quarter.

WWE Studios revenues increased $0.1 million in the current year quarter as compared to the prior year quarter. The revenue recognized in the current year quarter is primarily associated with our 2013 portfolio of film releases. WWE Studios OIBDA increased $7.0 million primarily due to recording impairment charges totaling $7.0 million in the prior year quarter.

At September 30, 2014 , the Company had $27.9 million (net of accumulated amortization and impairment charges) of feature film production assets capitalized on its Consolidated Balance Sheet of which $11.8 million is for films in-release, $10.5 million is for films in production and the remaining $5.6 million is for films that are completed, pending release, or developmental projects. We review and revise estimates of ultimate revenue and participation costs at the end of each reporting quarter to reflect the most current information available. If estimates for a film's ultimate revenue are revised and indicate a significant decline in a film's profitability or if events or circumstances change that would indicate we should assess whether the fair value of a film is less than its unamortized film costs, we calculate the film's estimated fair value using a discounted cash flows model. If fair value is less than unamortized cost, the film asset is written down to fair value.

Revenues- Corporate & Other (dollars in millions)	**Three Months Ended September 30, 2014**	**Three Months Ended September 30, 2013**	**increase (decrease)**
Other	$ 1.1	$ 1.1	—%

Other revenues include revenues associated with talent appearances and were flat in the periods.

OIBDA- Corporate & Other (dollars in millions)	**Three Months Ended September 30, 2014**	**Three Months Ended September 30, 2013**	**increase (decrease)**
Corporate & Other	$ (35.3)	$ (27.7)	27%

Corporate & Other Expenses

The following table presents the amounts and percent change of certain significant corporate and other expenses (dollars in millions):

	Three Months Ended September 30, 2014	**Three Months Ended September 30, 2013**	**increase (decrease)**
Staff related	$ 14.8	$ 11.4	30 %
Management incentive compensation	2.8	0.5	460 %
Legal, accounting and other professional	4.9	3.5	40 %
Travel and entertainment expense	1.4	1.3	8 %
Advertising, marketing and promotion	2.1	1.8	17 %
Corporate insurance	1.0	1.2	(17)%
Bad debt recovery	(0.4)	(0.2)	100 %
All other	9.8	9.3	5 %
Total corporate & other expenses	$ 36.4	$ 28.8	26 %
Corporate & Other as a percentage of net revenues	30%	25%	

Corporate and other expenses primarily include corporate overhead and certain expenses related to sales and marketing, including our international offices, and talent development functions, including costs associated with our WWE Performance Center. These costs benefit the Company as a whole and are therefore not allocated to individual businesses. Corporate and other expenses increased $7.6 million or 26% as compared to the prior year quarter. The increase in expenses during the quarter was primarily driven by a $5.7 million increase in salary and benefit costs, in part, related to severance costs associated with our restructuring plan and increased management incentive compensation based upon Company performance, as well, as a $1.4 million increase in professional fees in support of our strategic objectives.

Depreciation and Amortization
(dollars in millions)

	Three Months Ended		
	September 30, 2014	September 30, 2013	increase (decrease)
Depreciation and amortization	$ 7.7	$ 6.5	18%

Depreciation expense for the current year quarter includes an impairment charge of $1.8 million related to a shift in digital gaming strategy as part our restructuring plan.

Investment Income, Interest and Other (Expense) Income, Net
(dollars in millions)

	Three Months Ended		
	September 30, 2014	September 30, 2013	increase (decrease)
Loss on equity investment	$ (4.0)	$ —	(100)%
Investment income, interest and other (expense) income, net	(1.5)	0.1	(1,600)%

The current year quarter includes an impairment charge of $4.0 million on an equity investment for the excess of the carrying value over its estimated fair value. Investment income, interest and other (expense) income, net yielded an expense of $1.5 million compared to income of $0.1 million in the prior year quarter reflecting changes in realized foreign exchange losses of $0.9 million.

Income Taxes
(dollars in millions)

	Three Months Ended		
	September 30, 2014	September 30, 2013	increase (decrease)
(Benefit from) provision for income taxes	$ (4.6)	$ 0.9	(611)%
Effective tax rate	44%	27%	

The Company recorded a tax benefit of $4.6 million associated with our operating loss in the quarter. The Company currently believes this benefit is realizable and has not recorded a valuation allowance against the related deferred tax assets. If it becomes more likely than not that the Company will not realize these benefits, a valuation allowance would be recorded with a corresponding charge to our income tax provision.

Results of Operations

Nine Months Ended September 30, 2014 compared to Nine Months Ended September 30, 2013
(dollars in millions)

Summary

	Nine Months Ended		
	September 30, 2014	September 30, 2013	increase (decrease)
Net Revenues			
Media Division	$ 250.4	$ 231.9	8 %
Live Events	83.8	87.7	(4)%
Consumer Products Division	57.7	61.9	(7)%
WWE Studios	8.0	5.8	38 %
Corporate & Other	2.2	2.3	(4)%
Total	402.1	389.6	3 %
OIBDA			
Media Division	$ 45.6	$ 79.0	(42)%
Live Events	23.2	27.2	(15)%
Consumer Products Division	25.2	35.6	(29)%
WWE Studios	0.9	(12.8)	107 %
Corporate & Other	(114.0)	(93.1)	22 %
Total	(19.1)	35.9	(153)%
OIBDA as a percentage of revenues	(5)%	9%	
Depreciation and amortization expense	$ 20.6	$ 17.8	16 %
Operating (loss) income	(39.7)	18.1	(319)%
Loss on equity investment	(4.0)	—	(100)%
Investment and other expense, net	(2.1)	(1.6)	31 %
(Loss) income before income taxes	(45.8)	16.5	(378)%
(Benefit from) provision for income taxes	(17.3)	5.8	(398)%
Net (loss) income	$ (28.5)	$ 10.7	(366)%

Our Media division revenues increased 8% driven primarily due to the impact of the launch of our new WWE Network and increases from our Television segment. Our Live Events segment revenues declined by 4% due to decreased stadium capacity and ticket prices at *WrestleMania* due to the venue location and the staging of ten fewer international events. Our Consumer Products division experienced a 7% decline in revenues, primarily driven by lower licensing revenues from our video games. Our WWE Studios segment reflected a $2.2 million increase in revenues driven by the timing of our film releases and the related revenue from our movie portfolio.

The comparability of our results in the current year period were impacted by $4.2 million in restructuring charges of which $2.4 million relates to severance and other costs and is included in Corporate and Other Expense with $0.3 million included in our Digital Media Segment, and $1.8 million relates to the impairment of gamification assets and is included in depreciation and amortization expense. The current year period also includes a $4.0 million impairment of an equity investment and is included in other expense and a $1.6 million adjustment to reduce the carrying value of the old corporate aircraft to its estimated fair value, included in depreciation expense. In the prior year period, our results were impacted by $11.7 million of impairment charges related to our film portfolio and an approximate $3.4 million positive impact from the transition of our video game to a new licensee.

