

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**FORM 10-Q**

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

For the quarterly period ended September 30, 2013

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**

(State or other jurisdiction of incorporation or organization)

**04-2693383**

(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     X     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     X     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     X    

At October 30, 2013 the number of shares outstanding of the Registrant's Class A common stock, par value \$.01 per share, was 31,302,790 and the number of shares outstanding of the Registrant's Class B common stock, par value \$.01 per share, was 43,797,830 .

**WORLD WRESTLING ENTERTAINMENT, INC.**

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**WORLD WRESTLING ENTERTAINMENT, INC.****CONSOLIDATED INCOME STATEMENTS****(In thousands, except per share data)****(Unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	<b>September 30, 2013</b>	<b>September 30, 2012</b>
Net revenues	\$ 113,292	\$ 104,197	\$ 389,575	\$ 368,913
Cost of revenues (including amortization and impairments of feature film and television production assets of \$12,039 and \$2,132, respectively, and \$19,485 and \$7,776, respectively)	70,947	61,406	242,668	215,287
Selling, general and administrative expenses	32,640	32,459	110,976	98,920
Depreciation and amortization	6,503	5,307	17,819	14,046
Operating income	3,202	5,025	18,112	40,660
Investment income, net	264	635	1,102	1,679
Interest expense	(438)	(457)	(1,270)	(1,354)
Other income (expense), net	313	(203)	(1,420)	(746)
Income before income taxes	3,341	5,000	16,524	40,239
Provision for income taxes	902	1,473	5,870	9,440
Net income	\$ 2,439	\$ 3,527	\$ 10,654	\$ 30,799
<b>Earnings per share:</b>				
Basic and diluted	\$ 0.03	\$ 0.05	\$ 0.14	\$ 0.41
<b>Weighted average common shares outstanding:</b>				
Basic	75,030	74,681	74,885	74,542
Diluted	75,388	74,845	75,335	74,864

See accompanying notes to consolidated financial statements.

**WORLD WRESTLING ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(in thousands)**  
**(Unaudited)**

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>September 30, 2013</u>	<u>September 30, 2012</u>
Net income	\$ 2,439	\$ 3,527	\$ 10,654	\$ 30,799
Other comprehensive income (loss):				
Foreign currency translation adjustment	73	105	(107)	180
Unrealized holding gain/(loss) - available-for-sale securities (net of tax (benefit)/expense of \$49 and \$36, respectively, and (\$225) and \$516, respectively)	79	59	(367)	841
Reclassification adjustment for gains realized in net income - available-for-sale securities (net of tax expense of \$0 and \$66, respectively, and \$1 and \$75, respectively)	—	(107)	(1)	(121)
Total other comprehensive income (loss)	152	57	(475)	900
Comprehensive income	<u>\$ 2,591</u>	<u>\$ 3,584</u>	<u>\$ 10,179</u>	<u>\$ 31,699</u>

See accompanying notes to consolidated financial statements.

**WORLD WRESTLING ENTERTAINMENT, INC.**
**CONSOLIDATED BALANCE SHEETS**

(in thousands, except share data)

(Unaudited)

	As of	
	September 30, 2013	December 31, 2012
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 37,081	\$ 66,048
Short-term investments, net	77,743	86,326
Accounts receivable (net of allowances for doubtful accounts and returns of \$8,940 and \$14,691, respectively)	69,537	50,716
Inventory	2,532	1,770
Deferred income tax assets	11,048	14,403
Prepaid expenses and other current assets	15,536	15,269
Total current assets	213,477	234,532
PROPERTY AND EQUIPMENT, NET	133,194	102,162
FEATURE FILM PRODUCTION ASSETS, NET	17,195	23,691
TELEVISION PRODUCTION ASSETS, NET	10,992	6,331
INVESTMENT SECURITIES	7,859	5,220
OTHER ASSETS	8,792	9,447
<b>TOTAL ASSETS</b>	<b>\$ 391,509</b>	<b>\$ 381,383</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 4,228	\$ —
Accounts payable and accrued expenses	41,596	48,954
Deferred income	30,320	28,611
Total current liabilities	76,144	77,565
LONG-TERM DEBT	25,164	—
NON-CURRENT INCOME TAX LIABILITIES	9,336	9,092
COMMITMENTS AND CONTINGENCIES		
<b>STOCKHOLDERS' EQUITY:</b>		
Class A common stock: (\$.01 par value; 180,000,000 shares authorized; 30,789,056 and 29,253,665 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively)	308	293
Class B convertible common stock: (\$.01 par value; 60,000,000 shares authorized; 44,302,830 and 45,500,830 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively)	443	455
Additional paid-in-capital	344,939	341,762
Accumulated other comprehensive income	3,556	4,031
Accumulated deficit	(68,381)	(51,815)
Total stockholders' equity	280,865	294,726
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 391,509</b>	<b>\$ 381,383</b>

See accompanying notes to consolidated financial statements.



**WORLD WRESTLING ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands)  
(Unaudited)

	Common Stock				Additional Paid - in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	Class A		Class B					
	Shares	Amount	Shares	Amount				
<b>Balance, December 31, 2012</b>	<b>29,254</b>	<b>\$ 293</b>	<b>45,501</b>	<b>\$ 455</b>	<b>\$ 341,762</b>	<b>\$ 4,031</b>	<b>\$ (51,815)</b>	<b>\$ 294,726</b>
Net income	—	—	—	—	—	—	10,654	10,654
Other comprehensive loss	—	—	—	—	—	(475)	—	(475)
Stock issuances, net	337	3	—	—	(842)	—	—	(839)
Conversion of Class B common stock by shareholder	1,198	12	(1,198)	(12)	—	—	—	—
Excess tax benefits from stock-based payment arrangements	—	—	—	—	223	—	—	223
Dividends paid	—	—	—	—	253	—	(27,220)	(26,967)
Stock-based compensation	—	—	—	—	3,543	—	—	3,543
<b>Balance, September 30, 2013</b>	<b>30,789</b>	<b>\$ 308</b>	<b>44,303</b>	<b>\$ 443</b>	<b>\$ 344,939</b>	<b>\$ 3,556</b>	<b>\$ (68,381)</b>	<b>\$ 280,865</b>

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended	
	September 30, 2013	September 30, 2012
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 10,654	\$ 30,799
Adjustments to reconcile net income to net cash (used in)/provided by operating activities:		
Amortization and impairments of feature film and television production assets	19,485	7,776
Depreciation and amortization	17,819	14,046
Amortization of bond premium	391	1,745
Amortization of debt issuance costs	1,559	461
Stock-based compensation	3,543	2,791
(Recovery from) provision for doubtful accounts	(356)	1,204
Services provided in exchange for equity instruments	(659)	219
Loss on disposal of property and equipment	335	40
Provision for deferred income taxes	4,040	2,052
Other non-cash adjustments	(252)	(202)
Cash (used in)/provided by changes in operating assets and liabilities:		
Accounts receivable	(17,913)	(2,820)
Inventory	(761)	(531)
Prepaid expenses and other assets	(541)	(2,488)
Feature film production assets	(6,706)	(6,975)
Television production assets	(8,687)	(5,507)
Accounts payable and accrued expenses	(11,506)	(1,585)
Deferred income	1,709	(49)
Net cash provided by operating activities	12,154	40,976
<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment and other assets	(18,302)	(26,697)
Purchase of corporate aircraft and related improvements	(29,730)	—
Purchases of short-term investments	(24,112)	(18,639)
Proceeds from sales and maturities of investments	30,543	37,271
Purchase of cost method investments	(2,200)	(5,000)
Proceeds from sales of property and equipment	38	—
Net cash used in investing activities	(43,763)	(13,065)
<b>FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of note payable	29,730	—
Repayment of long-term debt	(348)	(1,621)
Dividends paid	(26,967)	(26,845)
Debt issuance costs	(674)	—
Issuance of stock, net	640	751
Excess tax benefits from stock-based payment arrangements	261	6
Net cash provided by/(used in) financing activities	2,642	(27,709)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(28,967)</b>	<b>202</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>66,048</b>	<b>52,491</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 37,081</b>	<b>\$ 52,693</b>
<b>NON-CASH INVESTING AND FINANCING TRANSACTIONS:</b>		
Non-cash purchase of property and equipment and other assets	1,611	1,609



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 development, production and marketing of television, 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 four principal activities:

**Live and Televised Entertainment**

- Revenues consist principally of ticket sales to live events, sales of merchandise at these live events, television rights fees, integrated sponsorships fees, and fees for viewing our pay-per-view and video-on-demand programming.

**Consumer Products**

- Revenues consist principally of sales of WWE produced content via home entertainment platforms, magazine sales and royalties or license fees related to various WWE themed products such as video games, toys and apparel.

**Digital Media**

- Revenues consist principally of advertising sales on our websites, rights fees received for digital content, sale of merchandise on our website through our WWEShop internet storefront and sales of various broadband and mobile content.

**WWE Studios**

- Revenues consist of amounts earned from the distribution of filmed entertainment.

All intercompany balances are eliminated in consolidation. 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.

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, 2012 .

***Recent Accounting Pronouncements***

In February 2013, the Financial Accounting Standards Board (“FASB”) issued an accounting standards update on the reporting of amounts reclassified out of accumulated other comprehensive income, to improve the transparency of reporting. These reclassifications present the effects on the line items of net income of significant amounts reclassified out of accumulated other comprehensive income—but only if the item reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. We adopted this accounting standards update on January 1, 2013 which did not have a material effect on our consolidated financial statements.

**WORLD WRESTLING ENTERTAINMENT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(In thousands, except share data)  
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In October 2012, the FASB issued an accounting standards update to amend the requirements related to an impairment assessment of unamortized film costs and clarify when unamortized film costs should be assessed for impairment. The update revises the impairment assessment to remove the rebuttable presumption that the conditions leading to the write-off of unamortized film costs after the balance sheet date existed as of the balance sheet date. The update also eliminates the requirement that an entity incorporate into fair value measurements used in impairment tests the effects of any changes in estimates resulting from the consideration of subsequent evidence, if the information would not have been considered by market participants at the measurement date. This standard update is effective for impairment assessments performed on or after December 15, 2012. We adopted this accounting standards update for our film impairment assessment as of December 31, 2012 which did not have a material effect on our consolidated financial statements for the periods presented herein.

In December 2011, the FASB issued an accounting standards update that expands the disclosure requirements for the offsetting of assets and liabilities related to certain financial instruments and derivative instruments. The update requires disclosures to present both gross information and net information for financial instruments and derivative instruments that are eligible for net presentation due to a right of offset, an enforceable master netting arrangement or similar agreement. We adopted this accounting standards update as of January 1, 2013 which did not have a material effect on our consolidated financial statements.

## 2. Stock-based Compensation

### *Restricted Stock Units*

Stock-based compensation costs associated with our restricted stock units ("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 typically have a three-year service requirement and vest in equal annual installments and are granted under our 2007 Omnibus Incentive Plan (the "Plan"). 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.

The following table summarizes RSUs activity:

	Units	Weighted-Average Grant-Date Fair Value
Unvested at January 1, 2013	146,175	\$ 9.97
Granted	40,477	\$ 9.31
Vested	(60,538)	\$ 10.12
Forfeited	(17,582)	\$ 9.38
Dividend equivalents	5,000	\$ 9.23
Unvested at September 30, 2013	<u>113,532</u>	<u>\$ 9.37</u>

### *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 Plan. The vesting of these PSUs are subject to certain performance conditions and a service requirement of 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. 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.



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

The following table summarizes PSUs activity:

	Units	Weighted- Average Grant- Date Fair Value
Unvested at January 1, 2013	685,703	\$ 8.37
Granted	932,786	\$ 9.94
Vested	(314,008)	\$ 9.35
Forfeited	(69,560)	\$ 9.20
Dividend equivalents	25,902	\$ 9.45
Unvested at September 30, 2013	<u>1,260,823</u>	\$ 9.52

During the year ended 2012, we awarded 622,700 PSUs which were subject to certain performance conditions. During the three months ended March 31, 2013, the performance conditions were met and we granted 709,186 PSUs at a weighted average grant date fair value of \$8.46. During three months ended March 31, 2013, we awarded 804,896 PSUs which are subject to certain performance conditions which have not been met as of September 30, 2013.

Stock-based compensation costs totaled \$785 and \$1,035 for the three months ended September 30, 2013 and 2012, respectively, and \$3,543 and \$2,791 for the nine months ended September 30, 2013 and 2012, respectively.

### 3. Segment Information

As discussed in Note 1, the Company classifies its operations into four reportable segments: Live and Televised Entertainment, Consumer Products, Digital Media and WWE Studios.

Beginning in the first quarter of 2013, the Company made changes to its operating plan and management reporting to reflect a change in the measurement used by management to evaluate performance. The Company changed its measure of segment profit (loss) to operating income (loss) before depreciation and amortization or "OIBDA". Prior to 2013, the Company measured segment profit (loss) using operating income. The Company revised its financial information and disclosures for prior periods to reflect the segment disclosures as if the current measure of profit (loss), OIBDA, had been in effect throughout all periods presented.

The Company presents OIBDA as the primary measure of segment profit (loss). The Company believes the presentation 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 performance and make decisions about allocating resources. The Company defines OIBDA as operating income before depreciation and amortization, excluding feature film amortization and film impairments.

We do not allocate certain costs included in OIBDA to our reportable segments. These costs are primarily corporate overhead expenses and costs which benefit the Company as a whole and are therefore not allocated to our reportable segments. Starting in the second quarter of 2012, we began allocating certain staff related expenses, specifically stock compensation costs, management incentive compensation and medical benefits in our management reporting and, as such, we included these costs in the calculation of OIBDA for our reportable segments. This change did not have a material impact on our reportable segments' OIBDA. Revenues from transactions between our operating segments are not material.

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

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

	Three Months Ended		Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
<b>Net revenues:</b>				
Live and Televised Entertainment	\$ 89,532	\$ 79,049	\$ 294,735	\$ 271,804
Consumer Products	13,339	15,834	62,247	67,419
Digital Media	8,609	7,442	26,758	22,376
WWE Studios	1,812	1,872	5,835	7,314
Total net revenues	\$ 113,292	\$ 104,197	\$ 389,575	\$ 368,913
<b>OIBDA:</b>				
Live and Televised Entertainment	\$ 35,390	\$ 30,534	\$ 95,312	\$ 99,284
Consumer Products	5,395	6,879	36,515	37,644
Digital Media	3,573	3,175	6,954	6,824
WWE Studios	(7,417)	(2,014)	(12,789)	(4,297)
Unallocated Corporate	(27,236)	(28,242)	(90,061)	(84,749)
Total OIBDA	\$ 9,705	\$ 10,332	\$ 35,931	\$ 54,706

**Reconciliation of Total Operating Income to Total OIBDA**

	Three Months Ended		Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Total operating income	\$ 3,202	\$ 5,025	\$ 18,112	\$ 40,660
Depreciation and amortization	6,503	5,307	17,819	14,046
Total OIBDA	\$ 9,705	\$ 10,332	\$ 35,931	\$ 54,706

**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, 2013	September 30, 2012	September 30, 2013	September 30, 2012
North America	\$ 87,341	\$ 79,972	\$ 304,190	\$ 278,343
Europe/Middle East/Africa	11,249	9,465	51,406	51,584
Asia Pacific	13,737	13,284	29,580	30,144
Latin America	965	1,476	4,399	8,842
Total net revenues	\$ 113,292	\$ 104,197	\$ 389,575	\$ 368,913



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

Revenues generated from the United Kingdom, our largest international market, totaled \$5,249 and \$24,777 for the three and nine months ended September 30, 2013, respectively, and \$4,809 and \$24,387 for the corresponding periods in 2012, respectively. The Company's property and equipment was almost entirely located in the United States at September 30, 2013 and 2012.

