

WORLD WRESTLING ENTERTAINMENT INC

FORM 8-K (Unscheduled Material Events)

Filed 8/27/2003 For Period Ending 8/25/2003

Address	1241 E MAIN ST STAMFORD, Connecticut 06902
Telephone	203-352-8600
CIK	0001091907
Industry	Recreational Activities
Sector	Services
Fiscal Year	04/30

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 25, 2003

World Wrestling Entertainment, Inc.

(Exact name of registrant as specified in its charter)

Delaware	000-27639	04-2693383
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1241 East Main Street, Stamford, CT 06902
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (203) 352-8600

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release dated August 25, 2003

Item 12. Results of Operations and Financial Condition.

On August 25, 2003, World Wrestling Entertainment, Inc. issued the press release furnished as Exhibit 99.1 to this Form 8-K.

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 hereunto duly authorized.

WORLD WRESTLING ENTERTAINMENT, INC.

By: /s/ Philip B. Livingston

Philip B. Livingston
Chief Financial Officer

Dated: August 26, 2003

EXHIBIT INDEX

99.1 Press Release dated August 25, 2003

Exhibit 99.1

[logo]

FOR IMMEDIATE RELEASE

**WORLD WRESTLING ENTERTAINMENT(TM) ISSUES Q1 RESULTS,
RAISES EXPECTATIONS FOR FISCAL 2004**

Media contact: Gary Davis, 203-353-5066 Investor contact: Michele Goldstein, 203-352-8642

STAMFORD, CONN., AUGUST 25, 2003 - World Wrestling Entertainment, Inc. (NYSE:WWE) today announced financial results for its first quarter ended July 25, 2003. The Company reported income from continuing operations of \$2.8 million, or \$0.04 per share, versus \$3.9 million, or \$0.05 per share in the prior year. Significantly, the Company noted that for the first time in its recent history, the quarterly results include only two monthly pay-per-view events. The Company's July event, Vengeance(TM), occurred after the close of the fiscal first quarter and will result in four events in the fiscal second quarter. Other than the shift in timing of revenue and profit reporting, there are no business implications to this occurrence; the Company's schedule of 12 monthly pay- per-view events is unchanged.

"We had a good quarter and exceeded our expectations. Our pay-per-view buys for the quarter were better than anticipated and our cost-cutting measures initiated in 2003 produced better profitability than we planned," said Linda McMahon, WWE(TM) CEO. "I am also excited that our first RAW(R) and SmackDown!(TM) separately branded pay-per-view events were well received. This is significant and adds to the strength of the WWE brand. As our results show, the strategy enhanced our pay-per-view product and international growth. We now expect EBITDA for fiscal 2004 to be between \$42.5 million and \$47.5 million, an increase of \$2.5 million."

Total revenues were \$74.7 million as compared to \$85.4 million in the prior year quarter. Revenues for the prior year quarter included approximately \$5.5 million related to our July 2002 pay-per-view event.

EBITDA was \$5.7 million in the current quarter as compared to \$7.0 million in the prior year quarter. EBITDA for the prior year quarter included \$3.1 million related to the July 2002 pay-per-view event and a \$3.5 million favorable settlement of litigation. Operating income for the quarter was \$3.0 million versus \$5.1 million in the prior year quarter. Net income was \$2.7 million, or \$0.04 per share, as compared to \$2.5 million, or \$0.04 per share, in the prior year quarter.

RESULTS BY BUSINESS SEGMENT

LIVE AND TELEVISED ENTERTAINMENT

Revenues from the Company's Live and Televised businesses were \$62.7 million as compared to \$67.8 million in the prior year quarter.

o PAY-PER-VIEW REVENUES were \$13.8 million versus \$19.0 million in the prior year quarter. In the first quarter of fiscal 2004, only two pay-per-view events were produced as compared to three in the prior year quarter, due to the timing of our quarter end as compared to the air date. The Company will produce 12 pay-per-view events in fiscal 2004, with 4 events taking place in its second fiscal quarter.

o Total domestic pay-per-view buys for the quarter were 0.9 million as compared to 1.1 million in the prior year quarter.

o Overall buys for the two pay-per-view events that aired in the quarter were equal to the number of buys recorded for the corresponding events in the prior year quarter.

o Total buys for the Company's July 2003 event, Vengeance, were 275,000. The event is expected to contribute EBITDA of \$2.6 million to the Company's second fiscal quarter.

o LIVE EVENT REVENUES were \$18.1 million as compared to \$19.1 million in the first quarter of last year.

o There were 84 events, including 10 international events, during the quarter as compared to 87 events, including 4 international events, during the same period last year.

o The average attendance at the Company's live events was approximately 5,200 as compared to approximately 5,750 in the prior year quarter.

o The average ticket price increased \$2.50 to \$40.42 for the quarter due to the increased number of international events, which have higher average ticket prices.

o TELEVISION ADVERTISING REVENUES were \$16.1 million as compared to \$16.7 million in the prior year quarter. This decline was principally due to the impact of lower sponsorship revenues.

o Average household ratings for the quarter for the Company's RAW and SmackDown! programs were even when compared to the prior year quarter.

o TELEVISION RIGHTS FEES REVENUES increased \$1.8 million to \$14.7 million due primarily to the benefit from new contracts and executive producer fees related to an upcoming feature film starring The Rock(R).