Media Division

The following tables present the performance results for our segments within our Media division (dollars in millions, except where noted):

Revenues-Media Division	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	increase (decrease)
Network	$ 87.8	$ 69.7	26 %
Subscriptions	$ 46.2	N/A	
Pay-per-view	$ 41.3	$ 66.8	(38)%
Video-on-demand	$ 0.3	$ 2.9	(90)%
Monthly subscription price (dollars) [a]	$9.99 / $12.99	N/A	
Number of paid subscribers at period end	731,359	N/A	
Domestic	702,883	N/A	
International	28,476	N/A	
Number of average paid subscribers [b]	514,652	N/A	
Number of pay-per-view events	9	8	13 %
Number of buys from pay-per-view events	2,020,600	3,056,400	(34)%
Average revenue per buy (dollars)	$ 20.29	$ 21.80	(7)%
Pay-per-view domestic retail price, excluding *WrestleMania* (dollars)	$ 44.95	$ 44.95	— %
Pay-per-view domestic retail price *WrestleMania* (dollars)	$ 59.95	$ 59.95	— %
Television	$ 126.2	$ 121.3	4 %
Home Entertainment	$ 19.5	$ 19.2	2 %
Gross units shipped	2,094,300	2,900,200	(28)%
Digital Media	$ 16.9	$ 21.7	(22)%
Total	$ 250.4	$ 231.9	8 %
Television Ratings			
Average weekly household ratings for *RAW*	3.5	3.4	3 %
Average weekly household ratings for *SmackDown*	2.3	2.2	5 %
Average weekly household ratings for *WWE Main Event*	1.0	0.9	11 %
Average weekly household ratings for *Total Divas* (E!)	1.4	1.4	— %

OIBDA-Media Division	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	increase (decrease)
Network	$ (8.6)	$ 20.6	(142)%
Television	43.0	44.7	(4)%
Home Entertainment	10.4	8.2	27 %
Digital Media	0.8	5.5	(85)%
Total	$ 45.6	$ 79.0	(42)%
OIBDA as a percentage of revenues	18%	34%	

(a) This is our pricing for our domestic subscribers. In certain international territories, subscribers can access the Network by other means, subscription pricing may vary.

(b) Average subscribers shown for 2014 represent the average level of subscribers over the nine months ended September 30, 2014. *WWE Network* launched in the U.S. on February 24, 2014.

Network revenues, which include revenues generated by WWE Network, pay-per-view and video-on-demand, increased by $18.1 million in the current year period as compared to the prior year period. WWE Network, which launched on February 24, 2014, accounted for $46.2 million in new digital subscription revenues in the current year period with approximately 515,000 average paid subscribers for the nine months ended September 30, 2014 . During the nine months ended September 30, 2014 , WWE Network had approximately 1,154,000 gross additions to its subscriber base, offset by churn of 423,000 subscribers. G ross additions include unique new subscribers and win-backs (subscribers that previously churned out and subsequently became a subscriber). The subscription to WWE Network is $9.99 per month with a 6 month commitment or $12.99 a month with no commitment period. WWE Network is a 24/7 streaming network that provides access to live and scheduled programming, including all 12 of WWE's live pay-per-view events, as well as access to its comprehensive video-on-demand library. The $46.2 million of revenues generated by WWE Network in the current year period was partially offset by the decline in pay-per-view revenue of $25.5 million due primarily to a 34% decline in total pay-per-view buys primarily attributable to WWE Network's launch. Additionally, the average revenue per buy declined by 7% to approximately $20.29 per buy due to a higher portion of pay-per-view buys coming from international markets in which have lower effective pricing. In addition, video-on-demand revenues decreased by $2.6 million due to the cessation of our Classics On Demand offering in January 2014 in anticipation of the launch of WWE Network in February. Total Network OIBDA as a percentage of revenues decreased to a loss of 10% in the current year period as compared to a profit of 30% in the prior year period driven mainly by the costs associated with the launch and ongoing support of our WWE Network. In support of the network launch, we incurred $15.0 million of advertising costs, $11.2 million of customer service costs in anticipation of initial customer demand and inquiries and $10.9 million of programing costs.

Television revenues, which include revenues generated from television rights fees and advertising, increased by $4.9 million in the current year period as compared to the prior year period. Our domestic television rights fees increased by $1.8 million , primarily due to the timing of airing our *Total Divas* program, which is carried on the E! Network, as the current year period included Season 2 and part of Season 3 compared to the prior year period which included only part of Season 1. This increase was partially offset by the absence of rights fees from our *Main Event* and *Saturday Morning Slam* programs which ceased television distribution in the first quarter of 2014 and second quarter of 2013, respectively. *Main Event* currently is broadcast on WWE Network . Additionally, our international television rights fees increased by $2.6 million. The television OIBDA as a percentage of revenues decreased to 34% from 37% in the prior year period primarily due to product mix.

Home entertainment revenues, which include revenues generated from the sale of WWE produced content via home entertainment platforms such as DVD and Blu-Ray discs, increased by $0.3 million in the current year period compared to the prior year period. This increase was due in part to the recognition of a $2.5 million minimum guarantee from our home video distributer. This increase was offset by a decrease in domestic home entertainment revenue which fell by $2.3 million, due to a 28% decline in shipments to 2.1 million units and a 6% decline in the average price per unit to $9.70. Home entertainment OIBDA as a percentage of revenues increased to 53% in the current year period compared to 43% in the prior year period driven by the recognition of the minimum guarantee and the lack of associated variable costs.

Digital media revenues, which include revenues generated from WWE.com and from our magazine publishing business, decreased by $4.8 million . WWE.com revenues decreased by $3.1 million in the current year period compared to the prior year period due to digital pay-per-view revenue cannibalization by WWE Network and decreased monetization of video content across various digital platforms. This decrease was partially offset by higher advertising versus the prior year period. Publishing revenues decreased by $1.7 million primarily due to decreased sell through prior to the discontinuance of our print WWE magazine business in the third quarter of 2014. Digital media OIBDA as a percentage of revenues decreased to 5% in the current year period from 25% in the prior year period driven by the decline in digital pay-per-view buy revenue, decreased performance of our publishing business and a relatively fixed cost structure.