#### 4. Property and Equipment

Property and equipment consisted of the following:

	As of	
	September 30, 2013	December 31, 2012
Land, buildings and improvements	\$ 105,178	\$ 97,551
Equipment	103,462	93,316
Corporate aircraft	50,588	20,858
Vehicles	244	1,474
	<u>259,472</u>	<u>213,199</u>
Less accumulated depreciation	(126,278)	(111,037)
Total	<u>\$ 133,194</u>	<u>\$ 102,162</u>

Included in Corporate aircraft for the period ended September 30, 2013 is \$29,730 of costs related to the acquisition and refurbishment of a 2007 Bombardier Global 5000 aircraft. The aircraft is still being refurbished and has not yet been placed in service. Depreciation expense for property and equipment totaled \$6,111 and \$16,653 for the three and nine months ended September 30, 2013, respectively, as compared to \$5,045 and \$13,559 for the corresponding periods in 2012, respectively.

#### 5. Feature Film Production Assets, Net

Feature film production assets consisted of the following:

	As of	
	September 30, 2013	December 31, 2012
Feature film productions:		
In release	\$ 9,620	\$ 13,238
Completed but not released	4,418	7,849
In production	2,407	1,977
In development	750	627
Total	<u>\$ 17,195</u>	<u>\$ 23,691</u>

Approximately 44% of "In release" film production assets are estimated to be amortized over the next 12 months and approximately 78% 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, 2013, we released three feature films via theatrical distribution, *No One Lives*, *The Call* and *Dead Man Down*, which comprise \$2,499 of our "In release" feature film assets, as of September 30, 2013. We also released two feature films, *12 Rounds 2: Reloaded* and *The Marine 3: Homefront* direct to DVD during the nine months ended September 30, 2013 which comprise \$2,849 of our "In release" feature film assets as of September 30, 2013. Third-party distributors control the distribution and marketing of these



films, and as a result, we recognize revenue on a net basis after the third-party

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

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.

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 recorded impairment charges of \$6,965 and \$11,661 related to our feature films during the three and nine months ended September 30, 2013, respectively. We did not record an impairment charge during the three months ended September 30, 2012. During the nine months ended September 30, 2012, we recorded an impairment charge of \$754. These impairment charges represent the excess of the recorded net carrying value over the estimated fair value.

We 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 three and nine months ended September 30, 2013, we did not record any expense related to previously capitalized development costs related to abandoned projects. During the three and nine months ended September 30, 2012, we expensed \$448 and \$1,045, respectively, of previously capitalized development costs related to abandoned projects.

#### **6. Television Production Assets, Net**

Television production assets consist primarily of episodic television series we have produced for distribution, either on a potential network or through other distribution platforms. Amounts capitalized include development costs, production costs, post-production costs and related production or post-production overhead. We have \$10,992 and \$6,331 capitalized as of September 30, 2013 and December 31, 2012, respectively, related to this type of programming. Costs to produce our live event programming are expensed when the event is first broadcast. During the three and nine months ended September 30, 2013, we amortized \$4,026 related to our television production assets. We did not amortize any expenses during the three and nine months ended September 30, 2012. 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, 2013 and 2012, we did not record any impairments related to our television production assets.

#### **7. Investment Securities and Short-Term Investments**

On June 25, 2012, the Company invested \$5,000 in Tout Industries, Inc.'s ("Tout") Series B Preferred Stock. On May 30, 2013, the Company made an investment of \$2,200 in a live event touring business. Both investments are accounted for under the cost method. We evaluate our cost method investments for impairment if factors indicate that a significant decrease in value has occurred. No such indicators were noted during the three and nine months ended September 30, 2013. Included in Investment Securities in our Consolidated Balance Sheets as of September 30, 2013 and December 31, 2012 are \$7,859 and \$5,220, respectively, related to these investments. Additionally, the investment in Tout includes shares received in conjunction with a strategic partnership.

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

	September 30, 2013				December 31, 2012			
	Gross Unrealized			Fair Value	Gross Unrealized			Fair Value
	Amortized Cost	Gain	(Loss)		Amortized Cost	Gain	(Loss)	
Municipal bonds	\$ 56,643	\$ 248	\$ (173)	\$ 56,718	\$ 68,517	\$ 566	\$ (84)	\$ 68,999
Corporate bonds	21,067	86	(128)	21,025	17,182	145	—	17,327
Total	\$ 77,710	\$ 334	\$ (301)	\$ 77,743	\$ 85,699	\$ 711	\$ (84)	\$ 86,326

We classify the investments listed in the above table as available-for-sale securities. Such investments consist primarily of corporate bonds 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, 2013, contractual maturities of these bonds are as follows:

	<b>Maturities</b>
Municipal bonds	1 month-10 years
Corporate bonds	3 months-5 years

The following table summarizes the short-term investment activity:

	Three Months Ended		Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Proceeds from sale of short-term investments	\$ —	\$ 13,478	\$ 2,793	\$ 16,486
Proceeds from maturities and calls of short-term investments	7,480	4,175	27,750	20,785
Gross realized gains on sale of short-term investments	—	173	1	196

**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 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



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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, 2013				Fair Value at December 31, 2012			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Municipal bonds	\$ 56,718	\$ —	\$ 56,718	\$ —	\$ 68,999	\$ —	\$ 68,999	\$ —
Corporate bonds	21,025	—	21,025	—	17,327	—	17,327	—
Total	\$ 77,743	\$ —	\$ 77,743	\$ —	\$ 86,326	\$ —	\$ 86,326	\$ —

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 Company also has assets that 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, 2013, the Company recorded impairment charges of \$11,661 on feature film production assets based on a fair value measurements of \$2,363. The Company recorded an impairment charge of \$754 during the nine months ended September 30, 2012 on a feature film production asset based on a fair value measurement of \$1,000. 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 these 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 specialist that assists us in gathering the necessary inputs used in our model.

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**9. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consisted of the following:

	As of	
	September 30, 2013	December 31, 2012
Trade related	\$ 6,106	\$ 7,364
Payroll and related benefits	11,380	16,099
Talent related	6,318	9,805
Accrued event and television production	3,918	5,122
Accrued home entertainment expenses	1,599	1,989
Accrued legal and professional	1,727	1,243
Accrued purchases of property and equipment and other assets	1,611	1,415
Accrued film liability	2,875	572
Accrued other	6,062	5,345
Total	<u>\$ 41,596</u>	<u>\$ 48,954</u>

Accrued other includes accruals for our publishing and licensing business activities and other miscellaneous accruals, none of which categories individually exceeds 5% of current liabilities.

**10. Debt**

In 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. 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. 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, 2013, the LIBOR-based rate plus margin was 2.00%. As of September 30, 2013 and December 31, 2012, there were no amounts outstanding under the credit facility. The Company is 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. Borrowings under the credit facility are subject to certain financial covenants and certain restrictions. As of September 30, 2013, the Company is in compliance with the provisions of this credit facility.

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 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. There was \$29,392 of borrowings outstanding related to the Note as of September 30, 2013. Under the terms of the Note, the Company has the ability to borrow up to an additional \$1,800 for refurbishments to the corporate aircraft. At September 30, 2013, the Company estimates its available debt capacity under the terms of the revolving credit facility to be approximately \$120,000.

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As of September 30, 2013, the scheduled principal repayments under our Note obligation for the current year, the subsequent five years and the remaining term of the note thereafter are as follows:

Remainder of 2013	\$	1,048
December 31, 2014		4,251
December 31, 2015		4,345
December 31, 2016		4,440
December 31, 2017		4,538
December 31, 2018		4,638
Thereafter		7,960
	\$	<u>31,220</u>

The table above assumes that the Note will not be prepaid prior to its maturity on August 7, 2020.

#### **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 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, 2013, we did not have any single customer balance that was greater than 10% of our gross accounts receivable balance.

#### **12. Income Taxes**

The effective tax rate was 36% for the nine months ended September 30, 2013 as compared to 24% for the nine months ended September 30, 2012. During the nine months ended September 30, 2012, we recognized \$4,250 of previously unrecognized tax benefits primarily related to the settlement of various audits, including the State of Connecticut, the IRS, and other state and local jurisdictions. Included in the amount recognized was \$1,493 of potential interest and penalties related to uncertain tax positions. The recognition of these amounts during the nine months ended September 30, 2012 resulted in an effective tax rate of 24%.

At September 30, 2013, we have \$1,784 of unrecognized tax benefits, which if recognized, would affect our effective tax rate. The entire amount is classified as Non-current income tax liabilities. At December 31, 2012, we had \$2,128 of unrecognized tax benefits. All of this amount was classified as Non-current income tax liabilities.

We recognize potential accrued interest and penalties related to uncertain tax positions in income tax expense. We have \$599 and \$716 of accrued interest and penalties related to uncertain tax positions as of September 30, 2013 and December 31, 2012, respectively. Essentially the entire amounts are included in Non-current income tax liabilities for the periods presented.

Based upon the expiration of statutes of limitations and possible settlements in several jurisdictions, we believe it is reasonably possible that the total amount of previously unrecognized tax benefits including interest and penalties may decrease by \$720 within twelve months of September 30, 2013.

#### **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 three and nine months ended September 30, 2013 and 2012 , we received \$427 and \$864 , and \$478 and \$1,626 , respectively,



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of incentives relating to feature film productions which reduced the related assets. During the three and nine months ended September 30, 2013 and 2012 , we received \$9,805 and \$10,201 and \$6,373 and \$7,959 , respectively, of incentives relating to television production activities that were recorded as an offset to production expenses.

**14. Commitments and Contingencies**

***Legal Proceedings***

We are involved in several 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 its pending 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 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.

### Live and Televised Entertainment

- Revenues consist principally of ticket sales to live events, sales of merchandise at these live events, television rights fees, integrated sponsorship fees, and fees for viewing our pay-per-view and video-on-demand programming.

### Consumer Products

- Revenues consist principally of sales of WWE produced content via home entertainment platforms, magazine sales and royalties or license fees related to various WWE themed products such as video games, toys and apparel.

### Digital Media

- Revenues consist principally of advertising sales on our websites, rights fees received for digital content, sale of merchandise on our website through our WWEShop internet storefront and sales of various broadband and mobile content.

### WWE Studios

- Revenues consist of amounts earned from the distribution of filmed entertainment.

### Results of Operations

Beginning in the first quarter of 2013, the Company made changes to its operating plan and management reporting to reflect a change in the measurement used by management to evaluate performance. The Company changed its measure of segment profit (loss) to operating income (loss) before depreciation and amortization, or "OIBDA". Prior to 2013, the Company's results of operations analysis included a discussion of profit contribution. The Company revised its discussion of results of operations for prior periods to reflect the segment disclosures as if the current measure of profit (loss), OIBDA, had been in effect throughout all periods presented.

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 performance and make decisions about allocating resources. The Company defines OIBDA as operating income before depreciation and amortization, excluding feature film amortization and film 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 3, *Segment Information* in the accompanying Consolidated Financial Statements for a reconciliation of OIBDA to operating income for the periods presented.

**Three Months Ended September 30, 2013 compared to Three Months Ended September 30, 2012**

(dollars in millions)

**Summary**

	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
<b>Net Revenues</b>			
Live and Televised Entertainment	\$ 89.5	\$ 79.0	13 %
Consumer Products	13.4	15.8	(15)%
Digital Media	8.6	7.5	15 %
WWE Studios	1.8	1.9	(5)%
<b>Total</b>	<b>113.3</b>	<b>104.2</b>	<b>9 %</b>
<b>OIBDA</b>			
Live and Televised Entertainment	35.4	30.5	16 %
Consumer Products	5.4	6.8	(21)%
Digital Media	3.6	3.2	13 %
WWE Studios	(7.4)	(2.0)	270 %
Unallocated Corporate Expenses	(27.3)	(28.2)	(3)%
<b>Total</b>	<b>9.7</b>	<b>10.3</b>	<b>(6)%</b>
OIBDA as a percentage of revenues	9%	10%	
Depreciation and amortization expense	6.5	5.3	23 %
Operating income	3.2	5.0	(36)%
Investment and other income, net	0.1	—	100 %
Income before income taxes	3.3	5.0	(34)%
Provision for income taxes	0.9	1.5	(40)%
<b>Net income</b>	<b>\$ 2.4</b>	<b>\$ 3.5</b>	<b>(31)%</b>

The comparability of our results for the current year quarter was impacted by \$7.0 million in impairment charges related to our film portfolio. There were no such impairments in the prior year quarter.

Our Live and Televised Entertainment segment revenues increased 13% primarily due to increased revenues in our television rights and live events businesses of \$10.1 million and \$2.2 million, respectively. Our Consumer Products segment experienced a 15% decrease in revenues primarily driven by declines in our licensing and home entertainment businesses. Our Digital Media segment experienced a 15% increase in revenues, primarily driven by higher sales of advertising across various digital platforms. Our WWE Studios segment experienced a \$0.1 million decrease in revenues.

## Live and Televised Entertainment

The following tables provide performance results and key drivers for our Live and Televised Entertainment segment:

<b>Revenues- Live and Televised Entertainment</b> (dollars in millions except where noted)	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
<b>Live events</b>	\$ 25.0	\$ 22.8	10 %
North America	\$ 17.5	\$ 17.0	3 %
International	\$ 7.5	\$ 5.8	29 %
Total live event attendance	435,200	426,200	2 %
Number of North American events	62	70	(11)%
Average North American attendance	5,500	5,200	6 %
Average North American ticket price (dollars)	\$ 46.78	\$ 42.73	9 %
Number of international events	14	7	100 %
Average international attendance	6,700	8,400	(20)%
Average international ticket price (dollars)	\$ 72.30	\$ 98.23	(26)%
<b>Venue merchandise</b>	\$ 4.0	\$ 4.5	(11)%
Domestic per capita spending (dollars)	\$ 9.53	\$ 10.68	(11)%
<b>Pay-per-view</b>	\$ 14.6	\$ 16.3	(10)%
Number of pay-per-view events	3	3	— %
Number of buys from pay-per-view events	761,000	789,000	(4)%
Average revenue per buy (dollars)	\$ 19.35	\$ 20.57	(6)%
Domestic retail price excluding <i>WrestleMania</i> (dollars)	\$ 44.95	\$ 44.95	— %
<b>Television rights fees</b>	\$ 44.1	\$ 34.0	30 %
Domestic	\$ 30.5	\$ 21.3	43 %
International	\$ 13.6	\$ 12.7	7 %
<b>Other</b>	\$ 1.8	\$ 1.4	29 %
<b>Total Live and Televised Entertainment</b>	<b>\$ 89.5</b>	<b>\$ 79.0</b>	<b>13 %</b>
<b>Ratings</b>			
Average weekly household ratings for <i>RAW</i>	3.3	3.4	(3)%
Average weekly household ratings for <i>SmackDown</i>	2.2	2.2	— %
Average weekly household ratings for <i>WWE Main Event</i>	0.9	N/A	

<b>OIBDA-Live and Televised Entertainment</b> (dollars in millions)	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Live events	\$ 5.6	\$ 5.0	12 %
Venue merchandise	1.7	1.5	13 %
Pay-per-view	8.3	9.7	(14)%
Television rights fees	21.8	15.5	41 %
Other	(2.0)	(1.2)	67 %
<b>Total</b>	<b>\$ 35.4</b>	<b>\$ 30.5</b>	<b>16 %</b>
OIBDA as a percentage of revenues	40%	39%	

Live events revenues increased by \$2.2 million in the current year quarter as compared to the prior year quarter. Revenues from our North America live events business increased \$ 0.5 million or 3% , reflecting increases in average attendance and average ticket prices. These increases were partially offset by eight fewer events held in the current year quarter. Our international live events business revenue increased \$ 1.7 million primarily due to seven additional events held in the current year quarter. This was partially offset by a 26% decline in international ticket prices and a decline in average attendance of 20% in the current year quarter. The decreases in average ticket price and average attendance were due to changes in territory mix as the incremental events in the quarter were concentrated in South Africa, a region that has shown a high proportion of WWE fans, but that has experienced significant economic challenges. In addition, changes in foreign exchange rates contributed to the reduction in average ticket price. The live events OIBDA as a percentage of revenues was 22% in both the current and prior year quarters.