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BRANDED MERCHANDISE

Revenues from the Company's Branded Merchandise businesses were \$12.0 million versus \$17.6 million in the prior year quarter.

o MERCHANDISE REVENUES were \$4.3 million as compared to \$6.3 million in the prior year quarter, the decrease due primarily to a 29% reduction in revenues derived at the Company's live events due to lower attendance and lower per capita spending.

o PUBLISHING REVENUES decreased \$1.8 million to \$1.7 million due to a decrease in newsstand units sold and one less special magazine published in the quarter as compared to the prior year quarter.

o HOME VIDEO REVENUES were \$2.5 million as compared to \$3.5 million in the prior year quarter, the decrease due primarily to a decrease in units sold. Sales of catalog titles released in the prior year were down 69% while new title releases were 21% ahead of the year ago quarter. The reduction in catalog units was related to a court ordered injunction prohibiting the sale of such titles containing the Company's former logo.

o LICENSING REVENUES decreased \$0.9 million to \$2.2 million due to a decrease in video game and toy sales reflecting heightened competition for licensed products and a contraction in the number of retail outlets.

PROFIT CONTRIBUTION (NET REVENUES LESS COST OF REVENUES)

Profit contribution for the quarter was \$25.4 million as compared to \$28.8 million in the prior year quarter. Total profit contribution margin was approximately 34% for both periods.

The profit contribution margin for the Live and Televised businesses was approximately 34% for both periods. The impact of airing one less pay-per-view event was offset by increased television rights fees and decreased television production costs.

The profit contribution margin for the Branded Merchandise businesses was approximately 34% for both periods.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

SG&A expenses decreased by \$2.1 million for the quarter to \$19.7 million as compared to \$21.8 million in the prior year quarter. Included in the prior year was a favorable litigation settlement of \$3.5 million. Reflected in the current quarter was a reduction in bad debt expense of \$2.0 million as a result of a payment received from a pay-per-view service that was fully reserved for in the prior year. Excluding these items, SG&A expenses decreased by \$3.6

million as compared to the prior year quarter due primarily to lower advertising and promotion expenses and the impact of the cost cutting measures taken during fiscal 2003.

FISCAL 2004 OUTLOOK

The Company anticipates that its net revenue results for fiscal 2004 will be between \$325.0 and \$350.0 million, EBITDA will be between \$42.5 and \$47.5 million and Income from continuing operations will be between \$23.0 and \$26.0 million, or between \$0.34 and \$0.38 per share.

WORLD WRESTLING ENTERTAINMENT, INC. (NYSE: WWE) is an integrated media and entertainment company headquartered in Stamford, Conn. Additional information on the Company can be found at wwe.com and corporate.wwe.com. For additional information on WrestleMania XX, to be broadcast live on pay-per-view from Madison Square Garden in New York City on March 14, 2004, go to wrestlemania.wwe.com. Information on television ratings and community activities can be found at parents.wwe.com.

EDITOR'S NOTE: World Wrestling Entertainment, Inc. will host a conference call on Tuesday, August 26, 2003, at 11:00 a.m. ET to discuss the Company's first quarter earnings results for fiscal year 2004. All interested parties can access the conference call by dialing 800-362-0574 (conference ID: WWE). Please reserve a line 15 minutes prior to the start time of the conference call. A presentation that will be referenced during the call can be found at the Company web site at corporate.wwe.com. A replay of the call will be available approximately three hours after the conference call concludes, and can be accessed at corporate.wwe.com.

Trademarks: The names of all World Wrestling Entertainment televised and live programming, talent names, images, likenesses, slogans and wrestling moves and all World Wrestling Entertainment logos are trademarks, which are the exclusive property of World Wrestling Entertainment, Inc.

Forward-Looking Statements: This news release contains forward-looking statements pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995, which are subject to various risks and uncertainties. These risks and uncertainties include the conditions of the markets for live events, broadcast television, cable television, pay-per-view, Internet, entertainment, professional sports, and licensed merchandise; acceptance of the Company's brands, media and merchandise within those markets; uncertainties relating to litigation; risks associated with producing live events both domestically and internationally; uncertainties associated with international markets; and other risks and factors set forth from time to time in Company filings with the Securities and Exchange Commission. Actual results could differ materially from those currently expected or anticipated.