Live Events

The following tables present the performance results and key drivers for our Live Events segment (dollars in millions, except where noted):

Revenues- Live Events	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	increase (decrease)
Live events	$ 81.6	$ 86.1	(5)%
North America	$ 66.5	$ 67.6	(2)%
International	$ 15.1	$ 18.5	(18)%
Total live event attendance	1,454,500	1,483,700	(2)%
Number of North American events	207	204	1 %
Average North American attendance	6,100	6,100	— %
Average North American ticket price (dollars)	$ 49.66	$ 49.63	— %
Number of international events	29	39	(26)%
Average international attendance	6,400	6,300	2 %
Average international ticket price (dollars)	$ 79.99	$ 69.92	14 %
Travel packages	$ 2.2	$ 1.6	38 %
Total live events	$ 83.8	$ 87.7	(4)%

OIBDA-Live Events	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	increase (decrease)
Live events	$ 22.4	$ 26.5	(15)%
Travel packages	0.8	0.7	14 %
Total	$ 23.2	$ 27.2	(15)%
OIBDA as a percentage of revenues	28%	31%	

Live events revenues, which include revenues from ticket sales and travel packages, decreased by $3.9 million in the current year period as compared to the prior year period. Revenues from our North America live events business decreased $1.1 million or 2% , primarily due to the performance of *WrestleMania 30* , which experienced decreased attendance as a result of stadium capacity, partially due to configuration which was partially offset by staging three additional events in the current year period. Overall, total average attendance and average ticket price remained flat. Our international live events business decreased $3.4 million , primarily driven by ten fewer events held, which was offset, in part, by an increase in average ticket prices and to a lesser extent average attendance in the current year period as compared to the prior year period. Live events OIBDA as a percentage of revenues decreased to 28% in the current year period compared to 31% in the prior year period, driven in part, by higher talent and advertising related expenses.

Consumer Products Division

The following tables present the performance results and key drivers for our Consumer Products division (dollars in millions, except where noted):

Revenues-Consumer Products Division	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	increase (decrease)
Licensing	$ 29.5	$ 36.4	(19)%
Venue merchandise	15.7	16.0	(2)%
Domestic per capita spending (dollars)	$ 9.79	$ 10.65	(8)%
WWEShop	12.5	9.5	32 %
Average WWEShop revenues per order (dollars)	$ 49.15	$ 48.23	2 %
Total	$ 57.7	$ 61.9	(7)%

OIBDA-Consumer Products Division	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013	increase (decrease)
Licensing	$ 16.5	$ 27.7	(40)%
Venue merchandise	6.3	6.2	2 %
WWEShop	2.4	1.7	41 %
Total	$ 25.2	$ 35.6	(29)%
OIBDA as a percentage of revenues	44%	58%	

Licensing revenues decreased by $6.9 million in the current year period as compared to the prior year period driven largely by the inclusion in the prior year period of an $8.0 million favorable benefit in connection with the termination of our former video game licensee, THQ, whereby the Company recognized $8.0 million of revenue related to an advance received when the Company entered into the license agreement with THQ in 2009. Additionally, to a lesser extent, the remainder of the decline in licensing revenues is attributable to lower licensing revenue performance from our toys and apparel. These decreases were partially offset by the transition to a new video game licensee, Take-Two Interactive which resulted in a $2.9 million increase in our video game revenues. Licensing OIBDA as a percentage of revenues was 56% in the current year period compared to 76% in the prior year period. The OIBDA margin in the prior year period reflected a positive benefit associated with the recognition of the advance received from THQ.

Venue merchandise revenues decreased by $0.3 million in the current year period as compared to the prior year period primarily due to an 8% decline in per capita merchandise spend at our domestic events to $9.79 in the current year period. The venue merchandise OIBDA as a percentage of revenues increased to 40% from 39% in the prior year period driven by decreased material costs, talent royalties and lower event venue costs.

WWEShop revenues increased by $3.0 million in the current year period compared to the prior year period, based on a 29% increase in the volume of online merchandise sales to approximately 253,200 orders. Orders increased primarily due to mobile shop optimization and a distribution strategy in the UK utilizing Amazon UK. The average revenue per order increased 2% to $49.15 in the current year period. WWEShop OIBDA as a percentage of revenues remained relatively consistent in the periods at approximately 19% .

WWE Studios

The following table presents the detailed information for our WWE Studios segment (dollars in millions):

Title	Release Date	Production Costs*	Feature Film Production Assets-net as of Sept 30, 2014	Inception to-date Revenue	Inception to-date OIBDA	For the Nine Months Ended September 30, Revenue 2014	For the Nine Months Ended September 30, Revenue 2013	For the Nine Months Ended September 30, OIBDA 2014	For the Nine Months Ended September 30, OIBDA 2013
2014									
Leprechaun: Origins	Aug 2014	$ 1.0	$ 1.0	$ —	$ —	$ —	$ N/A	$ —	$ N/A
Oculus	April 2014	3.0	3.0	—	—	—	N/A	—	N/A
Scooby Doo! WrestleMania Mystery	Mar 2014	1.3	1.0	0.5	0.2	0.5	N/A	0.2	N/A
		5.3	5.0	0.5	0.2	0.5	—	0.2	—
2013									
Christmas Bounty	Nov 2013	3.7	0.1	4.1	0.5	—	N/A	(0.1)	N/A
12 Rounds 2: Reloaded	June 2013	1.4	1.0	0.8	0.4	0.8	—	0.4	—
No One Lives	May 2013	2.2	0.4	0.9	(0.8)	—	0.8	—	(0.9)
The Call	Mar 2013	1.0	0.4	4.0	3.4	3.7	0.1	3.1	0.1
Dead Man Down	Mar 2013	5.8	1.0	—	(4.7)	—	—	—	(4.7)
The Marine 3: Homefront	Mar 2013	1.5	0.8	1.2	0.6	1.1	—	0.6	—
		15.6	3.7	11.0	(0.6)	5.6	0.9	4.0	(5.5)
Prior Releases		116.3	3.1	103.6	(31.0)	1.9	4.9	0.7	(4.8)
Completed but not released		5.1	5.1	—	—	—	—	—	—
In production		10.5	10.5	—	—	—	—	—	—
In development		0.5	0.5	—	(4.4)	—	—	(0.3)	—
Sub-total		$ 153.3	$ 27.9	$ 115.1	$ (35.8)	$ 8.0	$ 5.8	$ 4.6	$ (10.3)
Selling, General & Administrative Expenses								(3.7)	(2.5)
Total								$ 0.9	$ (12.8)

* Production costs are presented net of the associated benefit of production incentives.