Venue merchandise revenues decreased by \$0.5 million in the current year quarter as compared to the prior year quarter. This decrease is primarily due to a 9% reduction in total domestic attendance, reflecting the change in event mix during the quarter, and an 11% decline in domestic per capita merchandise sales to \$9.53 in the current year quarter. The venue merchandise OIBDA as a percentage of revenues increased to 43% from 33% in the prior year quarter primarily due to a lower material costs.

Pay-per-view revenues decreased by \$ 1.7 million in the current year quarter as compared to the prior year quarter primarily due to the performance of our *SummerSlam* event, as total buys for this event decreased 17%. In addition, the current quarter was negatively impacted by pay-per-view buys related to prior period events. Average revenue per buy declined by 6% to \$19.35 . The pay-per-view OIBDA as a percentage of revenues decreased to 57% from 60% in the prior year quarter primarily due to the aforementioned reduction in revenues.

Television rights fees revenues increased by \$10.1 million in the current year quarter as compared to the prior year quarter. Domestically, television rights fees increased by \$ 9.2 million , primarily due to the production and licensing of new programs. During the current year quarter, we began to produce and license a new television series, *Total Divas*, which is carried on the E! Network. In addition, during October 2012, we licensed a new original series, the *WWE Main Event* which is carried on the ION Television Network. Growth also reflected, to a lesser degree, contractual increases for our existing programs both domestically and internationally. The television rights fees OIBDA as a percentage of revenues increased to 49% from 46% in the prior year quarter.

## Consumer Products

The following tables provide performance results and key drivers for our Consumer Products segment (dollars in millions):

<b>Revenues-Consumer Products</b>	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Licensing	\$ 5.7	\$ 7.1	(20)%
Home entertainment	\$ 5.2	\$ 6.4	(19)%
Gross units shipped	718,200	933,100	(23)%
Magazine publishing	\$ 1.5	\$ 1.6	(6)%
Net units sold	444,700	533,300	(17)%
Other	\$ 1.0	\$ 0.7	43 %
<b>Total</b>	<b>\$ 13.4</b>	<b>\$ 15.8</b>	<b>(15)%</b>

<b>OIBDA-Consumer Products</b>	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Licensing	\$ 3.3	\$ 4.0	(18)%
Home entertainment	1.9	2.5	(24)%
Magazine publishing	0.1	0.2	(50)%
Other	0.1	0.1	— %
<b>Total</b>	<b>\$ 5.4</b>	<b>\$ 6.8</b>	<b>(21)%</b>
OIBDA as a percentage of revenues	40%	43%	

Licensing revenues decreased by \$ 1.4 million in the current year quarter as compared to the prior year quarter. This decrease was primarily due to a 24% reduction in video game shipments that resulted in a \$1.3 million decline in video game royalties. Shipments of the Company's annual franchise video game, *WWE '13*, which was the last release developed by THQ, declined to 178,000 units as compared to 233,000 units for the corresponding game in the prior year quarter. The licensing OIBDA as a percentage of revenues was 58% in the current year quarter compared to 56% in the prior year quarter due to product mix.

Home entertainment revenues decreased by \$ 1.2 million or 19% in the current year quarter as compared to the prior year quarter. Domestic home entertainment revenue fell approximately \$0.8 million, or 15%, reflecting a 23% decline in shipments to 718,200 units with five fewer releases in the quarter. The decline in shipments was partially offset by a 4% increase in the average price per unit to \$11.41. Revenue from international licensing activities declined by approximately \$0.4 million reflecting lower sales in Canada and the transition to a new licensee in the EMEA region. Home entertainment OIBDA as a percentage of revenues was 37% from 39% in the prior year quarter.

Magazine publishing revenues decreased slightly by \$0.1 million to \$1.5 million in the current quarter as compared to the prior year quarter. Net units sold decreased by 17% primarily due to one fewer issue being published in the current year quarter. We published three issues of *WWE Magazine*, two issues of *WWE Kids* magazine and one special issue in the current year quarter compared to three, three and one, respectively, in the prior year quarter. Publishing OIBDA as a percentage of revenues decreased to 7% from 13% in the prior year quarter.

**Digital Media**

The following tables provide performance results for our Digital Media segment (dollars in millions except average revenues per order):

<b>Revenues-Digital Media</b>	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
WWE.com	\$ 5.7	\$ 4.8	19%
WWEShop	2.9	2.7	7%
<b>Total</b>	<b>\$ 8.6</b>	<b>\$ 7.5</b>	<b>15%</b>
Average WWEShop revenues per order (dollars)	\$ 48.87	\$ 47.77	2%

<b>OIBDA-Digital Media</b>	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
WWE.com	\$ 3.1	\$ 3.0	3%
WWEShop	0.5	0.2	150%
<b>Total</b>	<b>\$ 3.6</b>	<b>\$ 3.2</b>	<b>13%</b>
OIBDA as a percentage of revenues	42%	43%	

WWE.com revenues increased by \$ 0.9 million in the current year quarter as compared to the prior year quarter, due to higher sales of advertising and digital content, including the Company's pay-per-view events, across various digital platforms. WWE.com OIBDA as a percentage of revenues decreased to 54% in the current year quarter from 63% in the prior year quarter due to a \$1.1 million increase in staff related expenses due to the hiring of additional personnel.

WWEShop revenues increased by \$0.2 million in the current year quarter as compared to the prior year quarter. The number of on-line merchandise sales increased by 11% to 59,800 and the average revenue per order increased by 2% to \$48.87 . WWEShop OIBDA as a percentage of revenues increased to 17% in the current year quarter from 7% in the prior year quarter due to lower shipping related expenses.

**WWE Studios**

The following table provides detailed information for our WWE Studios' segment (in millions):

Title	Release Date	Production Costs*	Feature Film Production Assets-net as of		For the Three Months Ended September 30,					
			Sept 30, 2013	Inception to-date		Revenue		OIBDA		
				Revenue	OIBDA	2013	2012	2013	2012	
<b>2013</b>										
<i>12 Rounds 2: Reloaded</i>	June 2013	\$ 1.5	\$ 1.4	\$ —	\$ —	\$ —	\$ N/A	\$ —	\$ N/A	
<i>No One Lives</i>	May 2013	2.2	0.5	0.8	(0.9)	0.1	N/A	(0.9)	N/A	
<i>The Call</i>	Mar 2013	1.0	1.0	0.1	0.1	—	N/A	—	N/A	
<i>Dead Man Down</i>	Mar 2013	5.8	1.0	—	(4.7)	—	N/A	—	N/A	
<i>The Marine 3: Homefront</i>	Mar 2013	1.5	1.4	—	—	—	N/A	—	N/A	
		12.0	5.3	0.9	(5.5)	0.1	—	(0.9)	—	
<b>2012</b>										
<i>The Day</i>	Nov 2012	—	—	0.2	0.1	0.2	N/A	—	N/A	
<i>Barricade</i>	Sept 2012	4.1	0.1	1.2	(4.0)	0.1	0.9	(0.3)	(0.5)	
<i>No Holds Barred</i>	July 2012	—	—	0.6	0.3	0.1	0.5	0.1	0.2	
<i>Bending The Rules</i>	Mar 2012	5.5	0.1	1.0	(5.4)	—	(0.4)	(0.7)	(0.4)	
		9.6	0.2	3.0	(9.0)	0.4	1.0	(0.9)	(0.7)	
<b>Prior Releases</b>		106.7	4.1	98.2	(22.9)	1.3	0.9	(4.7)	(0.3)	
Completed but not released		4.4	4.4	—	—	—	—	—	—	
In production		2.4	2.4	—	—	—	—	—	—	
In development		0.8	0.8	—	(4.1)	—	—	—	(0.5)	
<b>Sub-total</b>		\$ 135.9	\$ 17.2	\$ 102.1	\$ (41.5)	\$ 1.8	\$ 1.9	\$ (6.5)	\$ (1.5)	
Selling, General & Administrative Expenses								(0.9)	(0.5)	
<b>Total</b>								\$ (7.4)	\$ (2.0)	

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

WWE Studios revenues decreased \$0.1 million in the current year quarter as compared to the prior year quarter. The decrease in revenue is attributable to the timing of recognizing revenue from our movie portfolio. During the current year quarter, we did not release any feature films as compared to the prior year quarter in which we released two feature films, *Barricade* and *No Holds Barred*. OIBDA decreased \$5.4 million in the current year quarter as compared to the prior year quarter, primarily as a result of recording impairment charges totaling \$7.0 million in the current year quarter associated with the recent performance of movies released over the 2010 through 2012 period. This decrease was partially offset by lower amortization expense in the current quarter as compared to the prior year quarter.

At September 30, 2013, the Company had \$17.2 million (net of accumulated amortization and impairment charges) of feature film production assets capitalized on its Consolidated Balance Sheet of which \$9.6 million relates to films completed and in release and \$7.6 million relates to various films not yet released. We review and revise estimates of ultimate revenue and participation costs at the end of 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 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.

### **Unallocated Corporate Expenses**

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

	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Staff related	\$ 12.4	\$ 11.9	4 %
Management incentive compensation	0.5	2.6	(81)%
Legal, accounting and other professional	4.9	3.6	36 %
Travel and entertainment expense	1.3	1.0	30 %
Advertising, marketing and promotion	1.3	1.2	8 %
Corporate insurance	1.2	0.9	33 %
Bad debt (recovery) expense	(0.2)	0.3	(167)%
All other	5.9	6.7	(12)%
Total unallocated corporate expenses	<b>\$ 27.3</b>	<b>\$ 28.2</b>	<b>(3)%</b>
Unallocated corporate expenses as a percentage of net revenues	24%	27%	

Unallocated corporate expenses decreased by \$0.9 million or 3% in the current year quarter compared to the prior year quarter. This was primarily due to a decrease in management incentive compensation in the current quarter of \$2.1 million, reflecting amounts expected to be paid based on the Company's operating performance and by a \$0.5 million reduction in bad debt expense. These items were partially offset by a \$1.3 million increase in consulting and professional fees and a \$0.5 million increase salary and benefits.

### **Depreciation and Amortization**

(dollars in millions)

	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Depreciation and amortization	\$ 6.5	\$ 5.3	23%

Depreciation and amortization expense increased by \$1.2 million, or 23%, in the current year quarter compared to the prior year quarter. Depreciation expense for the current year quarter reflects higher property and equipment balances to support our content initiatives including efforts to launch a potential network.

### **Investment Income, Interest Expense and Other Income, Net**

(dollars in millions)

	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Investment income, interest expense and other income, net	\$ 0.1	\$ —	100%

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Investment income, interest expense and other income, net yielded income of \$0.1 million in the current year quarter, which includes expenses associated with other non-income taxes, disposal of property and equipment and realized foreign exchange gains (losses).

**Income Taxes**

(dollars in millions)

	<b>Three Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Provision for income taxes	\$ 0.9	\$ 1.5	(40)%
Effective tax rate	27%	30%	

The current year period effective tax rate was positively impacted by the recognition of \$0.4 million of previously unrecognized tax benefits related to various statutes of limitations expiring.

**Results of Operations***Nine Months Ended September 30, 2013 compared to Nine Months Ended September 30, 2012**(dollars in millions)***Summary**

	<b>Nine Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
<b><u>Net Revenues</u></b>			
Live and Televised Entertainment	\$ 294.7	\$ 271.8	8 %
Consumer Products	62.3	67.4	(8)%
Digital Media	26.8	22.4	20 %
WWE Studios	5.8	7.3	(21)%
<b>Total</b>	<b>389.6</b>	<b>368.9</b>	<b>6 %</b>
<b><u>OIBDA</u></b>			
Live and Televised Entertainment	95.3	99.3	(4)%
Consumer Products	36.5	37.6	(3)%
Digital Media	7.0	6.8	3 %
WWE Studios	(12.8)	(4.3)	198 %
Unallocated Corporate Expenses	(90.1)	(84.7)	6 %
<b>Total</b>	<b>35.9</b>	<b>54.7</b>	<b>(34)%</b>
OIBDA as a percentage of revenues	9%	15%	
Depreciation and amortization expense	17.8	14.0	27 %
Operating income	18.1	40.7	(56)%
Investment and other expense, net	(1.6)	(0.4)	300 %
Income before income taxes	16.5	40.3	(59)%
Provision for income taxes	5.8	9.5	(39)%
<b>Net income</b>	<b>\$ 10.7</b>	<b>\$ 30.8</b>	<b>(65)%</b>

The comparability of our results for the current year period was impacted by \$11.7 million of impairment charges related to our film portfolio, including \$4.7 million and \$0.9 million, for *Dead Man Down* and *No One Lives*, respectively, which were current year releases and an approximate \$3.4 million positive impact from the transition of our video game to a new licensee. In the prior year period, our results were impacted by a \$0.8 million impairment charge related to our feature film, *Bending the Rules*, and the recognition of a \$4.2 million benefit due to previously unrecognized tax benefits.

Our Live and Televised Entertainment segment revenues increased 8% primarily due to a \$20.7 million increase in our television rights business. Our Consumer Products segment experienced an 8% decrease in revenues primarily driven by a \$4.2 million decline in our home entertainment business. Our Digital Media segment experienced a 20% increase in revenues, primarily driven by higher sales of online advertising. Our WWE Studios segment experienced a 21% decline in revenues which reflected the timing of recognizing revenue from our movie portfolio.

## Live and Televised Entertainment

The following tables present the performance results and key drivers for our Live and Televised Entertainment segment:

<b>Revenues- Live and Televised Entertainment</b> millions except where noted)	__(dollars in	Nine Months Ended		increase (decrease)
		September 30, 2013	September 30, 2012	
Live events	\$	86.1	\$ 80.4	7 %
North America	\$	67.6	\$ 58.2	16 %
International	\$	18.5	\$ 22.2	(17)%
Total live event attendance		1,483,700	1,430,400	4 %
Number of North American events		204	196	4 %
Average North American attendance		6,100	5,900	3 %
Average North American ticket price (dollars)	\$	49.63	\$ 45.57	9 %
Number of international events		39	43	(9)%
Average international attendance		6,300	6,200	2 %
Average international ticket price (dollars)	\$	69.92	\$ 75.96	(8)%
Venue merchandise	\$	16.0	\$ 15.0	7 %
Domestic per capita spending (dollars)	\$	10.65	\$ 10.75	(1)%
Pay-per-view	\$	66.8	\$ 70.6	(5)%
Number of pay-per-view events		8	9	(11)%
Number of buys from pay-per-view events		3,056,400	3,371,000	(9)%
Average revenue per buy (dollars)	\$	21.80	\$ 20.71	5 %
Domestic retail price <i>WrestleMania</i> (dollars)	\$	59.95	\$ 54.95	9 %
Domestic retail price excluding <i>WrestleMania</i> (dollars)	\$	44.95	\$ 44.95	—
Television rights fees	\$	119.6	\$ 98.9	21 %
Domestic	\$	78.5	\$ 60.6	30 %
International	\$	41.1	\$ 38.3	7 %
Other	\$	6.2	\$ 6.9	(10)%
Total live and televised entertainment	\$	294.7	\$ 271.8	8 %
Ratings				
Average weekly household ratings for <i>RAW</i>		3.4	3.5	(3)%
Average weekly household ratings for <i>SmackDown</i>		2.2	2.1	5 %
Average weekly household ratings for <i>WWE Main Event</i>		0.9	N/A	

<b>OIBDA-Live and Televised Entertainment</b> (dollars in millions)	<b>Nine Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Live events	\$ 26.5	\$ 22.4	18 %
Venue merchandise	6.2	5.3	17 %
Pay-per-view	24.7	37.1	(33)%
Television rights fees	46.4	38.0	22 %
Other	(8.5)	(3.5)	143 %
<b>Total</b>	<b>\$ 95.3</b>	<b>\$ 99.3</b>	<b>(4)%</b>
OIBDA as a percentage of revenues	32%	37%	

Live events revenues increased by \$5.7 million in the current year period as compared to the prior year period. Revenues from our North America live events business increased \$9.4 million or 16% due in part, to a strong performance of our annual *WrestleMania* event which contributed \$3.6 million in incremental ticket revenue in the current year period as compared to the prior year period. In addition, we held 8 more events and experienced a 9% increase in average ticket prices in the current period. Our international live events business decreased \$3.7 million primarily due to 4 fewer events held in the current year period and a 8% decrease in average ticket prices which was partially offset by a 2% increase in average attendance. The increase in average attendance was due to strong attendance at the events held during our European tour in the current year period relative to attendance at the events held during our European and Latin America tours in the prior period. The live events OIBDA as a percentage of revenues was 31% in the current year period compared to 28% in the prior year period.