World Wrestling Entertainment, Inc. Consolidated Statements of Income

(dollars in thousands, except per share data)

(Unaudited)

	THREE MONTHS ENDED	
	JULY 25, 2003	JULY 26, 2002
	-----	-----
Net revenues	\$ 74,675	\$ 85,449
Cost of revenues	49,261	56,618
Selling, general and administrative expenses	19,719	21,787
Depreciation and amortization	2,724	1,992
	-----	-----
Operating income	2,971	5,052
Interest income and other, net	1,520	929
	-----	-----
Income before income taxes	4,491	5,981
Provision for income taxes	1,683	2,126
	-----	-----
Income from continuing operations	2,808	3,855
	-----	-----
Discontinued operations:		
Loss from discontinued operations, net of tax	(158)	(1,327)
	-----	-----
Net income	\$ 2,650	\$ 2,528
	=====	=====
Earnings (loss) per common share - Basic and Diluted:		
Continuing operations	\$ 0.04	\$ 0.05
	=====	=====
Discontinued operations	\$ --	\$ (0.02)
	=====	=====
Net income	\$ 0.04	\$ 0.04
	=====	=====
Weighted average common and common equivalent shares outstanding:		
Basic	69,045,995	71,110,001
	=====	=====
Diluted	69,154,113	71,129,655
	=====	=====

WORLD WRESTLING ENTERTAINMENT, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

(Unaudited)

	AS OF JULY 25, 2003 -----	AS OF APRIL 30, 2003 -----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 117,237	\$ 128,473
Short-term investments	145,760	142,641
Accounts receivable, net	35,565	49,729
Inventory, net	903	839
Prepaid expenses and other current assets	17,438	18,443
Assets of discontinued operations	20,953	21,129
Total current assets	----- 337,856	----- 361,254
PROPERTY AND EQUIPMENT - NET	57,842	59,325
INTANGIBLE ASSETS - NET	13,373	12,055
OTHER ASSETS	4,547	4,623
TOTAL ASSETS	----- \$ 413,618 =====	----- \$ 437,257 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 791	\$ 777
Accounts payable	12,767	14,188
Accrued expenses and other liabilities	38,185	34,991
Deferred income	20,230	24,662
Liabilities of discontinued operations	10,299	11,554
TOTAL CURRENT LIABILITIES	----- 82,272	----- 86,172
LONG-TERM DEBT	8,933	9,126
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Class A common stock	182	182
Class B common stock	548	548
Treasury stock	(49,815)	(30,569)
Additional paid-in capital	297,473	297,315
Accumulated other comprehensive (loss) income	(121)	243
Retained earnings	74,146	74,240
Total stockholders' equity	----- 322,413	----- 341,959
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	----- \$ 413,618 =====	----- \$ 437,257 =====

WORLD WRESTLING ENTERTAINMENT, INC.
Consolidated Statements of Cash Flows
(dollars in thousands)

(Unaudited)

	THREE MONTHS ENDED	
	JULY 25, 2003	JULY 26, 2002
OPERATING ACTIVITIES:		
Net income	\$ 2,650	\$ 2,528
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Loss from discontinued operations	158	1,327
Depreciation and amortization	2,724	1,992
Amortization of deferred income	(335)	(318)
Amortization of deferred compensation costs	158	--
Provision for doubtful accounts	(1,976)	463
Provision for inventory obsolescence	(128)	314
Changes in assets and liabilities:		
Accounts receivable	16,141	12,498
Inventory	64	162
Prepaid expenses and other assets	993	382
Accounts payable	(1,420)	(4,882)
Accrued expenses and other liabilities	3,515	2,630
Deferred income	(4,097)	(961)
	18,447	16,135
Net cash provided by continuing operations	18,447	16,135
Net cash used in discontinued operations	(1,236)	(3,977)
	17,211	12,158
	17,211	12,158
INVESTING ACTIVITIES:		
Purchase of property and equipment	(980)	(1,266)
Purchase of other assets	(1,487)	--
Purchase of short-term investments, net	(3,811)	(828)
	(6,278)	(2,094)
Net cash used in continuing operations	(6,278)	(2,094)
Net cash used in discontinued operations	--	(895)
	(6,278)	(2,989)
	(6,278)	(2,989)
FINANCING ACTIVITIES:		
Repayment of long-term debt	(158)	(147)
Obligation under capital lease agreement	(21)	--
Purchase of treasury stock, net of treasury stock reissued	(19,246)	(27,693)
Dividends paid	(2,744)	--
Net proceeds from exercise of stock options	--	404
	(22,169)	(27,436)
Net cash used in continuing operations	(22,169)	(27,436)
Net cash provided by discontinued operations	--	322
	(22,169)	(27,114)
	(22,169)	(27,114)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,236)	(17,945)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	128,473	86,396
	\$ 117,237	\$ 68,451
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 117,237	\$ 68,451
	\$ 117,237	\$ 68,451

WORLD WRESTLING ENTERTAINMENT, INC.
Supplemental Information - EBITDA
(dollars in thousands)

(Unaudited)

	THREE MONTHS ENDED	
	JULY 25, 2003	JULY 26, 2002
Net income reported on GAAP basis	\$ 2,650	\$ 2,528
Loss from discontinued operations	158	1,327
Provision for income taxes	1,683	2,126
Interest income and other, net	(1,520)	(929)
Depreciation and amortization	2,724	1,992
EBITDA	\$ 5,695	\$ 7,044
	=====	=====

End of Filing

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