During the current year period, we released one feature film via theatrical distribution, *Oculus* , and two films direct to DVD, *Scooby Doo at WrestleMania,* and *Leprechaun: Origins* . During 2013 , the Company entered into an agreement to co-distribute the feature film *Road to Paloma* . This film was released via a limited theatrical release and on DVD in July 2014. The Company intends to recognize revenue generated by this film in a manner similar to how it recognizes revenue for its licensed films. In 2014, the Company did not record any revenue associated with this release. Third-party distributors control the distribution and marketing of co-distributed films, and as a result, we recognize revenue on a net basis after the third-party distributor recoups distribution fees and expenses and results are reported to us. Results are typically reported to us in quarters subsequent to the initial release of these films. During the prior year period, we released three feature films via theatrical distribution, *No One Lives* , *Dead Man Down* and *The Call* and two films, *12 Rounds 2: Reloaded* and *The Marine 3: Homefront* direct to DVD.

WWE Studios revenues increased $2.2 million in the current year period as compared to the prior year period. The increase in revenue is driven by the timing of our film releases and when participation statements are received. In the current year period, we recognized $3.7 million in revenue from our licensed film, *The Call*, which was released in 2013. WWE Studios OIBDA increased $13.7 million in the current year period as compared to the prior year period, due in part, to the profitability of *The Call* , and the absence of impairment charges in the current year period, as $11.7 million of impairment charges were recorded in the prior year period.

At September 30, 2014 , the Company had $27.9 million (net of accumulated amortization and impairment charges) of feature film production assets capitalized on its Consolidated Balance Sheet of which $11.8 million is for films in-release, $10.5 million is for films in production and the remaining $5.6 million is for films that are completed, pending release, or developmental projects. We review and revise estimates of ultimate revenue and participation costs at the end of each reporting quarter to reflect the most current information available. If estimates for a film's ultimate revenue are revised and indicate a significant decline in a film's profitability or if events or circumstances change that would indicate we should assess whether the fair value of a film is less than its unamortized film costs, we calculate the film's estimated fair value using a discounted cash flows model. If fair value is less than unamortized cost, the film asset is written down to fair value.

Revenues- Corporate & Other (dollars in millions)	**Nine Months Ended September 30, 2014**	**Nine Months Ended September 30, 2013**	**increase (decrease)**
Other	$ 2.2	$ 2.3	(4)%

Other revenues, which include revenues associated with talent appearances, decreased by $0.1 million in the current year period as compared to the prior year period.

OIBDA- Corporate & Other (dollars in millions)	**Nine Months Ended September 30, 2014**	**Nine Months Ended September 30, 2013**	**increase (decrease)**
Corporate & Other	$ (114.0)	$ (93.1)	22%

Corporate & Other Expenses

The following table presents the amounts and percent change of certain significant corporate and other expenses (dollars in millions):

	Nine Months Ended September 30, 2014	**Nine Months Ended September 30, 2013**	**increase (decrease)**
Staff related	$ 41.9	$ 36.5	15 %
Management incentive compensation	9.4	5.1	84 %
Legal, accounting and other professional	17.4	11.0	58 %
Travel and entertainment expense	4.9	3.6	36 %
Advertising, marketing and promotion	7.2	5.9	22 %
Corporate insurance	2.7	3.1	(13)%
Bad debt recovery	(0.4)	(0.4)	— %
All other	33.1	30.6	8 %
Total corporate & other expenses	$ 116.2	$ 95.4	22 %
Corporate & Other as a percentage of net revenues	29%	24%	

Corporate and other expenses primarily include corporate overhead and certain expenses related to our sales and marketing, including our international offices, and talent development functions, including costs associated with our WWE Performance Center. These costs benefit the Company as a whole and are therefore not allocated to individual businesses. Corporate and other

expenses increased by $20.8 million or 22% in the current year period compared to the prior year period. This is primarily due to increases in professional fees of $6.4 million , management incentive compensation of $4.3 million reflecting amounts expected to be paid based on the Company's operating performance, and staff related expenses of $5.4 million primarily to support talent development and other strategic objectives. Staff related expenses in the current year period includes $2.0 million in severance associated with our restructuring plan.

Depreciation and Amortization
(dollars in millions)

	Nine Months Ended		
	September 30, 2014	**September 30, 2013**	**increase (decrease)**
Depreciation and amortization	$ 20.6	$ 17.8	16%

Depreciation expense in the current year period includes a benefit of $1.4 million from the recognition of an infrastructure tax credit. This credit was used to reduce the carrying value of the assets as of their in-service date and consequently the adjustment to depreciation expense reflects the revised amount incurred to date. This credit was received in the current year but related to assets placed in service in prior years. Additionally, the current year balance includes an adjustment of $1.6 million to reduce the carrying value of our old corporate aircraft to its estimated fair value and an impairment charge of $1.8 million related to a shift in our digital gaming strategy related to our gamification platform as part of our restructuring plan. Overall depreciation expense in the current year was higher due to depreciation expense related to the Company's recent investments in property and equipment to support our emerging content distribution efforts, including our WWE Network.

Investment Income, Interest and Other Expense, Net
(dollars in millions)

	Nine Months Ended		
	September 30, 2014	**September 30, 2013**	**increase (decrease)**
Loss on equity investment	$ (4.0)	$ —	(100)%
Investment income, interest and other expense, net	(2.1)	(1.6)	31 %

In the current year period, we recorded a loss on an equity investment of $4.0 million . Investment income, interest and other expense, net yielded an expense of $2.1 million compared to $1.6 million in the prior year period, reflecting lower investment income.

Income Taxes
(dollars in millions)

	Nine Months Ended		
	September 30, 2014	**September 30, 2013**	**increase (decrease)**
(Benefit from) provision for income taxes	$ (17.3)	$ 5.8	(398)%
Effective tax rate	38%	36%	

The Company recorded a tax benefit of $17.3 million associated with our operating loss in the current year period. The Company currently believes this benefit is realizable and has not recorded a valuation allowance against the related deferred tax assets. If it becomes more likely than not that the Company will not realize these benefits, a valuation allowance would be recorded with a corresponding charge to our income tax provision.

Liquidity and Capital Resources

We had cash and short-term investments of $68.7 million and $109.4 million as of September 30, 2014 and December 31, 2013, respectively. Our short-term investments consist primarily of corporate bonds and municipal bonds, including pre-refunded municipal bonds. Our debt balance totaled $27.0 million and $29.6 million as of September 30, 2014 and December 31, 2013, respectively, and is related to the financing of our corporate aircraft purchased in August 2013.