Venue merchandise revenues increased by \$1.0 million in the current year period as compared to the prior year period. Increased sales of merchandise at our domestic and Canadian events were partially offset by lower international licensing revenues. Total paid attendance at our domestic events increased 6% while per capita merchandise spend at those events decreased 1% to \$10.65 in the current year period. The venue merchandise OIBDA as a percentage of revenues increased to 39% from 35% in the prior year period.

Pay-per-view revenues decreased by \$3.8 million in the current year period as compared to the prior year period, as we held one fewer pay-per-view event in the current year period. This decrease was partially offset by a 5% increase in average revenue per buy from the prior year period due, in part, to an increase in the domestic retail price charged for viewing *WrestleMania* and higher retail prices charged for viewing our events in high definition. The pay-per-view OIBDA as a percentage of revenues decreased to 37% from 53% in the prior year period due primarily to an additional \$4.7 million in talent related expenses.

Television rights fees revenues increased by \$20.7 million in the current year period as compared to the prior year period. Domestically, television rights fees increased by \$17.9 million, primarily due to the production and licensing of new programs. During the third quarter of 2013, we debuted a new television series, *Total Divas*, which is carried on the E! Network. In addition, during the second half of the prior year, we began to produce and license an additional hour of *RAW* to the USA Network, as well license an original series, *WWE Main Event* which is carried on the ION Television Network. The television rights fees OIBDA as a percentage of revenues increased slightly to 39% from 38% in the prior year period.

Other Live and Televised OIBDA was a loss of \$8.5 million in the current year period as compared to a loss of \$3.5 million in the prior year period. This increase is a result of additional expenses associated with talent compensation and travel related costs.

## Consumer Products

The following tables present the performance results and key drivers for our Consumer Products segment (dollars in millions):

	Nine Months Ended		increase (decrease)
	September 30, 2013	September 30, 2012	
<b>Revenues-Consumer Products</b>			
Licensing	\$ 36.4	\$ 37.9	(4)%
Home entertainment	\$ 19.2	\$ 23.4	(18)%
Gross units shipped	2,900,200	2,600,300	12 %
Magazine publishing	\$ 4.4	\$ 4.3	2 %
Net units sold	1,427,400	1,491,700	(4)%
Other	\$ 2.3	\$ 1.8	28 %
<b>Total</b>	<b>\$ 62.3</b>	<b>\$ 67.4</b>	<b>(8)%</b>

	Nine Months Ended		increase (decrease)
	September 30, 2013	September 30, 2012	
<b>OIBDA-Consumer Products</b>			
Licensing	\$ 27.7	\$ 25.8	7 %
Home entertainment	8.2	11.3	(27)%
Magazine publishing	0.3	0.2	50 %
Other	0.3	0.3	— %
<b>Total</b>	<b>\$ 36.5</b>	<b>\$ 37.6</b>	<b>(3)%</b>
OIBDA as a percentage of revenues	59%	56%	

Licensing revenues decreased by \$1.5 million in the current year period as compared to the prior year period. The current year period reflected an estimated \$2.0 million positive impact associated with the bankruptcy of our former video game licensee, THQ, and the transition to a new video game licensee, Take-Two Interactive. This positive impact was offset by lower revenue from video game, and other products, with the aggregate decline from our international markets during the current period as compared to the prior year period. As a result of THQ's bankruptcy, we did not collect or recognize a portion of anticipated royalties due in the nine months ended 2013. Therefore, despite the positive impact of the transition of our video game license on revenue and income in the first quarter, WWE incurred an estimated economic loss of approximately \$3.0 million stemming from foregone video game receipts. Overall, sales of our video game declined approximately 26% due in part to lower effective pricing from the prior year period. The licensing OIBDA as a percentage of revenues was 76% in the current year period compared to 68% in the prior year period partially as a result of product mix.

Home entertainment revenues decreased by \$4.2 million or 18% in the current year period as compared to the prior year period. Domestic home entertainment revenue fell approximately \$2.2 million, or 11%, as a 12% increase in shipments to 2.9 million units was more than offset by lower sell-through rates and a 5% decline in the average price per unit to \$10.34. Revenue from our international licensing activities declined by approximately \$2.0 million reflecting lower sales in Canada and the transition to a new licensee in the EMEA region. OIBDA decreased by 27% primarily due to the decline in revenues and cost of revenues which declined by \$0.9 million as a result of lower distribution and fulfillment costs from the prior year period. Home entertainment OIBDA as a percentage of revenues decreased to 43% in the current year period compared to 48% in the prior year period.

Magazine publishing revenues increased slightly by \$0.1 million in the current year period as compared to the prior year period. Net units sold decreased by 4% primarily due to the decline in the number of issues published. We published nine issues of *WWE Magazine*, seven issues of *WWE Kids* magazine and two special issues in the current year period as compared to nine, eight and

two, respectively, in the prior year period. OIBDA increased slightly by \$0.1 million while cost of revenues remained flat. Publishing OIBDA as a percentage of revenues was 7% in the current period compared to 5% in the prior year period.

## Digital Media

The following tables present the performance results for our Digital Media segment (dollars in millions except where noted):

<b>Revenues-Digital Media</b>	<b>Nine Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
WWE.com	\$ 17.3	\$ 13.5	28%
WWEShop	9.5	8.9	7%
<b>Total</b>	<b>\$ 26.8</b>	<b>\$ 22.4</b>	<b>20%</b>
Average WWEShop revenues per order (dollars)	\$ 48.23	\$ 48.04	—%

<b>OIBDA-Digital Media</b>	<b>Nine Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
WWE.com	\$ 5.3	\$ 5.6	(5)%
WWEShop	1.7	1.2	42 %
<b>Total</b>	<b>\$ 7.0</b>	<b>\$ 6.8</b>	<b>3 %</b>
OIBDA as a percentage of revenues	26%	30%	

WWE.com revenues increased by \$ 3.8 million in the current year period as compared to the prior year period due to higher sales of advertising across various digital platforms. Additionally, webcast revenue as it relates to pay-per-view programming increased by \$0.9 million. WWE.com OIBDA as a percentage of revenues decreased to 31% in the current year period from 41% in the prior year period due to hiring of new personnel to support increased programming.

WWEShop revenues increased by \$0.6 million in the current year period compared to the prior year period, driven by a 7% increase in the number of orders to 195,900 . Average revenue per order essentially remained flat at \$48.23 . WWEShop OIBDA as a percentage of revenues increased to 18% in the current year period from 13% in the prior year period due to lower shipping related expenses.



**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		For the Nine Months Ended September 30,					
			Sept 30, 2013	Inception to-date	Revenue		OIBDA			
				Revenue	OIBDA	2013	2012	2013	2012	
<b>2013</b>										
<i>12 Rounds 2: Reloaded</i>	June 2013	\$ 1.5	\$ 1.4	\$ —	\$ —	\$ —	\$ N/A	\$ —	\$ N/A	
<i>No One Lives</i>	May 2013	2.2	0.5	0.8	(0.9)	0.8	N/A	(0.9)	N/A	
<i>The Call</i>	Mar 2013	1.0	1.0	0.1	0.1	0.1	N/A	0.1	N/A	
<i>Dead Man Down</i>	Mar 2013	5.8	1.0	—	(4.7)	—	N/A	(4.7)	N/A	
<i>The Marine 3: Homefront</i>	Mar 2013	1.5	1.4	—	—	—	N/A	—	N/A	
		<u>12.0</u>	<u>5.3</u>	<u>0.9</u>	<u>(5.5)</u>	<u>0.9</u>	<u>—</u>	<u>(5.5)</u>	<u>—</u>	
<b>2012</b>										
<i>The Day</i>	Nov 2012	—	—	0.2	0.1	0.2	N/A	0.1	N/A	
<i>Barricade</i>	Sept 2012	4.1	0.1	1.2	(4.0)	0.4	0.9	(0.5)	(0.5)	
<i>No Holds Barred</i>	July 2012	—	—	0.6	0.3	0.2	0.5	0.2	0.2	
<i>Bending The Rules</i>	Mar 2012	5.5	0.1	1.0	(5.4)	0.1	0.9	(0.7)	(1.4)	
		<u>9.6</u>	<u>0.2</u>	<u>3.0</u>	<u>(9.0)</u>	<u>0.9</u>	<u>2.3</u>	<u>(0.9)</u>	<u>(1.7)</u>	
<b>Prior Releases</b>		<u>106.7</u>	<u>4.1</u>	<u>98.2</u>	<u>(22.9)</u>	<u>4.0</u>	<u>5.0</u>	<u>(3.9)</u>	<u>(0.1)</u>	
Completed but not released		4.4	4.4	—	—	—	—	—	—	
In production		2.4	2.4	—	—	—	—	—	—	
In development		0.8	0.8	—	(4.1)	—	—	—	(1.2)	
<b>Sub-total</b>		<u>\$ 135.9</u>	<u>\$ 17.2</u>	<u>\$ 102.1</u>	<u>\$ (41.5)</u>	<u>\$ 5.8</u>	<u>\$ 7.3</u>	<u>(10.3)</u>	<u>(3.0)</u>	
Selling, General & Administrative Expenses								(2.5)	(1.3)	
<b>Total</b>								<u>\$ (12.8)</u>	<u>\$ (4.3)</u>	

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

During the current 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. Third-party distributors control the distribution and marketing of these 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 these films.

WWE Studios revenues decreased \$1.5 million in the current year period as compared to the prior year period. The decrease in revenue is primarily attributable to the timing of our film releases and change in our distribution model. In the prior year period, we recognized \$3.6 million in revenue from our licensed film, *12 Rounds*, which was released in 2009. In addition, the decline reflected the timing of recognizing revenue from our movie portfolio. There were five feature films released in the current year period compared to three films released in the prior year period. Although there were five feature films released in the current year period, revenues for these films will be recognized on a net basis as participation statements are received rather than upon release as was the case with our self-distributed movie, *Bending the Rules*, in the prior year period. WWE Studios OIBDA decreased \$8.5



million in the current year period as compared to the prior year period, primarily as a result of recording impairment charges of \$11.7 million in the current year period compared to \$0.8 million in the prior year period. In the current year period, the Company recorded impairments for our current year releases, *Dead Man Down* and *No One Lives*, plus additional impairments associated with our self-distributed portfolio driven by the recent performance of these titles. This decrease was partially offset by lower amortization expense in the current year period as compared to the prior year period.

At September 30, 2013, the Company had \$17.2 million (net of accumulated amortization and impairment charges) of feature film production assets capitalized on its Consolidated Balance Sheet of which \$9.6 million relates to films completed and in release and \$7.6 million relates to various films not yet released. We review and revise estimates of ultimate revenue and participation costs at the end of 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 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.

### **Unallocated Corporate Expenses**

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

	<b>Nine Months Ended</b>		<b>increase (decrease)</b>
	<b>September 30, 2013</b>	<b>September 30, 2012</b>	
Staff related	\$ 39.6	\$ 36.1	10 %
Management incentive compensation	5.3	7.0	(24)%
Legal, accounting and other professional	15.0	12.0	25 %
Travel and entertainment expense	3.7	3.2	16 %
Advertising, marketing and promotion	4.3	3.2	34 %
Corporate insurance	3.1	2.9	7 %
Bad debt (recovery) expense	(0.4)	1.2	(133)%
All other	19.5	19.1	2 %
Total unallocated corporate expenses	<u>\$ 90.1</u>	<u>\$ 84.7</u>	6 %
Unallocated corporate as a percentage of net revenues	23%	23%	

Unallocated corporate expenses increased by \$5.4 million or 6% in the current year period compared to the prior year period. This was primarily due to increases in staff related expenses of \$3.5 million, professional fees of \$3.0 million, marketing expenses of \$1.1 million and talent development costs. The increases in these expenses were primarily to support our content related initiatives, including the potential launch of a WWE network. These increases were partially offset by \$1.7 million lower management incentive compensation reflecting amounts expected to be paid based on the Company's operating performance and a \$1.6 million reduction in bad debt expense.

**Depreciation and Amortization**

(dollars in millions)

	Nine Months Ended		increase (decrease)
	September 30, 2013	September 30, 2012	
Depreciation and amortization	\$ 17.8	\$ 14.0	27%

Depreciation and amortization expense increased by \$3.8 million , or 27% , in the current year period compared to the prior year period. Depreciation expense for the current year period reflects higher property and equipment balances to support our emerging content and distribution efforts, including a potential network.

**Investment Income, Interest and Other Expense, Net**

(dollars in millions)

	Nine Months Ended		increase (decrease)
	September 30, 2013	September 30, 2012	
Investment income, interest and other expense, net	\$ (1.6)	\$ (0.4)	300%

Investment income, interest and other expense, net yielded an expense of \$1.6 million compared to \$0.4 million in the prior year period, reflecting lower interest income, incremental expenses associated with realized foreign exchange losses and losses incurred with the disposal of property and equipment in the current year period as compared to the prior year period.

**Income Taxes**

(dollars in millions)

	Nine Months Ended		increase (decrease)
	September 30, 2013	September 30, 2012	
Provision for income taxes	\$ 5.8	\$ 9.5	(39)%
Effective tax rate	36%	24%	

The prior year period effective tax rate was positively impacted by the recognition of \$4.2 million of previously unrecognized tax benefits, primarily related to the settlement of various audits, including the State of Connecticut, the IRS, and other state and local jurisdictions.

**Liquidity and Capital Resources**

We had cash and short-term investments of \$114.8 million and \$152.4 million as of September 30, 2013 and December 31, 2012, respectively. Our short-term investments consist primarily of corporate bonds and municipal bonds, including pre-refunded municipal bonds. Our debt balance totaled \$29.4 million as of September 30, 2013 . This debt is related to the financing of our newly purchased corporate aircraft. We had no debt outstanding at December 31, 2012.

In August 2013, we entered into seven year secured promissory note ("the Note") loan with RBS Asset Finance, Inc. for \$31.6 million in order to finance the purchase of a 2007 Bombardier Global 5000 jet. The Note bears interest at a rate of 2.18% per annum, is payable in monthly installments of \$406 beginning in September 2013 and has a final maturity of August 7, 2020. This aircraft will replace the Company's current corporate aircraft after the refurbishment of the purchased aircraft is completed. The purchase price was \$27.0 million and after certain improvements, the total price is expected to be approximately \$32.0 million. The Company expects to market the current aircraft for sale after the refurbishment of the purchased aircraft and our current aircraft.

We believe that cash provided from operations, existing cash and investment balances and funds available from our revolving credit facility are sufficient to meet our operating requirements over the next 12 months. This includes cash requirements for

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dividend payments, feature film production requirements, projected capital expenditures, and additional operational costs associated with our increased content production and distribution initiatives including a potential network.

For the remainder of 2013, we anticipate spending between \$10.0 million and \$15.0 million on the purchases of property and equipment and other assets.

### ***Borrowing Capacity***

In April 2013, we amended and restated our existing \$200.0 million revolving credit facility with a syndicated group of banks, with JPMorgan Chase, as administrative agent. Under the terms of the amended agreement, (i) the maturity of our original \$200.0 million revolving credit facility 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. We have no outstanding borrowings under the credit facility for the periods presented and are currently in compliance with the provisions of the revolving credit facility and are not restricted from paying dividends to our stockholders. At September 30, 2013, the Company estimates its available debt capacity under the terms of the revolving credit facility to be approximately \$120,000.

While we do not have specific plans to borrow under our credit facility in the near term, we have announced initiatives for which we may borrow in the future, including the potential expansion and update of our production facilities. We may also pursue strategic investments and acquisitions in support of our growth initiative. In addition to the revolving credit facility, the Company continually evaluates financing options that are cost effective and that will add to the Company's financial flexibility.

### **Cash Flows from Operating Activities**

Cash flows generated from operating activities were \$12.2 million for the nine months ended September 30, 2013 compared to \$41.0 million for the corresponding period in the prior year. This \$28.8 million decrease was primarily driven by changes in working capital including an \$11.0 million increase in the annual payout of management incentive compensation related to the Company's previous year performance, increases in spending on television production assets, and timing differences in the collection of receivables that negatively impacted current year cash flow as compared to the prior year.

In the current year period, we spent \$8.6 million on feature film production activities, compared to \$7.5 million in the prior year period. In the current year period, we received \$0.9 million in incentives related to feature film productions. In the prior year period, we received \$1.6 million in incentives related to feature film production. We anticipate spending between \$5.0 million and \$7.0 million on feature film production activities during the remainder of the current year.

We recognized \$10.2 million in non-film related incentives in the current year period and \$8.0 million in the prior year period. We anticipate receiving approximately \$3.0 million to \$4.0 million in non-film related incentives, including credits associated with qualifying capital projects for the remainder of the year.

During the current year period, the Company spent \$8.7 million to produce additional content for television, compared to \$5.5 million in the prior year period. We anticipate spending approximately \$2.0 million to \$3.0 million to produce additional 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. At September 30, 2013, we had no single customer balance that represented 10% 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.

In February 2013, the Company and THQ reached an agreement to terminate its video game license, which agreement was approved by the U.S. Bankruptcy Court on February 19, 2013. In connection with this termination, the Company waived its rights to the pre-petition amounts due under its license agreement with THQ, and THQ agreed to transfer certain intellectual property rights to WWE.

In connection with the THQ license termination, the Company recognized \$8.0 million of revenue during the first quarter of 2013 related to the unrecognized portion of an advance received when the Company entered into the license agreement with THQ in 2009. As a result of THQ's bankruptcy, we did not collect or recognize a portion of anticipated royalties estimated between



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\$4.0 million and \$5.0 million; this loss did not have a material adverse effect on our business, financial condition or results of operations.

Upon termination of the agreement with THQ, the Company entered into a five-year agreement with Take-Two to be the Company's video game licensee. Take-Two assumed distribution of our existing catalog of video games and will develop and publish future titles, including the release of the Company's annual franchise game WWE 2K14.

### Cash Flows from Investing Activities

Cash flows used in investing activities increased by \$30.7 million to \$43.8 million for the nine months ended September 30, 2013 as compared to the prior year periods, primarily as a result of the Company's purchase of a corporate aircraft, including related improvements of nearly \$30 million.

### Cash Flows from Financing Activities

Cash flows generated from financing activities was \$2.6 million for the nine months ended September 30, 2013 compared to a use of cash of \$27.7 million for the prior year period. The current year period reflects \$29.7 million in proceeds from the issuance of a note payable related to the purchase of a corporate aircraft. There was no similar financing in the prior year period.

### ***Contractual Obligations***

On August 7, 2013, the Company entered into a \$31.6 million promissory 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 \$0.4 million beginning in 2013 and has a final maturity of August 7, 2020. The Note may be prepaid in whole but not in part after August 7, 2015. Prepayments prior to August 7, 2016 carry a prepayment penalty of 2.0% of the prepaid amount; between August 8, 2016 and August 7, 2018 carry a prepayment penalty of 1.0% of the prepaid amount; and thereafter carry no prepayment penalty. See Note 10 of the Consolidated Financial Statements for the repayment schedule. There have been no other significant changes to the guaranteed payments referred to in *Management's Discussion and Analysis of Financial Conditions and Results of Operations - Contractual Obligations* in our Report on Form 10-K for our fiscal year ended December 31, 2012.

### ***Application of Critical Accounting Policies***

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, 2012 or in the methodology used in formulating these significant judgments and estimates that affect the application of these policies.

### ***Recent Accounting Pronouncements***

There are no accounting standards or interpretations that have been issued, but which we have not yet adopted, that we believe will have a material impact on our 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 increasing our content production for distribution on various platforms including the potential creation of a WWE network; (ii) our failure to maintain or renew key agreements could adversely affect our ability

to distribute our television and pay-per-view programming; (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) decline in general economic conditions and disruption in financial markets could adversely affect our business; (vii) 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; (viii) 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; (ix) changes in the regulatory atmosphere and related private sector initiatives could adversely affect our business; (x) 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; (xi) we face uncertainties associated with international markets; (xii) we may be prohibited from promoting and conducting our live events if we do not comply with applicable regulations; (xiii) 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; (xiv) we could incur substantial liabilities if litigation is resolved unfavorably; (xv) we could incur substantial liability in the event of accidents or injuries occurring during our physically demanding events; (xvi) our live events expose us to risks relating to large public events as well as travel to and from such events; (xvii) we continue to face risks inherent in our feature film business; (xviii) we could face a variety of risks if we expand into new or complementary businesses and/or make strategic investments; (xix) risks related to our computer systems and online operations; (xx) 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; (xxi) 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 (xxii) 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, 2012.

### **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, 2013. No change in internal control over financial reporting occurred during the quarter ended September 30, 2013, that materially affected, or is reasonably likely to materially affect, such internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

We are involved in several 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 its pending 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 that 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, 2012.

**Item 6. Exhibits**

**(a.) Exhibits**

10.15 Loan and Aircraft Security Agreement, dated August 7, 2013, and related exhibits and schedules (incorporated by reference to Exhibit 10.15 to the Company's Current Report on Form 8-K, filed August 12, 2013).

10.16 Promissory Note, dated August 7, 2013 (incorporated by reference to Exhibit 10.16 to the Company's Current Report on Form 8-K, filed August 12, 2013).

10.17 Booking Agreement, dated October 7, 2013, between the company and Stephanie McMahon Levesque (filed herewith).\*

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 compensatory 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 31, 2013

By: /s/ George A. Barrios  
George A. Barrios  
*Chief Financial Officer*  
*(principal financial and accounting officer*  
*and authorized signatory)*

**WORLD WRESTLING ENTERTAINMENT, INC.  
BOOKING CONTRACT**

This World Wrestling Entertainment, Inc. Booking Contract (“Agreement”) is **made effective as of October 7, 2013** (“Effective Date”), by and between WORLD WRESTLING ENTERTAINMENT, INC., a Delaware corporation, with its principal place of business at 1241 East Main Street, Stamford, Connecticut 06902 (hereinafter referred to as “PROMOTER”), and STEPHANIE MCMAHON-LEVESQUE, with a business address c/o 1241 East Main Street, Stamford, Connecticut 06902 (hereinafter referred to as “WRESTLER”).

**PREMISES**

WHEREAS, PROMOTER is duly licensed, as required, to conduct professional wrestling exhibitions and is actually engaged in the business throughout the world of organizing, publicizing, arranging, staging, conducting professional wrestling exhibitions and/or Events, as defined below, and representing professional wrestlers in the promotion and exploitation of a professional wrestler's name, likeness and personality; and

WHEREAS, PROMOTER has established a worldwide network of television stations which regularly broadcast PROMOTER's wrestling programs for purposes of publicizing PROMOTER's professional wrestling exhibitions and/or Events, as defined below, and PROMOTER has established a network of cable, satellite and internet organizations which regularly broadcast, transmit, stream and exhibit PROMOTER's professional wrestling Events on a pay-per-view and subscription basis; and in addition thereto, PROMOTER has developed and produced certain other television programs, which are also used to publicize, display and promote PROMOTER's professional wrestling exhibitions; and

WHEREAS, PROMOTER's business operations afford WRESTLER opportunities to wrestle and obtain public exposure which will increase the value of her wrestling services and her standing in the professional wrestling community and entertainment industry; and

WHEREAS, WRESTLER is duly licensed, as required, to engage in professional wrestling exhibitions and/or Events, as defined below, and is actually engaged in the business of performing as a professional wrestler; and

WHEREAS, WRESTLER is a performing artist and the professional wrestling exhibitions arranged by PROMOTER constitute demonstrations of wrestling skills and abilities designed to provide athletic-styled entertainment to the public, and such professional wrestling exhibitions and Events constitute entertainment and are not competitive sports; and

WHEREAS, WRESTLER desires PROMOTER to arrange professional wrestling exhibitions and/or Events, as defined below, for WRESTLER and to assist WRESTLER in obtaining public exposure through live exhibitions, television programs, public appearances, and merchandising activities, or otherwise;

NOW THEREFORE, in consideration of the mutual promises and agreements as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound, do hereby agree as follows:

**1. BOOKING**

1.1 WRESTLER hereby grants exclusively to PROMOTER, and PROMOTER hereby accepts, the following worldwide rights:

(a) During the Term, the exclusive worldwide rights to WRESTLER's services, appearances, and/or performances in the entertainment industry. Without limiting the generality of the foregoing, such worldwide rights shall include, without limitation, the right to engage WRESTLER's services, appearances, and/or performances in: (i) those professional wrestling matches designated by PROMOTER and those other events, engagements, appearances, filmings, photography shoots, autograph signings and other business and charitable events designated by WWE relating to professional wrestling or sports entertainment, whether or not staged before a live audience, in a television broadcast studio, on location or otherwise (collectively, the "Events"); and (ii) all other events, engagements, appearances, filmings, photography shoots, autograph signings and other business and charitable events that are not related to professional wrestling or sports entertainment in connection with movies, films, commercials, product endorsements, videos, television programs, radio, magazines, books, theatre, Internet or any other media in the entertainment industry (collectively, "Other Appearances"). Pursuant to Section 13.5 herein and during the Term of this Agreement, WRESTLER acknowledges and agrees that PROMOTER, in its sole discretion, shall have the right to assign WRESTLER's obligations under this Agreement for any period of time as PROMOTER sees fit to other promoters in order to enhance or improve WRESTLER's overall wrestling abilities, in-ring skills, conditioning, or other attributes deemed necessary by PROMOTER.

(b) During the Term and thereafter as provided for in this Agreement, the right to sell or otherwise distribute tickets of admission to the general public for viewing of any or all of the Events that include the performance or appearance of WRESTLER, as well as the right to exhibit, broadcast and transmit the Footage, as defined in Section 2.1, via closed circuit transmission, pay-per-view transmission, subscription transmission (e.g., subscription video on demand), video on demand transmission, video exhibition, or any other medium now known or hereinafter discovered.

(c) During the Term of this Agreement and thereafter as provided for in this Agreement, the right to solicit, negotiate, and enter into agreements for and on behalf of WRESTLER for the exploitation of WRESTLER Intellectual Property, as defined herein below, through any means whatsoever including internet websites, merchandising, commercial tie-ups, publishing, personal appearances, performances in non-wrestling events, and endorsements.

1.2 In consideration of WRESTLER's granting of rights, license and other services, as set forth herein, and provided WRESTLER faithfully and fully performs all obligations hereunder, PROMOTER shall endeavor to book WRESTLER as an individual or as a member of a group, which determination shall be made in PROMOTER's sole discretion, in wrestling matches and at various Events.

## **2. WORKS**

2.1 WRESTLER hereby grants to PROMOTER the exclusive right during the Term to video tape, film, photograph, or otherwise record, or to authorize others to do so, by any media now known or hereinafter discovered, WRESTLER's appearance, performance, commentary, and any other work product for or related to the Events or for or related to any and all of the services performed by WRESTLER pursuant to the terms herein. (These recordings by tape, film, photograph, disc, or otherwise are collectively referred to herein as the "Footage").

2.2 Notwithstanding the termination of this Agreement for any reason, and notwithstanding any other provision of this Agreement, PROMOTER shall have the right to produce, reproduce, reissue, manipulate, reconfigure, license, manufacture, record, perform, exhibit, broadcast, or otherwise disseminate the Footage in perpetuity by any form of media, now or hereafter devised (including without limitation, free, cable, pay cable, closed circuit and pay-per-view television, the internet, video on demand, and subscription video on demand).

2.3 WRESTLER's appearance, performance and work product in connection in any way with the Events, Footage, WRESTLER's services and the rights granted herein shall be deemed work for hire; and notwithstanding the termination of this Agreement, PROMOTER shall own, in perpetuity, all Footage and all of the rights, results, products and proceeds in and to, or derived from the Events, Footage, WRESTLER's services and the rights granted herein (including without limitation, all incidents, dialogue, characters, actions, routines, ideas, gags, costumes or parts of costumes, accessories, crowns, inventions, championship, title or other belts (if applicable), and any other tangible or intangible materials written, composed, submitted, added, improvised, or created by or for WRESTLER in connection with the Events, Footage, WRESTLER's services and the rights granted herein) and PROMOTER may obtain copyright and/or trademark and/or any other legal protection therefor, now known or hereinafter discovered, in the name of PROMOTER and/or on behalf of PROMOTER's designee.

2.4 If PROMOTER directs WRESTLER, either singly or in conjunction with PROMOTER, to create, design or develop any copyrightable work (herein referred to as a "Development"), such Development shall be deemed work for hire and PROMOTER shall own such Development. All Footage and Developments referred to in this Agreement are collectively referred to as "Works".

2.5 All Works and WRESTLER's contributions thereto shall belong solely and exclusively to PROMOTER in perpetuity notwithstanding any termination of this Agreement. To the extent that such Works are considered: (i) contributions to collective works, (ii) a compilation, (iii) a supplementary work and/or (iv) as part or component of a motion picture or other audio-visual work, the parties hereby expressly agree that the Works shall be considered "works made for hire" under the United States Copyright Act of 1976, as amended (17 U.S.C. § 101 et seq.). In accordance therewith, all rights in and to the Works shall belong exclusively to PROMOTER in perpetuity, notwithstanding any termination of this Agreement. To the extent that such Works are deemed works other than "works made for hire," WRESTLER hereby irrevocably assigns in perpetuity to PROMOTER all right, title and interest in and to all rights in such Works and all renewals and extensions of the copyrights or other rights that may be secured under the laws now or hereafter in force and effect in the United States of America or any other country or countries.

### **3. INTELLECTUAL PROPERTY**

3.1 All service marks, trademarks and other distinctive and identifying indicia used by WRESTLER prior to the Effective Date in connection with the business of professional wrestling, including but not limited to WRESTLER's legal name, nickname, ring name, likeness, personality, character, caricatures, signature, costumes, props, gimmicks, gestures, routines and themes, which are owned by WRESTLER or in which WRESTLER has any rights anywhere in the world (collectively, the "WRESTLER Intellectual Property") are described and identified on Exhibit A attached hereto and incorporated herein by reference. WRESTLER hereby assigns to PROMOTER the right during the Term and thereafter as provided for in this Agreement including any Sell Off Period set forth in Section 4.3 and PROMOTER hereby accepts all worldwide right, title and interest in and to WRESTLER's Intellectual Property, including, but not limited to, the rights to license, reproduce, manipulate, promote, expose, exploit and otherwise use the WRESTLER Intellectual Property. WRESTLER further acknowledges and agrees that (i) PROMOTER shall own in perpetuity all Footage, as defined in Section 2.1 of the Agreement; (ii) that PROMOTER shall have perpetual rights in the Footage, as set forth in Section 2.2 of this Agreement; and (iii) that, upon completion of the Term, PROMOTER shall have the continued right to use the WRESTLER Intellectual Property in connection with Promoter's exploitation of the Footage or any other copyrighted works that incorporates the Wrestler Intellectual Property, which includes by way of example and not limitation Promoter's use in the marketing, publicity, advertising, distribution, licensing and/or broadcast of the Footage or any such copyrighted work that incorporates the Wrestler Intellectual Property.

3.2 Except for the WRESTLER Intellectual Property specifically set forth on Exhibit A, any intellectual property rights, including but not limited to trademarks, service marks, copyrighted works, and/or distinctive and identifying indicia, including legal name, ring name, nickname, likeness, personality, character, caricatures, signature, props, gestures, routines, themes, incidents, dialogue, actions, gags, costumes or parts of costumes, accessories, crowns, inventions, championship, title or other belts (if applicable), and any other items of tangible or intangible property written, composed, submitted, added, improvised, created and/or used by or associated with WRESTLER's performance in the business of professional wrestling or sports entertainment which were procured, owned or created by PROMOTER during the Term or those which were procured, owned or created by PROMOTER prior to the Term and which are described and identified on Exhibit B attached hereto and incorporated herein by reference (collectively the "PROMOTER Intellectual Property") shall belong to PROMOTER, in perpetuity, with PROMOTER retaining all such ownership rights exclusively throughout the world notwithstanding any termination of this Agreement.