On February 24, 2014, the Company launched WWE Network, an over-the-top subscription based platform for subscribers to access WWE content, including our marquis pay-per-view events. Our pay-per-view business was impacted by WWE Network and the Company expects to continue investing in WWE Network, both in terms of operating and capital expenditures. We believe that cash provided by operations, including an upcoming $50 million advance payment associated with our recently announced domestic television rights deal, our existing cash and investment balances, as well as available liquidity under our revolving credit facility, will be sufficient to meet our operating requirements over the next 12 months. Longer-term results of WWE Network's launch, specifically subscriber adoption rates could have a profound positive or negative impact on the Company's liquidity and may require additional actions by the Company to obtain liquidity.

Our uses of cash include dividend payments, debt service, spending on feature film production, capital expenditures, and additional operating costs associated with WWE Network.

Borrowing Capacity

In May 2014, we entered into a First Amendment to our amended and restated $200 million revolving credit facility to provide for financial flexibility during our Network launch. As of September 30, 2014 , the Company is in compliance with the provisions of the credit facility and has available debt capacity under the terms of the revolving credit facility of approximately $160.0 million . As of September 30, 2014 and December 31, 2013, there were no amounts outstanding under the credit facility.

Cash Flows from Operating Activities

Cash flows used in operating activities were $5.2 million in the current year period as compared to $12.2 million generated from operations for the corresponding period in the prior year. The $17.4 million increase in cash used in operating activities is driven by changes in operating performance, including increased spending for the launch and ongoing support of WWE Network, as well as, from increased spending on film and television production assets. These increases were partially offset by a $5.1 million reduction in the annual payout of management incentive compensation related to the Company's previous year performance as compared to the prior year period and other changes in working capital.

In the current year period, we spent $15.3 million on feature film production activities, compared to $8.6 million in the prior year period. In the current year period, we received $2.0 in incentives related to feature film productions. In the prior year period, we received $0.9 million in incentives related to feature film productions. We anticipate spending between $4.0 million and $7.0 million on feature film production activities during the remainder of the current year.

I n the current year period, we recognized $13.8 million of non-film related incentives including infrastructure credits, compared to $10.2 million in the prior year periods. The current year amount includes credits associated with qualifying capital projects which are reflected in investing activities discussed below.

During the current year period, we spent $14.8 million to produce additional content, including *Total Divas Season 3* and programming for WWE Network, compared to $8.7 million in the prior year period. We anticipate spending approximately $5.0 million to $7.0 million to produce additional content, including *Total Divas* and programming for WWE Network content during the remainder of the current year.

Our accounts receivable represent a significant portion of our current assets and relate principally to a limited number of customers, distributors and licensees that produce consumer products containing our trademarks. A t September 30, 2014 , our largest single customer balance was approximately 13% of our gross accounts receivable balance. Changes in the financial condition or operations of our distributors, customers or licensees may result in increased delayed payments or non-payments which would adversely impact our cash flows from operating activities and/or our results of operations.

Cash Flows from Investing Activities

Cash flows generated from investing activities was $31.0 million in the current year period as compared to cash used in investing activities of $43.8 million in the prior year period. The increase of $74.8 million was primarily r elated to a $29.9 million increase in net investment activity (purchases and proceeds), a reduction in capital spending as a result of the Company's purchase of a new corporate aircraft in the prior year period and sale of the old corporate aircraft in the current year and a reduction in capital spending of $9.1 million . Additionally, the increase was as a result of proceeds from infrastructure tax credits related to capital projects of $2.9 million as compared to the prior year period. For the remainder of 2014, we also anticipate spending approximately $3.0 million to $5.0 million on the purchase of property and equipment and other assets.

Cash Flows from Financing Activities

Cash flows used in financing activities was $29.1 million for the current year period as compared to cash generated from financing activities of $2.6 million for the prior year period. The Company paid dividends of approximately $27 million in both the current and prior year periods. The prior year period reflects $29.7 million in proceeds from the issuance of a note payable entered into in August 2013 related to the purchase of our new corporate aircraft. In the current year period, we paid $3.0 million of scheduled principal payments related to the new corporate aircraft debt compared to $0.3 million in the prior year period.

Contractual Obligations

There have been no significant changes to our contractual obligations that were previously disclosed in our Report on Form 10-K for the fiscal period ended December 31, 2013.

Application of Critical Accounting Policies

Other than the addition of revenue recognition accounting and programming amortization accounting policies related to WWE Network launched in February 2014, there have been no significant changes to our accounting policies that were previously disclosed in our Report on Form 10-K for our fiscal year ended December 31, 2013 or in the methodology used in formulating these significant judgments and estimates that affect the application of these policies. The accounting policies for WWE Network are described below.

- Revenue Recognition for WWE Network

  Revenues are recognized ratably over each monthly membership period. Deferred revenue consists of membership fees billed to members that have not been recognized and gift memberships that have not been redeemed.

- Programming Amortization for WWE Network

  For episodic programming debuting and currently expected to air exclusively on our Network, the cost of the programming is expensed upon initial release, as our expectation is that the vast majority of viewership will occur in close proximity to the initial release. We will monitor this assumption and potentially revise this policy if actual viewership patterns vary.

Recent Accounting Pronouncements

I n May 2014, the FASB issued Accounting Standards Update No. 2014-09, *“Revenue from Contracts with Customers (Topic 606)”* . This ASU will supersede the revenue recognition requirements in ASC 605, “Revenue Recognition”, and most industry-specific guidance. The ASU requires an entity to recognize revenue in an amount that reflects the consideration to which the entity expects to receive in exchange for goods or services. This guidance is effective for annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. This standard update is effective for our fiscal year beginning of January 1, 2017. We are currently evaluating the impact of the adoption of this new standard on our consolidated financial statements.

In April 2014, the FASB issued Accounting Standards Update No. 2014-08, *"Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity"* . This ASU updated the accounting guidance related to discontinued operations. The updated accounting guidance provides a narrower definition of discontinued operations than existing GAAP. The updated accounting guidance requires that only disposals of components of an entity, or groups of components, that represent a strategic shift that has or will have a material effect on the reporting entity’s operations be reported in the financial statements as discontinued operations. The updated accounting guidance also provides guidance on the financial statement presentations and disclosures of discontinued operations. On July 1, 2014, we early adopted this accounting standard update which did not have a material effect on our consolidated financial statements.

Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain statements that are forward-looking and are not based on historical facts. When used in this Form 10-Q, the words "may," "will," "could," "anticipate," "plan," "continue," "project," "intend", "estimate", "believe", "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These statements relate to our future plans, objectives, expectations and intentions and are not historical facts and accordingly involve known and unknown risks and uncertainties and other factors that may cause the actual results or the performance by us to be materially different from future results or performance expressed or implied by such forward-looking statements. The following factors, among others, could cause actual results to differ materially from those contained in forward-looking statements made in this Form 10-Q, in press releases and in oral statements made by our authorized officers: (i) risks relating to entering, maintaining and renewing major distribution agreements; (ii) risks relating to the launch and operations of our digital WWE Network; (iii) our failure to continue to develop creative and entertaining programs and events would likely lead to a decline in the popularity of our brand of entertainment; (iv) our failure to retain or continue to recruit key performers could lead to a decline in the appeal of our storylines and the popularity of our brand of entertainment; (v) the unexpected loss of the services of Vincent K. McMahon could adversely affect our ability to create popular characters and creative storylines or otherwise adversely affect our operations; (vi) a decline in the popularity of our brand of sports entertainment, including as a result of changes in the social and political climate, could adversely affect our business; (vii) changes in the regulatory atmosphere and related private sector initiatives could adversely affect our business; (viii) the markets in which we operate are highly competitive, rapidly changing and increasingly fragmented, and we may not be able to compete effectively, especially against competitors with greater financial resources or marketplace presence; (ix) we face uncertainties associated with international markets; (x) we may be prohibited from promoting and conducting our live events and/or other businesses if we do not comply with applicable regulations; (xi) because we depend upon our intellectual property rights, our inability to protect those rights, or our infringement of others' intellectual property rights, could adversely affect our business; (xii) we could incur substantial liability in the event of accidents or injuries occurring during our physically demanding events; (xiii) our live events expose us to risks relating to large public events as well as travel to and from such events; (xiv) we continue to face risks inherent in our feature film business; (xv) in addition to the launch of WWE Network, we could face a variety of risks if we expand into new or complementary businesses and/or make strategic investments; (xvi) risks related to our computer systems and online operations; (xvii) decline in general economic conditions and disruption in financial markets could adversely affect our business; (xviii) our accounts receivable represent a significant portion of our current assets and relate principally to a limited number of distributors and licensees, increasing our exposure to bad debts and potentially impacting our results of operations;(xix) our ability to access our revolving credit facility may be limited due to certain financial covenants and restrictions; (xx) we could incur substantial liabilities if litigation is resolved unfavorably; (xxi) our failure to meet market expectations for our financial performance could adversely affect the market price and volatility of our stock; (xxii) through his beneficial ownership of a substantial majority of our Class B common stock, our controlling stockholder, Vincent K. McMahon, can exercise control over our affairs, and his interests may conflict with the holders of our Class A common stock; (xxiii) a substantial number of shares are eligible for sale by Mr. McMahon and members of his family or trusts established for their benefit, and the sale, or the perception of possible sales, of those shares could lower our stock price; and (xxiv) risks related to 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. The forward-looking statements speak only as of the date of this Form 10-Q and undue reliance should not be placed on these statements. We undertake no obligation to update or revise any forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no significant changes to our market risk factors that were previously disclosed in our Report on Form 10-K for our fiscal year ended December 31, 2013.

Item 4. Controls and Procedures

Under the direction of our Chairman of the Board and Chief Executive Officer and our Chief Financial Officer, we evaluated our disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on that evaluation, our Chairman of the Board and Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2014 . No change in internal control over financial reporting occurred during the quarter ended September 30, 2014 , that materially affected, or is reasonably likely to materially affect, such internal control over financial reporting.

On May 14, 2013, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) issued an updated version of its Internal Control - Integrated Framework (2013 Framework). Originally issued in 1992 (1992 Framework), the framework helps organizations design, implement and evaluate the effectiveness of internal control concepts and simplify their use and application. The 1992 Framework remains available during the transition period, which extends to December 15, 2014, after which time COSO will consider it as superseded by the 2013 Framework. As of September 30, 2014 , we continue to utilize the 1992 Framework during the transition to the 2013 Framework by the end of 2014.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On July 26, 2014, the Company received notice of a lawsuit filed in the United States District Court for the District of Connecticut, entitled Warren Ganues and Dominic Varriale, on behalf of themselves and all others similarly situated, v. World Wrestling Entertainment, Inc., Vincent K. McMahon and George A. Barrios , alleging violations of federal securities laws based on certain statements relating to the negotiation of WWE’s domestic television license. The complaint seeks certain unspecified damages. A nearly identical lawsuit was filed one month later entitled Curtis Swanson, on behalf of himself and all others similarly situated, v. World Wrestling Entertainment, Inc., Vincent K. McMahon and George A. Barrios . Both lawsuits are purported securities class actions subject to the Private Securities Litigation Reform Act of 1995 (“PSLRA”). On September 23-24, five putative plaintiffs filed motions to be appointed lead plaintiff and to consolidate the two cases pursuant to the PSLRA. The Company joined the motion for consolidation made by the putative lead plaintiffs. The Company believes the claims are without merit and intends to vigorously defend itself against them.

On October 25, 2014, the Company received notice of a purported class action lawsuit filed in the United States District Court for the District of Oregon, entitled William Albert Haynes III, on behalf of himself and others similarly situated, v. World Wrestling Entertainment, Inc. alleging, among other things, that the Company concealed and denied medical research and evidence concerning traumatic brain injuries suffered by WWE’s performers. The Company believes the claims are without merit and intends to vigorously defend itself against them.

In addition to the foregoing, we are involved in several other litigations and claims that we consider to be in the ordinary course of our business. By its nature, the outcome of litigation is not known but the Company does not currently expect this litigation to have a material adverse effect on our financial condition, results of operations or liquidity. We may from time to time become a party to other legal proceedings.

Item 1A. Risk Factors

We do not believe there have been any material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013.

Item 5. Other Information

None.

Item 6. Exhibits

(a) **Exhibits**

10.9A* Amendment, dated October 8, 2014, to Employment Agreement between the Company and Michael J. Luisi (incorporated by reference to Exhibit 10.9A to the Company's 8-K filed October 8, 2014).

10.13* Form of Indemnification Agreement to be entered into between the Company and each of its Directors and certain officers.

31.1 Certification by Vincent K. McMahon pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).

31.2 Certification by George A. Barrios pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).

32.1 Certification by Vincent K. McMahon and George A. Barrios pursuant to Section 906 of Sarbanes-Oxley Act of 2002 (filed herewith).

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Presentation Linkbase Document

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* Indicates management contract or compensation plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

World Wrestling Entertainment, Inc.
(Registrant)

Dated: October 30, 2014

By: /s/ George A. Barrios

George A. Barrios
Chief Strategy and Financial Officer
(principal financial officer
and authorized signatory)

/s/ Mark Kowal

Mark Kowal
Senior Vice President, Corporate Controller
(principal accounting officer and authorized
signatory)

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of ________ __, 2014 by and between World Wrestling Entertainment, Inc., a Delaware corporation (the "Company"), and _______________ ("Indemnitee").