3.3 PROMOTER may from time to time during the Term create or develop trademarks, service marks, and/or distinctive and identifying indicia, including ring name, nickname, likeness, personality, character, caricatures, signature, props, gestures, routines, themes, incidents, dialogue, actions, gags, costumes or parts of costumes, accessories, crowns, inventions, championship, title or other belts (if applicable), and any other items of tangible or intangible property written, composed, submitted, added, improvised, created and/or used by or associated with WRESTLER's performance in the business of professional wrestling or sports entertainment which WRESTLER acknowledges shall belong to PROMOTER, in perpetuity, with PROMOTER retaining all such ownership rights exclusively throughout the world notwithstanding any termination of this Agreement. In addition, WRESTLER agrees to assign and relinquish to PROMOTER any and all claims of ownership and/or good will that may be acquired by WRESTLER now or in the future to and from such character name and image. With respect to all of the foregoing, WRESTLER agrees to immediately execute an amendment to this Agreement to add to Exhibit B any additional intellectual property rights created pursuant to this Section 3.3 as PROMOTER Intellectual Property.

3.4 WRESTLER Intellectual Property and PROMOTER Intellectual Property are hereinafter collectively referred to as "Intellectual Property."

3.5 WRESTLER agrees to cooperate fully and in good faith with PROMOTER for the purpose of securing and preserving PROMOTER's rights in and to the Intellectual Property. In connection herewith, WRESTLER acknowledges and hereby grants to PROMOTER the exclusive worldwide right during the Term of this Agreement (with respect to WRESTLER Intellectual Property) and in perpetuity (with respect to PROMOTER Intellectual Property) to apply for and obtain trademarks, service marks, copyrights and other registrations throughout the world in PROMOTER's name and/or on behalf of PROMOTER's designee and to enforce any and all of PROMOTER's rights therein. At PROMOTER's expense and request, PROMOTER and WRESTLER shall take such steps, as PROMOTER deems necessary, for any registration or any litigation or other proceeding, to protect and enforce any and all of PROMOTER's rights in the WRESTLER Intellectual Property and/or PROMOTER Intellectual Property and/or Works. Further, WRESTLER authorizes PROMOTER to execute any documents on her behalf that are required by the U.S. Patent and Trademark Office in order to protect the aforementioned Intellectual Property.

#### **4. MERCHANDISING**

4.1 WRESTLER hereby agrees that PROMOTER shall have the exclusive right in perpetuity to use and exploit WRESTLER Intellectual Property in connection with the manufacture, production, reproduction, reissuance, manipulation, reconfiguration, distribution, sale, and other commercial exploitation in any manner, now known or hereinafter discovered, of any and all copyrighted work incorporating the WRESTLER Intellectual Property. PROMOTER shall own in perpetuity all copyrights in such copyrighted work and PROMOTER shall be entitled to obtain copyright registrations in PROMOTER's name or on behalf of its



designee. WRESTLER shall provide all reasonable assistance to PROMOTER in so obtaining such copyright registrations, and WRESTLER authorizes PROMOTER to execute any documents on WRESTLER's behalf as attorney-in-fact that are required by the United States Copyright Office.

4.2 In addition to the perpetual rights to use and exploit WRESTLER Intellectual Property as set forth in Section 4.1 of this Agreement, WRESTLER agrees that during the Term and any applicable Sell Off Period as provided for in this Agreement, PROMOTER shall have the exclusive right to use, exploit, and license the WRESTLER Intellectual Property in connection with the manufacture, production, reproduction, reissuance, distribution, sale, and other commercial exploitation in any manner, now known or hereinafter discovered, of goods and merchandise incorporating the WRESTLER Intellectual Property.

4.3 Sell Off Period. Upon the expiration or termination of this Agreement, PROMOTER shall have the right to sell any goods and merchandise in inventory, on hand or manufactured containing WRESTLER Intellectual Property for a period of ninety (90) days immediately following such expiration or termination ("Sell Off Period") provided, however, that: (i) there shall be no restriction on PROMOTER's rights to use or exploit WRESTLER Intellectual Property in connection with the perpetual rights granted herein by WRESTLER; and (ii) with respect to goods, merchandise and/or programming that include the WRESTLER Intellectual Property regarding which PROMOTER has made a material time, resources and/or financial investment prior to expiration or termination of this Agreement and which have a commercial life that extends beyond the Sell Off Period (including, without limitation, video games, animated books and/or television programs, etc.), PROMOTER shall have the right to continue development and exploitation of such goods, merchandise and/or programming until the end of the commercial life thereof.

4.4 Book Rights. WRESTLER agrees and grants PROMOTER during the Term the unconditional and exclusive right throughout the world to use, simulate and portray WRESTLER's name, likeness, voice, personality, personal identification and personal experiences, characters if owned by her or PROMOTER, incidents, situations and events which heretofore occurred or hereafter occur (in whole or in part) as it relates in any manner to WRESTLER's life and WRESTLER's wrestling career, in connection with the licensing, sublicensing, manufacture, distribution, publication, and exploitation of WRESTLER's autobiography or authorized biography (collectively "Book Rights").

4.5 Publishing Rights. WRESTLER agrees and grants PROMOTER during the Term the unconditional and exclusive right throughout the world to use, simulate and portray WRESTLER's name, likeness, voice, personality, personal identification and personal experiences, characters if owned by her or PROMOTER, incidents, situations and events which heretofore occurred or hereafter occur (in whole or in part) as it relates in any manner to WRESTLER's life and WRESTLER's wrestling career, in connection with the creation and sale of certain movies, or other forms of media now known or hereinafter discovered, as PROMOTER shall determine in its sole discretion (collectively "Publishing Rights").

4.6. Auction Sale Rights. WRESTLER agrees and grants PROMOTER during the Term the unconditional and exclusive right throughout the world to sell via the Internet, television or through any other distribution method now known or hereafter created, by an auction method, any item containing WRESTLER Intellectual Property which shall include but not be limited to items containing WRESTLER's signature ("Auction Sale").

## 5. EXCLUSIVITY

5.1 It is the understanding of the parties that, during the Term, the worldwide rights to WRESTLER's services, appearances and/or performances in the entertainment industry, whether related to professional wrestling, sports entertainment or Other Appearances, are exclusive to PROMOTER. Without limiting the generality of the foregoing, it is the further understanding of the parties that all rights, licenses, privileges and



all other items herein given or granted or assigned by WRESTLER to PROMOTER hereunder are exclusive to PROMOTER even to the exclusion of WRESTLER.

5.2 In the event WRESTLER desires upon reasonable notice to PROMOTER during the Term either individually or through her authorized representatives to participate in Other Appearances, whether or not procured by PROMOTER, WRESTLER may do so only subject to and conditioned upon PROMOTER's express, written approval and provided that a written sublicense is executed between PROMOTER, WRESTLER, and any relevant third parties ("Permitted Activities"), and further provided that WRESTLER shall not utilize the Intellectual Property in any manner in connection with such Permitted Activities without PROMOTER's written consent. Notwithstanding the foregoing, it is agreed that PROMOTER retains first priority, to the exclusion of any such Permitted Activities, with respect to the use and scheduling of WRESTLER's services at all times during the Term of this Agreement, as defined herein. It is further agreed that PROMOTER shall receive from WRESTLER a management fee to reimburse PROMOTER for its reasonable administrative costs incurred in connection with WRESTLER's participation in each such Permitted Activity provided that PROMOTER's costs shall not be less than ten percent (10%) of any fees received by WRESTLER for each such Permitted Activity described herein. Additionally, all monies earned by WRESTLER from such Permitted Activities in a specific Contract Year shall be credited against the Minimum Annual Compensation for that Contract Year as set forth in paragraph 7.1 below.

## **6. TERM AND TERRITORY**

6.1 Unless terminated pursuant to the terms herein, the term of this Agreement shall be for three (3) years from the Effective Date ("Term"). Each consecutive twelve (12) month period during the Term commencing with the Effective Date shall be referred to as a "Contract Year".

6.2 Notwithstanding anything herein to the contrary, termination of this Agreement for any or no reason shall not affect PROMOTER's ownership of and rights in or to any intellectual property rights, including but not limited to, any Works, PROMOTER Intellectual Property and any registrations thereof, or the rights, results, products, and proceeds in and to and derived from WRESTLER during the Term of this Agreement; and the exploitation of rights set forth in Sections 1, 2, 3 and 4 hereof in any and all media now known or hereinafter discovered.

6.3 The territory of this Agreement shall be the world ("Territory").

## **7. PAYMENTS/ROYALTIES**

7.1 (a) Unless terminated pursuant to the terms herein, PROMOTER shall pay WRESTLER each Contract Year the total sum of Three Hundred Twenty Five Thousand US Dollars (\$325,000.00) (referred to hereinafter as "Minimum Annual Compensation"). PROMOTER agrees, commencing with the Effective Date, to pay WRESTLER the Minimum Annual Compensation in fifty-two (52) weekly installments consistent with PROMOTER's regular payment procedures.

(b) PROMOTER shall be entitled to deduct from the Minimum Annual Compensation any fines levied against WRESTLER, as provided for in Sections 8.3 or 9.13(a); any costs or expenses paid by PROMOTER on behalf of WRESTLER, as provided for in Sections 8.1 and 9.13(b); or any deductions permitted as set forth in Section 7.7 and 10.2(b). PROMOTER shall also have the right to credit against the Minimum Annual Compensation: (i) any royalties earned by WRESTLER; (ii) any payments made to WRESTLER by PROMOTER in accordance with Section 7.2; and/or (iii) any other payments due or earned by WRESTLER for the rights granted herein or pursuant to the terms of this Agreement. For the purposes of this Agreement, any royalty payments due shall be deemed "earned" only at the time they are paid to WRESTLER.

(c) Unless terminated for breach pursuant to Sections 12.1(a) through (f) and 12.2, if applicable, at least one hundred twenty (120) days after each Contract Year, if it is determined that WRESTLER has earned more than the Minimum Annual Compensation for services rendered during that Contract Year, WRESTLER shall be paid subject to any permitted deductions or credits in accordance with Section 7.1(b), in a one lump sum the difference between the Minimum Annual Compensation and what WRESTLER actually earned for services rendered during that Contract Year.

7.2 (a) If WRESTLER appears and performs in any Non-Televised Live Event, defined as an Event produced by PROMOTER in an arena before a live audience at which admission is charged other than those arena events which are taped or broadcast as set forth in Sections 7.2 (b) and 7.2 (c) below, WRESTLER shall be paid by PROMOTER an amount equal, in PROMOTER's sole discretion, to such percentage of the paid receipts for such Non-Televised Live Event only as is consistent with the nature of the match in which WRESTLER appears, i.e., preliminary, mid-card, main event, etc. and any standards PROMOTER establishes specifically for such Non-Televised Live Event.

(b) If WRESTLER appears and performs in connection with an arena or studio Event produced by PROMOTER which is taped or broadcast for use on PROMOTER's television network ("TV Taping"), WRESTLER shall be paid by PROMOTER, in its sole discretion, an amount only as is consistent with the nature of the match in which WRESTLER appears, i.e., preliminary, mid-card, main event, etc. and any standards PROMOTER establishes specifically for such TV Taping.

(c) If WRESTLER appears and performs in connection with an arena or studio Event produced by PROMOTER which is aired or broadcast via satellite broadcast or pay-per-view distribution technology for use by PROMOTER ("Pay-Per-View"), WRESTLER shall be paid by PROMOTER an amount in accordance with the nature of the match in which WRESTLER performs, i.e., preliminary card, mid card, main event, etc., or any other standard PROMOTER, in its sole discretion, establishes specifically for that Pay-Per-View.

### 7.3 Royalties

In the event that the Intellectual Property is used alone or in conjunction with the intellectual property of Other PROMOTER Talent via a Product Sale, WRESTLER shall be paid a portion of the Products' Net Receipts (or a portion of a pool thereof established for the WRESTLER and all Other Promoter Talent) received by PROMOTER with respect to the Product Sale which portion shall be established from time to time by PROMOTER and be generally consistent with other of its top talent. "Products' Net Receipts" means the gross amount received by PROMOTER or its affiliates (directly or from a licensee) in a Product Sale less actual expenses incurred by PROMOTER or its licensing agent in connection with such Product Sale and, in certain circumstances, an administrative fee (such as, for example, costs of goods sold, licensing agent percentages and allocable portions of marketing commitments paid by PROMOTER).

"Product Sale" shall mean the sale of any PROMOTER authorized product, merchandise, consumer material or good, which is made by or on behalf of PROMOTER.

"Other PROMOTER Talent" shall mean a professional wrestler who has an agreement with PROMOTER and to whom PROMOTER is obligated to pay royalties.

7.4 Subject to paragraph 12.2, as it relates to WRESTLER's appearance or performance of any services pursuant to this Agreement, including the appearance and or performance of WRESTLER's services at Events or at other activities conducted by PROMOTER, WRESTLER shall be eligible only for the payments and royalties specifically set forth in Sections 7.1 through 7.3.

7.5 No Royalties Paid to WRESTLER. Except as specifically set forth in Section 7.1 through 7.3 above, WRESTLER shall not be eligible for any payment or royalties with respect to any other goods, services or otherwise including without limitation to the following: television license fees; television subscription fees; internet subscription fees; subscription video on demand fees; magazine subscription fees and/or advertising; and/or distribution fees of any kind paid to PROMOTER by any entity in connection with the exploitation of the Intellectual Property.

7.6 All payments made to WRESTLER are in full without withholding, except where required by law. After the end of each calendar year, PROMOTER shall issue to WRESTLER Internal Revenue Service Form 1099 showing all payments to WRESTLER during that calendar year.

7.7 If WRESTLER at any time during the Term is unable to wrestle for six (6) consecutive weeks due to an injury suffered while performing services at PROMOTER's direction, PROMOTER may: (i) for every Non-Televised Live Event or TV Taping, as described in Sections 7.2(a) and (b), reduce the Minimum Annual Compensation by .5%; and/or (ii) for every Pay-Per-View as described in Section 7.2(c), reduce the Minimum Annual Compensation by the average pay received by WRESTLER for the three (3) immediately preceding Pay-Per-Views or, if WRESTLER appeared in fewer than three (3) Pay-Per-Views, then the average WRESTLER receives for such similar events ("Similar Event") or .5% if WRESTLER did not appear in any such Similar Event.

7.8 (a) PROMOTER shall prepare and send statements as to royalties payable hereunder to WRESTLER within ninety (90) days following the end of each quarter, based upon the royalties received and processed by PROMOTER in the previous quarter, together with payment of royalties, if any, earned by WRESTLER hereunder during such quarter-annual period, less advances and/or debits made by PROMOTER on WRESTLER's behalf.

(b) PROMOTER shall maintain books of account related to the payment of royalties hereunder at its principal place of business. WRESTLER, or WRESTLER's designated independent certified public accountant who is a member in good standing of the AICPA, may at WRESTLER's sole expense examine PROMOTER's books insofar as they pertain to this Agreement for the purpose of verifying the accuracy thereof, during PROMOTER's normal business hours and upon reasonable notice. Such audit shall be conducted in a manner that will not unreasonably interfere with PROMOTER's normal business operations. WRESTLER shall not audit PROMOTER's books and records more than twice during any calendar year and no such audit shall be conducted later than six (6) months after the most recent statement of royalties is given, delivered or sent to WRESTLER. Each audit is limited to five (5) days in duration. Statements of royalties may be changed from time to time to reflect year-end adjustments, to correct clerical errors and for similar purposes.

(c) WRESTLER shall be deemed to have consented to all statements of royalties and all other accountings provided by PROMOTER hereunder and each such statement of royalties or other accounting shall be conclusive, final, and binding; shall constitute an account stated; and shall not be subject to any objection for any reason whatsoever unless an audit has been conducted by WRESTLER to PROMOTER within one (1) year from the date the royalty statement was given, delivered or sent to WRESTLER.