RECITALS

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The By-laws of the Company (the "By-laws") and the Certificate of Incorporation of the Company (the "Certificate of Incorporation") require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The By-laws, the Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the By-laws and the Certificate of Incorporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to continue to serve as a director, officer, and/or employee of the Company and/or, at the request of the Company, as a director, officer, employee, agent or other fiduciary of another corporation, partnership, joint venture, trust or other enterprise. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Certificate of Incorporation, the Company's By-laws, and the DGCL. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve in any one or more of such capacities, as provided in Section 16 hereof.

Section 2. Definitions. As used in this Agreement:

(a) References to "agent" shall mean any person who is or was a director, officer, or employee, fiduciary or agent of the Company or a subsidiary of the Company including serving in any such capacity with respect to another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below), other than one or more Current Control Persons, is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities at any time when one or more Current Control Persons in the aggregate no longer are Beneficial Owners of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement, but excluding any event immediately after which one or more Current Control Persons in the aggregate are Beneficial Owners of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(A) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(B) “Current Control Persons” shall mean all holders from time to time of the Company’s Class B Common Stock.

(C) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(D) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

For purposes of this Section 2(b), when calculating the percentage of combined voting power of the Company’s then outstanding securities Beneficially Owned by such person(s), all Class A and Class B common stock held by them shall be taken into account.

(c) "Corporate Status" describes the status of a person who is or was a director, trustee, partner, managing member, officer, employee, fiduciary or agent of the Company or of any other corporation, limited liability company, partnership or joint venture, trust or other enterprise which such person is or was serving at the request of the Company.

(d) "Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "Enterprise" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, employee, fiduciary or agent.

(f) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and other professionals, accounting and witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, fax transmission charges, secretarial services, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements, obligations or expenses of the types customarily incurred in connection with, or as a result of, prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a deponent or witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, (ii) Expenses incurred in connection with recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether the Indemnitee is ultimately determined to be entitled to such indemnification, advancement or Expenses or insurance recovery, as the case may be, and (iii) for purposes of Section 14(d) only, Expenses incurred by or on behalf of Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "Independent Counsel" shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) A "Potential Change in Control Event" will be deemed to have occurred if:

i. the Company enters into an agreement or arrangement that would constitute a Change in Control if consummated;

ii. any person (including the Company) publicly announces an intention to take or to consider taking actions that would constitute a Change in Control if consummated; or

iii. the Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control Event has occurred.

(i) The term "Proceeding" shall include any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory, legislative or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the Indemnitee’s Corporate Status or by reason of any action taken by the Indemnitee (or a failure to take action by the Indemnitee) or of any action (or failure to act) on the Indemnitee’s part while acting pursuant to his Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(j) Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, fiduciary or agent of the Company which imposes duties on, or involves services by, such director, officer, employee, fiduciary or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on the Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Certificate of Incorporation, the By-laws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) actually and reasonably incurred by or on behalf of the Indemnitee in connection with such Proceeding or any claim, issue or matter therein.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) actually and reasonably incurred by or on behalf of the Indemnitee in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) actually and reasonably incurred by or on behalf of the Indemnitee in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his Corporate Status, a witness or otherwise asked to participate in any aspect of a Proceeding to which Indemnitee is not a party, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by or on behalf of the Indemnitee in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by or on behalf of Indemnitee in connection with the Proceeding.

(b) For purposes of this Agreement, the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

iv. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

v. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any other provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification payment in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorizes the Proceeding (or any part of any Proceeding), (ii) such payment arises in connection with any mandatory counterclaim or cross-claim or affirmative defense brought or raised by Indemnitee in any Proceeding (or any part of any Proceeding), (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iv) otherwise required under Section 145 of the DGCL or (iv) such Proceeding is brought to establish or enforce Indemnitee's rights under this Agreement, or any other statute or law, or otherwise as required under applicable law.

Section 10. Advances of Expenses.

(a) Notwithstanding any provision of this Agreement to the contrary (other than Section 14(d)), the Company shall advance, to the extent not prohibited by law or excluded from the Company's indemnification obligations by Section 9, the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding (or any part of any Proceeding), and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time (which shall include invoices received by the Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause

Indemnitee to waive any privilege accorded by applicable law shall not be so included), whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. In accordance with Section 14(d), advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company under this Agreement, applicable law, the By-laws, the Certificate of Incorporation, or otherwise. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

(b) If a claim under this Agreement is not paid, or caused to be paid, by the Company within 30 days of receipt of written notice, the right to indemnification as provided by this Agreement will be enforceable by the Indemnitee in any court of competent jurisdiction, and all reasonable costs and expenses incurred by the Indemnitee in connection with such enforcement will be paid promptly by the Company in advance of the final disposition by such court at the written request of the Indemnitee to the fullest extent permitted by applicable law; provided that Indemnitee will reimburse the Company for all such costs and expenses paid by the Company or any of its subsidiaries if and only to the extent that a court of competent jurisdiction ultimately determines that the Indemnitee is not entitled to be indemnified by the Company for such costs and expenses under the provisions of applicable law, the Bylaws, Certificate of Incorporation, this Agreement, or otherwise.

(c) The Indemnitee will promptly repay to the Company any amounts paid to the Indemnitee pursuant to other rights of indemnification or under any insurance policy, to the extent those payments are duplicative of payments made to the Indemnitee under this Agreement.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof or Indemnitee’s becoming aware thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding, in each case to the extent known to Indemnitee. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. The failure by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement, except to the extent (solely with respect to the indemnity hereunder) that such failure or delay materially prejudices the Company. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) Selection of Counsel; Defense of Proceedings. In the event the Company shall be obligated hereunder to pay the Expenses of any Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, upon the delivery to Indemnitee of written notice of its election so to do. To the fullest extent permitted by Delaware law, the Company's assumption of the defense of a Proceeding pursuant to this Section 11(b) will constitute an irrevocable acknowledgment by the Company that any Expenses incurred by or for the account of Indemnitee incurred in connection therewith are indemnifiable by the Company under this Agreement. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same Proceeding; provided that:

a. Indemnitee shall have the right to employ Indemnitee's counsel in any such Proceeding at Indemnitee's expense; <u>and</u>

b. if:

(A) the employment of counsel by Indemnitee has been previously authorized by the Company, or

(B) Indemnitee shall have reasonably concluded that there is an actual or potential conflict of interest between the Company and Indemnitee in the conduct of any such defense or such a conflict is likely to arise, or

(C) the named parties in any such Proceeding (including any impleaded parties) include both (1) the Company or any subsidiary of the Company and (2) the Indemnitee, and the Indemnitee concludes that there may be one or more legal defenses or counterclaims available to Indemnitee that are different from or in addition to those available to the Company or any subsidiary of the Company, or

(D) any such representation by such counsel would be precluded under the applicable standards of professional conduct then prevailing, or

(E) the Company shall not continue to retain such counsel to defend such Proceeding,

then the fees and expenses of Indemnitee counsel shall be at the expense of the Company

The Company shall not be entitled, without the consent of the Indemnitee, to assume the defense of any claim brought by the Company.