(d) No claim shall be filed pursuant to Section 13.8 below against PROMOTER or PROMOTER's affiliates that disputes any statement of royalties or accounting given by PROMOTER hereunder or that makes any claim for royalties or royalty payments, unless the same is commenced or filed within one (1) year after the date such statement or accounting is first given, delivered or sent to WRESTLER, and unless WRESTLER has first exhausted her remedies pursuant to Sections 7.8 (b) and (c) above.

## **8. PROMOTER'S OBLIGATIONS**

8.1 Although under Section 9.1 WRESTLER shall bear responsibility for obtaining appropriate licenses for participating in wrestling exhibitions, PROMOTER shall be responsible for obtaining all other appropriate licenses to conduct professional wrestling exhibitions involving WRESTLER. If PROMOTER, at its discretion, agrees to assist WRESTLER in obtaining such licenses, which shall include any permits, visas, or otherwise, WRESTLER shall reimburse PROMOTER for its fees and expenses incurred in connection therewith.

8.2 PROMOTER shall bear the following costs in connection with the development and enhancement of the value of WRESTLER's performance hereunder and WRESTLER's standing in the professional wrestling community, all of which shall benefit WRESTLER:

(a) In connection with WRESTLER's appearances and performance at any Events produced by PROMOTER and staged before a live audience, PROMOTER shall bear the cost of location rental, PROMOTER's third party comprehensive liability insurance for the benefit of the venues, applicable state and local admission taxes, promotional assistance, sound and light equipment, wrestling ring, officials, police and fire protection, and such additional security guards as PROMOTER shall require in its discretion during a professional wrestling match;

(b) In connection with the production, distribution, and exploitation of the Footage, PROMOTER shall bear all costs incurred in connection with such production, distribution, broadcast, transmission or other forms of mass media communication; and

(c) In connection with any product or service licensing activities and/or merchandising activities, PROMOTER shall bear all costs of negotiating, securing or otherwise obtaining the product or service licensing arrangements, including costs of agents, consultants, attorneys and others involved in making the product or service licensing activities; and PROMOTER shall bear all costs of creating, designing, developing, producing and marketing merchandise or services. In order to fulfill these obligations, PROMOTER may make any arrangements, contractual or otherwise, it deems appropriate to delegate, assign, or otherwise transfer its obligations.

8.3 PROMOTER shall schedule the Events and book WRESTLER for the Events. In doing so, PROMOTER shall select the time and location of the Events at which WRESTLER is booked, WRESTLER's opponent, and any other wrestlers who will appear at such Event. PROMOTER shall provide WRESTLER with reasonable advance notice of the date, time, and place of any such Event, and WRESTLER shall appear at the designated location for any such Event no later than one hour before the designated time. If WRESTLER fails to appear as required without advance twenty-four (24) hours notice to PROMOTER and PROMOTER must substitute another wrestler to appear in WRESTLER's place at the Event, then PROMOTER may fine, suspend or terminate WRESTLER in its sole discretion.

8.4 Notwithstanding the above, if WRESTLER shall be prevented from appearing at an Event by reason of Force Majeure, the above fines shall not be imposed. For purposes of this Agreement, Force Majeure shall mean any act of God, fire, flood, war or other calamity; strike or labor difficulties; any governmental action or any other serious emergency affecting WRESTLER which occurrence is beyond WRESTLER's reasonable control, and, which despite best efforts prohibits WRESTLER's performance or appearance at such Event.

## **9. WRESTLER'S OBLIGATIONS**

9.1 WRESTLER shall bear responsibility for obtaining all appropriate licenses to engage in, participate in, or otherwise appear in professional wrestling exhibitions.

9.2 WRESTLER shall be responsible for WRESTLER's own training, conditioning, and maintenance of wrestling skills and abilities, as long as they do not interfere with WRESTLER's appearance at scheduled events as follows:

(a) WRESTLER shall establish her own training program, shall select time of training, duration of training, exercises, pattern of exercise and other actions appropriate to obtaining and maintaining physical fitness for wrestling. WRESTLER shall select her own training apparatus, including mats, weights, machines and other exercise paraphernalia. WRESTLER is responsible for supplying her own training facilities and equipment, whether by purchase, lease, license, or otherwise; and

(b) WRESTLER shall establish her own method of physical conditioning, shall select time for conditioning, duration of conditioning and form of conditioning. WRESTLER shall select time for sleep, time for eating, and time for other activities. WRESTLER shall select her own foods, vitamins and other ingested items, excepting illegal and/or controlled substances and drugs.

9.3 WRESTLER shall be responsible for providing all costumes, wardrobe, props, and make-up necessary for the performance of WRESTLER's services at any Event and WRESTLER shall bear all costs incurred in connection with her transportation to and from any such Events (except for those transportation costs which are covered by PROMOTER's then current Travel Policy), as well as the costs of food consumed and hotel lodging utilized by WRESTLER in connection with her appearance at such Events.

9.4 WRESTLER shall use best efforts in employing WRESTLER's skills and abilities as a professional wrestler and be responsible for developing and executing the various details, movements, and maneuvers required of wrestlers in a professional wrestling exhibition.

9.5 WRESTLER shall take such precautions as are appropriate to avoid any unreasonable risk of injury to herself and to others in any and all Events. These precautions shall include, without limitation, pre-match review of all wrestling moves and maneuvers with wrestling partners and opponents; and pre-match demonstration and/or practice with wrestling partners and opponents to insure familiarity with anticipated wrestling moves and maneuvers during a wrestling match. In the event of injury to WRESTLER, and/or WRESTLER's partners and opponents during a wrestling match, WRESTLER shall immediately signal partner, opponent and/or referees that it is time for the match to end; and WRESTLER shall finish the match forthwith so as to avoid aggravation of such injury.

9.6 WRESTLER shall use best efforts in the ring in the performance of wrestling services for a match or other activity, in order to provide an honest exhibition of WRESTLER's wrestling skills and abilities, consistent with the customs of the professional wrestling industry; and WRESTLER agrees all matches shall be finished in accordance with the PROMOTER's direction. Breach of this Section 9.6 shall cause a forfeiture of any payments due WRESTLER pursuant to Section 7 and shall entitle PROMOTER to terminate this Agreement, or suspend WRESTLER without pay, but such breach shall not terminate PROMOTER's licenses and other rights under this Agreement. If PROMOTER in its discretion suspends this Agreement, when reinstated, PROMOTER may extend the Term of this Agreement for a period of time equal to the period of suspension or any portion thereof and this Agreement will therefore continue to be of full force and effect throughout the remainder of the Term.



9.7 WRESTLER agrees to cooperate and assist without any additional payment in the publicizing, advertising and promoting of scheduled Events, including without limitation, appearing at and participating in a reasonable number of joint and/or separate press conferences, interviews, and other publicity or exploitation appearances or activities (any or all of which may be filmed, taped, or otherwise recorded, telecast by any form of television now known or hereafter discovered, including without limitation free, cable, pay cable, subscription video on demand, video on demand and closed circuit and pay-per-view television, broadcast, exhibited, distributed, and used in any manner or media and by any art, method, or device now known or hereafter created, including without limitation by means of videodisc, video cassette, theatrical motion picture and/or non-theatrical motion picture and Internet), at times and places designated by PROMOTER, in connection therewith.

9.8 WRESTLER acknowledges the right of PROMOTER to make decisions with respect to the preparation and exploitation of the Footage and/or the exercise of any other rights respecting WRESTLER and/or PROMOTER Intellectual Property, and in this connection WRESTLER acknowledges and agrees that PROMOTER's decision with respect to any agreements disposing of the rights to the WRESTLER and/or PROMOTER Intellectual Property are final, except as to WRESTLER's legal name, which PROMOTER may only dispose of upon WRESTLER's written consent. WRESTLER agrees to execute any agreements PROMOTER deems necessary in connection with any such agreements, and if WRESTLER is unavailable or refuses to execute such agreements, PROMOTER is hereby authorized to do so in WRESTLER's name as WRESTLER's attorney-in-fact.

9.9 WRESTLER agrees to cooperate fully and in good faith with PROMOTER to obtain any and all documentation, applications or physical examinations as may be required by any governing authority with respect to WRESTLER's appearance and/or performance in a professional wrestling match.

9.10 WRESTLER, on behalf of herself and her heirs, successors, assigns and personal representatives, shall indemnify and defend PROMOTER and PROMOTER's licensees, assignees, parent corporation, subsidiaries and affiliates and its and their respective officers, directors, employees, advertisers, insurers and representatives and hold each of them harmless against any claims, demands, liabilities, actions, costs, suits, attorneys' fees, proceedings or expenses, incurred by any of them by reason of WRESTLER's breach or alleged breach of any warranty, undertaking, representation, agreement, or certification made or entered into herein or hereunder by WRESTLER. WRESTLER, on behalf of herself and her heirs, successors, assigns and personal representatives, shall indemnify and defend PROMOTER and PROMOTER's licensees, assignees, parent corporation, subsidiaries and affiliates and its and their respective officers, directors, employees, advertisers, insurers and representatives and hold each of the harmless against any and all claims, demands, liabilities, actions, costs, suits, attorneys' fees, proceedings or expenses, incurred by any of them, arising out of WRESTLER'S acts, transactions and/or conduct within or around the ring, hallways, dressing rooms, parking lots, or other areas within or in the immediate vicinity of the facilities where PROMOTER has scheduled Events at which WRESTLER is booked.

9.11 WRESTLER shall be responsible for payment of all of WRESTLER's own Federal, state or local income taxes; all social security, FICA and FUTA taxes, if any, as well as all contributions to retirement plans and programs, or other supplemental income plan or program that would provide WRESTLER with personal or monetary benefits upon retirement from professional wrestling.

9.12 (a) **WRESTLER SHALL BE RESPONSIBLE FOR HER OWN COMMERCIAL GENERAL LIABILITY INSURANCE, WORKER'S COMPENSATION INSURANCE, PROFESSIONAL LIABILITY INSURANCE, AS WELL AS ANY EXCESS LIABILITY INSURANCE, AS SHE DEEMS APPROPRIATE TO INSURE, INDEMNIFY AND DEFEND WRESTLER WITH RESPECT TO ANY AND ALL CLAIMS ARISING OUT OF HER OWN ACTS, TRANSACTIONS, OR CONDUCT AS A PROFESSIONAL WRESTLER.**

**(b) WRESTLER ACKNOWLEDGES THAT THE PARTICIPATION AND ACTIVITIES REQUIRED BY WRESTLER IN CONNECTION WITH HER PERFORMANCE IN A PROFESSIONAL WRESTLING EXHIBITION MAY BE DANGEROUS AND MAY INVOLVE THE RISK OF SERIOUS BODILY INJURY, INCLUDING DEATH. WRESTLER KNOWINGLY AND FREELY ASSUMES FULL RESPONSIBILITY FOR ALL SUCH INHERENT RISKS AS WELL AS THOSE DUE TO THE NEGLIGENCE OF PROMOTER OR OTHER WRESTLERS.**

**(c) WRESTLER HEREBY RELEASES, WAIVES AND DISCHARGES PROMOTER FROM ALL LIABILITY TO WRESTLER AND COVENANTS NOT TO SUE PROMOTER FOR ANY AND ALL LOSS OR DAMAGE ON ACCOUNT OF INJURY TO THEIR PERSON OR PROPERTY OR RESULTING IN SERIOUS OR PERMANENT INJURY TO WRESTLER OR IN WRESTLER'S DEATH, WHETHER CAUSED BY NEGLIGENCE OF PROMOTER OR OTHER WRESTLERS UNDER CONTRACT TO PROMOTER.**

**(d) NOTWITHSTANDING PROMOTER'S CURRENT POLICY OF PAYING MEDICAL EXPENSES FOR INJURIES WRESTLER MAY INCUR WHILE PERFORMING UNDER THIS AGREEMENT, WRESTLER SHALL MAINTAIN, AT HER COST AND EXPENSE, HEALTH INSURANCE COVERAGE. THIS HEALTH INSURANCE MUST REMAIN IN EFFECT FOR THE TERM OF THE AGREEMENT, AND WRESTLER SHALL PROVIDE PROMOTER PROOF OF THIS INSURANCE ANNUALLY. WRESTLER MAY AT HER ELECTION OBTAIN HEALTH, LIFE AND/OR DISABILITY INSURANCE TO PROVIDE BENEFITS IN THE EVENT OF PHYSICAL INJURY ARISING OUT OF OTHER PROFESSIONAL ACTIVITIES; AND WRESTLER ACKNOWLEDGES THAT PROMOTER SHALL NOT HAVE ANY RESPONSIBILITY FOR SUCH INSURANCE OR PAYMENT IN THE EVENT OF PHYSICAL INJURY ARISING OUT OF HER PROFESSIONAL ACTIVITIES.**

**(e) IN THE EVENT OF PHYSICAL INJURY ARISING OUT OF WRESTLER'S PROFESSIONAL ACTIVITIES, WRESTLER ACKNOWLEDGES THAT AS AN INDEPENDENT CONTRACTOR SHE IS NOT ENTITLED TO ANY WORKERS' COMPENSATION COVERAGE OR SIMILAR BENEFITS FOR INJURY, DISABILITY, DEATH OR LOSS OF WAGES; AND WRESTLER SHALL MAKE NO CLAIM AGAINST PROMOTER FOR SUCH COVERAGE OR BENEFIT.**

9.13 (a) WRESTLER shall act at all times with due regard to public morals and conventions during the Term of this Agreement. If WRESTLER shall have committed or shall commit any act or do anything that is or shall be an offense or violation involving moral turpitude under Federal, state or local laws, or which brings WRESTLER into public disrepute, contempt, scandal or ridicule, or which insults or offends the community or any employee, agent or affiliate of PROMOTER or which injures WRESTLER's reputation in PROMOTER's sole judgment, or diminishes the value of WRESTLER's professional wrestling services to the public or PROMOTER, then at the time of any such act, or any time after PROMOTER learns of any such act, PROMOTER shall have the right to fine WRESTLER in an amount to be determined by PROMOTER; and PROMOTER shall have the right to immediately suspend WRESTLER and/or terminate this Agreement pursuant to Section 12.

(b) Should at any time during the Term, WRESTLER be involved in any way with a criminal or civil legal proceeding or regulatory or administrative hearing (e.g., immigration hearing) or otherwise ("Proceeding"), PROMOTER shall have the right but not the obligation to retain counsel to represent WRESTLER in the Proceeding and PROMOTER shall be entitled to deduct from the Minimum Annual Compensation any and all costs and expense (including attorney's fees) related to the Proceeding. WRESTLER agrees that should PROMOTER retain counsel pursuant to this Section 9.13(b), PROMOTER shall not be

admitting that PROMOTER has any obligation, liability, and/or responsibility whatsoever in connection with the Proceeding.

9.14 During the Term, WRESTLER acknowledges and agrees that she shall not work or perform in any capacity for any other martial arts or wrestling organization and/or entity not owned or controlled by PROMOTER or any affiliated or subsidiary company thereof, or otherwise in the entertainment industry, including without limitation appearances in live events, pay-per-view or other televised events.

## **10. WARRANTY**

10.1 WRESTLER represents, warrants, and agrees that WRESTLER is free to enter into this Agreement and to grant the rights and licenses herein granted to PROMOTER; WRESTLER has not heretofore entered and shall not hereafter enter into any contract or agreement which is in conflict with the provisions hereof or which would or might interfere with the full and complete performance by WRESTLER of her obligations hereunder or the free and unimpaired exercise by PROMOTER of any of the rights and licenses herein granted to it; WRESTLER further represents and warrants there are no prior or pending claims, administrative proceedings, civil lawsuits, criminal prosecutions or other litigation matters, including without limitation any immigration or athletic commission related matters, affecting WRESTLER which would or might interfere with PROMOTER's full and complete exercise or enjoyment of any rights or licenses granted hereunder. Any exceptions to this Warranty are set forth in Exhibit C, attached hereto.