(c) Settlement of Proceedings. The Company shall not, without the prior written consent of the Indemnitee, effect any settlement of any Proceeding, in whole or in part, which the

Indemnitee is or could have been a party unless such settlement includes a complete and unconditional release of the Indemnitee from all liability on all claims that are the subject matter of such Proceeding and does not impose any Expense on the Indemnitee. Neither the Company nor the Indemnitee shall unreasonably withhold consent to any proposed settlement; provided that the Indemnitee may withhold consent to any settlement that includes an admission of fault of the Indemnitee or does not provide a complete and unconditional release of the Indemnitee. The Company shall not be liable to the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected by Indemnitee without the Company's prior written consent. To the fullest extent permitted by Delaware law, the Company's assumption of the defense of a Proceeding pursuant to this Section 11(b) will constitute an irrevocable acknowledgment by the Company that any Expenses incurred by or for the account of Indemnitee incurred in connection therewith are indemnifiable by the Company under this Agreement.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by an Indemnitee for indemnification pursuant to Section 11(a):

i. if a Change in Control or Potential Change in Control Event shall have occurred, a determination with respect to Indemnitee's entitlement thereto shall be made by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee;

ii. if the Indemnitee is an outside director and no Change in Control or Potential Change in Control Event shall have occurred, the Indemnitee shall be presumed to be entitled to indemnification and advancement of Expenses under this Agreement on submission of the written request;

iii. if the Indemnitee is not an outside director and no Change in Control or Potential Change in Control Event shall have occurred a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination.

In the case of a determination to be made pursuant to Section 12(a)(i) or 12(a)(iii), Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by or on behalf of Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If no Change in Control or Potential Change in Control Event shall have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control or Potential Change in Control Event shall have occurred, the Independent Counsel shall be jointly selected by Indemnitee and all other indemnitees similarly situated (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided , however , that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption, and such presumption shall be used as a basis for a determination of entitlement to indemnification and advancement of expenses unless the

Company overcomes such presumption by clear and convincing evidence. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a)(iii) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a)(i) or 12 (a)(iii) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of <u>nolo contendere</u> or its equivalent, shall not of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not meet the applicable standard or conduct or have a particular belief.

(d) The Indemnitee shall be presumed to have at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption, and such presumption shall be used as a basis for a determination of entitlement to indemnification and advancement of expenses unless the Company overcomes such presumption by clear and convincing evidence. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12(a)(i) or 12(a)(iii) of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) no required determination of entitlement to indemnification shall have been made pursuant to Section 12(a)(i) or 12(a)(iii) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, or (iii) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the JAMS Employment Arbitration Rules. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided , however , that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a)(i) or 12(a)(iii) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be by clear and convincing evidence.

(c) If a determination shall have been made pursuant to Section 12(a)(i) or 12(a)(iii) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by or on behalf of Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company unless it is ultimately determined that each of the material assertions made by the Indemnitee in the Proceeding was not made in good faith or was frivolous.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement (i) shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise and (ii) shall be interpreted independently of, and without reference to, any other such rights to which Indemnitee may at any time be entitled. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the By-laws, the Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers or employees of the Enterprise, Indemnitee shall be named as an insured in a manner that provides Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer or employee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company pays or causes to be paid Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement) under this Agreement, the Company shall be subrogated (except as provided in Section 15(e)) to the extent of such payment to all of the rights of recovery of Indemnitee against third parties, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such corporation, limited liability company, partnership, joint venture, trust or other enterprise.

Section 16. Duration of Agreement. The indemnification and advancement of expenses rights provided by or granted pursuant to this Agreement shall continue as to the Indemnitee even though he or she may have ceased to serve in a Corporate Status. The indemnification and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to serve in a Corporate Status and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives. The Company shall require and shall cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to, by written agreement, expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Savings. If this Agreement or any portion of it is invalidated on any ground by any court of competent jurisdiction, then the Company will nevertheless indemnify the

Indemnitee as to judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, liabilities, fines, penalties and amounts paid in settlement) with respect to any Proceeding to the full extent permitted by any applicable portion of this Agreement that is not invalidated, or by any applicable law.

Section 19. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or to continue to serve in a Corporate Status, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving in a Corporate Status.

(b) This Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the By-laws, any directors and officers insurance maintained by the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

(c) Each party acknowledges that it has been given an opportunity to be represented by counsel in connection with this Agreement. Any rule of law, including, but not limited to, Section 1654 of the California Civil Code, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it, has no application and is expressly waived.

Section 20. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. This Agreement shall not be terminated without the Indemnitee's prior written consent.

Section 21. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which Indemnitee reasonably believes to be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 22. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to

World Wrestling Entertainment, Inc.
1241 East Main Street
Stamford, CT 06902
Attn: General Counsel

or to any other address as may have been furnished to Indemnitee by the Company.

Section 23. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by or on behalf of Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding.

Section 24. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably [Corporation Service Company, 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, Delaware 19808], as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 25. Time of the Essence. Time is of the essence in the performance of each provision of this Agreement.

Section 26. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 27. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

WORLD WRESTLING ENTERTAINMENT, INC.	INDEMNITEE
By: ______________________________	______________________________
Name:	Name:
Office:	Address: ____________________
	____________________
	____________________

Exhibit 31.1

Certification required by Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Vincent K. McMahon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of World Wrestling Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 30, 2014

By: /s/ Vincent K. McMahon

Vincent K. McMahon
Chairman of the Board and
Chief Executive Officer

Exhibit 31.2

Certification required by Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, George A. Barrios, certify that:

1. I have reviewed this quarterly report on Form 10-Q of World Wrestling Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 30, 2014

By: /s/ George A. Barrios

George A. Barrios

Chief Strategy and Financial Officer

Exhibit 32.1

Certification of Chairman and CEO and CFO Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report on Form 10-Q of World Wrestling Entertainment, Inc. (the "Company") for the quarter ended September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Vincent K. McMahon as Chairman of the Board and Chief Executive Officer of the Company and George A. Barrios as Chief Strategy and Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

(2) The information contained in the report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Dated: October 30, 2014

By: /s/ Vincent K. McMahon
Vincent K. McMahon
Chairman of the Board and
Chief Executive Officer

By: /s/ George A. Barrios
George A. Barrios
Chief Strategy and Financial Officer