10.2 (a) WRESTLER represents and warrants that WRESTLER is in sound mental and physical condition; that WRESTLER is suffering from no disabilities or pre-existing conditions or injuries that would impair or adversely affect WRESTLER's ability to perform professional wrestling services; and that WRESTLER is free from the influence of illegal drugs or controlled substances, which can threaten WRESTLER's well being and pose a risk of injury to WRESTLER or others. To insure compliance with this warranty, WRESTLER shall abide by any drug policy conveyed to WRESTLER and/or her representative(s) as well as any and all amendments, additions or modifications to any such drug policy, and WRESTLER further consents to sampling and testing, in accordance with any such drug policy. In addition, WRESTLER agrees to submit no less than annually to complete physical examination(s) by a physician either selected or approved by PROMOTER.

(b) In the event that WRESTLER is unable to wrestle for six (6) consecutive weeks during the Term of this Agreement, for any or no reason, including, without limitation, due to an injury suffered while performing services at PROMOTER's direction, PROMOTER shall have the right to thereafter: (i) terminate this Agreement; (ii) suspend WRESTLER either with or without pay; and/or (iii) extend the Term of this Agreement for a period of time equal to the entire period of inability to wrestle, or any portion thereof. Upon certification by WRESTLER or PROMOTER's physician during any period of suspension that WRESTLER is fully recovered and capable of performing all services as required under this Agreement, PROMOTER shall have the right to reinstate this Agreement, and it will thereafter continue to be of full force and effect throughout the remainder of the Term.

10.3 PROMOTER reserves the right to have WRESTLER examined by a physician of its own choosing at its expense at any point during the Term of this Agreement.

## **11. EARLY TERMINATION**

11.1 (a) This Agreement may be terminated by PROMOTER during the Term for any or no reason whatsoever by providing WRESTLER at least ninety (90) advance written notice of said termination. The ninetieth (90<sup>th</sup>) day shall be defined as the "Termination Date".



(b) This Agreement may be terminated prior to the end of its Term by a written instrument executed by each of the parties expressing their mutual consent to so terminate without any further liability on the part of either party.

(c) This Agreement may be terminated by PROMOTER immediately due to WRESTLER's breach as set forth in Section 12.1.

(d) In the event of a termination pursuant to Section 11.1(a) or Section 11.1(b), PROMOTER shall be obligated to pay WRESTLER a pro-rated portion of the Minimum Annual Compensation up until the Termination Date and to pay WRESTLER any royalties which may be due WRESTLER in accordance with Section 7 for the use of the WRESTLER Intellectual Property.

11.2 This Agreement shall automatically and immediately terminate upon WRESTLER's death and PROMOTER shall have no further obligation to WRESTLER or WRESTLER's heirs, successors, personal representatives or assigns pursuant to any of the terms herein including but not limited to any payment obligations as described in Section 7.

11.3

(a) Upon expiration or termination of this Agreement for any reason, the parties acknowledge and agree that: (i) PROMOTER shall own in perpetuity all right, title and interest in all Footage, Works, PROMOTER Intellectual Property and any registrations thereof; (ii) PROMOTER shall also have the exclusive right to sell or otherwise dispose of any materials, goods, merchandise or other items as set forth in Section 4.2

(b) Upon expiration or termination of this Agreement by PROMOTER pursuant to Section 12.1, WRESTLER shall not work, appear, or perform in any capacity for any professional wrestling, sports entertainment, mixed martial arts and/or ultimate fighting organization, promotion or entity not owned or controlled by PROMOTER (or any affiliated or subsidiary company thereof) in the United States for a period of up to one (1) year from the date of such expiration or termination, as specified by PROMOTER in the notice of termination; provided, however, that if no lesser period is specified by PROMOTER in the notice of termination, such period shall be one (1) year.

## **12. BREACH**

12.1 In addition to those reasons set forth elsewhere in this Agreement, PROMOTER shall have the right, in its sole discretion, to immediately suspend or terminate this Agreement, both as to services and compensation, if any of the following occurs:

(a) PROMOTER has the right to terminate WRESTLER pursuant to the provisions of any drug policy adopted by WWE, as well as any and all amendments, additions or modifications to any such drug policy;

(b) WRESTLER is not in compliance with the representation and warranty set forth in Section 10.2(a), including, without limitation, as evidenced by any cardiovascular test, physical examination or other medical screening implemented by PROMOTER during the Term.

(c) WRESTLER is habitually late and/or absent for scheduled Events or appearances as PROMOTER determines in its sole discretion;

(d) WRESTLER fails any physical examination conducted on behalf of PROMOTER, as required herein;

(e) WRESTLER fails to maintain physical condition or training such that her weight, and/or her performance is unsatisfactory as determined by PROMOTER in its sole discretion;

(f) PROMOTER, on behalf of WRESTLER, is unable to obtain any necessary athletic commission licenses or immigration documents, including, but not limited to visas; or

(g) WRESTLER breaches Section 9.13(a).

12.2 In the event that WRESTLER breaches this Agreement, PROMOTER may recover such actual direct damages as may be established in a court of law, as provided in Section 13.8. In addition, in the event of an immediate termination pursuant to Sections 12.1(a) through (f), WRESTLER shall forfeit and shall not be entitled to: (i) any remaining Minimum Annual Compensation owed and (ii) any future payments that may have been due WRESTLER pursuant to Section 7. WRESTLER shall not appear under, use, refer to or exploit in any manner, parenthetically or otherwise, the WRESTLER Intellectual Property for the remainder of the Term and the PROMOTER Intellectual Property forever. Further, at PROMOTER's sole option, the Term of this Agreement may be extended by the term of any suspension period, in whole or in part, with all other terms and conditions hereof remaining in full force and effect during such extended period.

12.3 The parties further agree that because of the special, unique, and extraordinary nature of the obligations of PROMOTER and WRESTLER respecting all rights and licenses concerning bookings, promoting, Footage, Events, Intellectual Property, which are the subject matter of this Agreement, WRESTLER's breach of this Agreement shall cause PROMOTER irreparable injury which cannot be adequately measured by monetary relief; as a consequence PROMOTER shall be entitled to injunctive and other equitable relief against WRESTLER to prevent WRESTLER's breach or default hereunder and such injunction or equitable relief shall be without prejudice to any other rights, remedies or damages which PROMOTER is legally entitled to obtain.

12.4 In no circumstances, whatsoever, shall either party to this Agreement be liable to the other party for any punitive or exemplary damages; and all such damages, whether arising out of the breach of this Agreement or otherwise, are expressly waived.

### **13. MISCELLANEOUS**

13.1 Nothing contained in this Agreement shall be construed to constitute WRESTLER as an employee, partner or joint venturer of PROMOTER, nor shall WRESTLER have any authority to bind PROMOTER in any respect. WRESTLER is an independent contractor and WRESTLER shall execute and hereby irrevocably appoints PROMOTER attorney-in-fact to execute, if WRESTLER refuses to do so, any instruments necessary to accomplish or confirm the foregoing or any and all of the rights granted to PROMOTER herein.

13.2 This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and all prior understandings, negotiations and agreements are merged in this Agreement. There are no other agreements, representations, or warranties not set forth herein with respect to the subject matter hereof; and the parties expressly acknowledge that any representation, promise or inducement by any party to any other party that is not embodied in this Agreement is not part of this Agreement, and they agree that no party shall be bound by or liable for any such alleged representation, promise or inducement not set forth herein.

13.3 This Agreement may not be changed or altered except in writing signed by PROMOTER and WRESTLER.

13.4 If any provision or clause of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, invalid, or unenforceable in such jurisdiction, the remainder of such provision shall not thereby be affected and shall be given full effect, without regard to the invalid portion.

It is the intention of the parties that, if any court construes any provision or clause of this Agreement, or any portion thereof, to be illegal, void or unenforceable because of the duration of such provision or the area or matter covered thereby, such court shall reduce or modify the duration, area, or matter of such provision, and, in its reduced or modified form, such provision shall then be enforceable and shall be enforced.

13.5 PROMOTER shall have the right to assign, license, or transfer any or all of the rights granted by WRESTLER to PROMOTER pursuant to the terms of this Agreement to any person, firm or corporation, provided that such assignee has the financial ability to meet the PROMOTER's obligations hereunder, and if any assignee shall assume in writing PROMOTER's obligations hereunder, PROMOTER shall be released from any liability and shall have no further obligations to WRESTLER. WRESTLER may not assign, transfer or delegate her rights or obligations hereunder and any attempt to do so shall be void.

13.6 Any notices required or desired hereunder shall be in writing and shall be deemed given when personally delivered or if mailed by certified mail, return receipt requested or registered mail, when deposited in the United States Mail, postage prepaid, or if telecopied, when telecopied, or if sent by courier service, when deposited with such service, or if sent by overnight delivery service, on the next business day following delivery to such service. Notices shall be addressed as follows (unless either party at any time or times designates another address for itself by notifying the other party thereof as provided herein):

TO PROMOTER:

TO WRESTLER:

World Wrestling Entertainment, Inc.  
Attn: General Counsel  
1241 E. Main Street  
Stamford, Connecticut 06902

1241 E. Main Street  
Stamford, Connecticut 06902

13.7 This Agreement is made in Connecticut and shall be governed by and interpreted in accordance with the laws of the State of Connecticut, exclusive of its provisions relating to conflicts of law.

13.8 The parties agree to submit any and all disputes arising out of or relating in any way to this Agreement exclusively to the jurisdiction of the United States District Court of Connecticut. The provision to submit all claims, disputes or matters in question to the Federal court in the State of Connecticut shall be specifically enforceable; and each party, hereby waiving personal service of process and venue, consents to jurisdiction in Connecticut for purposes of any other party seeking or securing any legal and/or equitable relief.

13.9 WRESTLER understands and acknowledges that, from time to time during the Term, she may request that attorneys employed by or associated with PROMOTER represent WRESTLER's interests in connection with certain contracts and/or other matters relating to WRESTLER's career, including, without limitation, in connection with certain Permitted Activities, whether or not utilizing the Intellectual Property. WRESTLER thus confirms her understanding and acknowledgement that, in connection with such representation, such attorneys (including attorneys who may have previously represented, and who may in the future represent, PROMOTER in a role potentially adverse to WRESTLER) may represent WRESTLER, either individually and/or concurrently with representing PROMOTER. Such representation during the Term may constitute a potential conflict of interest. Accordingly, WRESTLER understands and acknowledges by her execution of this Agreement that, she further waives any such conflict of interest arising from such representation of WRESTLER by PROMOTER's attorneys. WRESTLER further understands and acknowledges that she has been encouraged to seek the advice of and retain independent counsel in connection with all matters relating to her interests, including contract negotiation and any and all other issues relating to her career, as well as advice with respect to the meaning and impact of the consent and waiver set forth in this Section 13.9, and WRESTLER hereby represents and warrants to PROMOTER that she knowingly either has and will retained such independent counsel, or has decided or will decide intentionally not to do so. The consent and waiver set forth in this Section

13.9 shall remain in effect during the Term, unless revoked in writing by WRESTLER and delivered to PROMOTER pursuant to Section 13.6.

#### 14. CONFIDENTIALITY

14.1 (a) Other than as may be required by applicable law, government order or regulations, or by order or decree of the Court, WRESTLER hereby acknowledges and agrees that in further consideration of PROMOTER's entering into this Agreement, WRESTLER shall not, at any time during the Term of this Agreement, or after the termination of this Agreement for any or no reason whatsoever, disclose to any person, organization, or publication, or utilize for the benefit or profit of WRESTLER or any other person or organization, any sensitive or otherwise confidential business information, idea, proposal, secret, or any proprietary information obtained while with PROMOTER and/or regarding PROMOTER, its employees, independent contractors, agents, officers, directors, subsidiaries, affiliates, divisions, representatives, or assigns. Included in the foregoing, by way of illustration only and not limitation, are such items as reports, business plans, sales information, cost or pricing information, lists of suppliers or customers, talent lists, story lines, scripts, story boards or ideas, routines, gags, costumes or parts of costumes, accessories, crowns, inventions, championship, title or other belts (if applicable) and any other tangible or intangible materials written, composed, submitted, added, improvised, or created by or for WRESTLER in connection with appearances in the Footage, information regarding any contractual relationships maintained by PROMOTER and/or the terms thereof, and/or any and all information regarding wrestlers engaged by PROMOTER.

(b) Notwithstanding the foregoing, WRESTLER's obligation of confidentiality shall not include information which:

- (i) at the time of disclosure was in the public domain;
- (ii) after such disclosure becomes generally available to the public other than through any act or omission by WRESTLER; and
- (iii) is required to be disclosed by any court of competent jurisdiction, provided that prior written notice of such disclosure is furnished to PROMOTER in a timely manner in order to afford PROMOTER an opportunity to seek a protective order against such disclosure.

14.2 WRESTLER acknowledges and agrees that her agreement to be bound by the terms hereof is a material condition of PROMOTER's willingness to use and continue to use WRESTLER's services. Other than as may be required by applicable law, government order or regulation; or by order or decree of the court, the parties agree that neither of them shall publicly divulge or announce, or in any manner disclose, to any third party, any of the specific terms and conditions of this Agreement; and both parties warrant and covenant to one another that none of their officers, directors, employees or agents will do so either. Notwithstanding the foregoing, WRESTLER shall be free to disclose the terms and conditions of this Agreement to her lawyers, agents, financial advisers and spouse and PROMOTER shall be free to disclose the terms and conditions of this Agreement to its lawyers, accountants and to those employees who have a legitimate need to know such information.

14.3 This Agreement and any amendments thereto may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties. All of the terms and conditions of any Exhibits shall be incorporated herein by reference and shall be made a part hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year written below.

WORLD WRESTLING  
ENTERTAINMENT, INC.  
("PROMOTER")

STEPHANIE MCMAHON LEVESQUE  
("WRESTLER")

By: /s/ Jane Geddes  
Jane Geddes  
SVP, Talent Relations and Development

By: /s/ Stephanie McMahon Levesque  
Stephanie McMahon Levesque

Date: October 18, 2013

Date: October 18, 2013

STATE OF CONNECTICUT    )  
  ) ss:  
COUNTY OF NEW HAVEN    )

I am a Notary Public for said County and State, do hereby certify that Stephanie McMahon Levesque personally appeared before me this day and acknowledged the due execution of the foregoing instrument to be her free act and deed for the purposes therein expressed.

WITNESS my hand and notarial seal this 18th day of October, 2013.

/s/ Mark Terrence Carrano  
Notary Public  
My commission expires: 9/30/14

STATE OF CONNECTICUT    )  
  ) ss: Stamford  
COUNTY OF FAIRFIELD    )

On October 18, 2013 before me personally came Jane Geddes, Senior Vice President of Talent Relations and Development, to me known, and known to me to be the individual described in, and who executed the foregoing, and duly acknowledged to me that she is a duly authorized corporate officer of World Wrestling Entertainment, Inc., and that she executed the same on behalf of said Company.

WITNESS my hand and notarial seal this 18 day of October, 2013.

/s/ Mark Terrence Carrano  
Notary Public  
My commission expires: 9/30/14

**EXHIBIT A**

**WRESTLER INTELLECTUAL PROPERTY**

Stephanie McMahon  
Stephanie McMahon-Levesque

**EXHIBIT B**

**PROMOTER INTELLECTUAL PROPERTY**

The Alliance  
Boss Lady  
The Billion Dollar / Billionaire Princess

**EXHIBIT C**

EXCEPTIONS TO WARRANTY  
PENDING CONTRACTS/CLAIMS/LITIGATION WHICH MAY INTERFERE OR  
CONFLICT WITH  
WRESTLER'S PERFORMANCE AND/OR GRANT OF RIGHTS

None

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**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 31, 2013

By: /s/ Vincent K. McMahon

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

**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 31, 2013

By: /s/ George A. Barrios

George A. Barrios  
Chief Financial Officer



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, 2013 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 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.

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

Dated: October 31, 2013

By: /s/ George A. Barrios  
George A. Barrios  
*Chief Financial Officer*

Dated: October 31, 2013