

WORLD WRESTLING ENTERTAINMENT INC
Form 10-K
February 18, 2015

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

FORM 10-K

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

For the year ended December 31, 2014

or

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

Commission file number 001-16131

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

Delaware

04-2693383

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification No.)

1241 East Main Street
Stamford, CT 06902
(203) 352-8600

(Address, including zip code, and telephone number, including area code,
of Registrant's principal executive offices)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT

Class A Common Stock, \$.01 par value per share

New York Stock Exchange

(Title of each class)

(Name of each exchange on which registered)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the
Act. Yes No

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained
herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 Accelerated Non-accelerated Smaller reporting
filer filer filer company

Edgar Filing: WORLD WRESTLING ENTERTAINMENT INC - Form 10-K

(Do not check if a 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

Aggregate market value of the common stock held by non-affiliates of the Registrant at June 30, 2014 using our closing price on June 30, 2014 was \$379,334,858.

As of February 13, 2015, the number of shares outstanding of the Registrant's Class A common stock, par value \$0.01 per share, was 33,232,110 and the number of shares outstanding of the Registrant's Class B common stock, par value \$0.01 per share, was 42,298,437 shares. Portions of the Registrant's definitive proxy statement for the 2014 Annual Meeting of Stockholders are incorporated by reference in Part III of this Form 10-K.

Table of Contents

TABLE OF CONTENTS

	Page
PART I	
Item 1. Business	<u>3</u>
Item 1A. Risk Factors	<u>11</u>
Item 1B. Unresolved Staff Comments	<u>19</u>
Item 2. Properties	<u>20</u>
Item 3. Legal Proceedings	<u>20</u>
Item 4. Mine Safety Disclosures	<u>21</u>
PART II	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	<u>22</u>
Item 6. Selected Financial Data	<u>24</u>
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	<u>25</u>
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	<u>47</u>
Item 8. Financial Statements and Supplementary Data	<u>48</u>
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures	<u>48</u>
Item 9A. Controls and Procedures	<u>48</u>
Item 9B. Other Information	<u>50</u>
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	<u>50</u> *
Item 11. Executive Compensation	<u>50</u> *
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	<u>50</u> *
Item 13. Certain Relationships and Related Transactions, and Director Independence	<u>50</u> *
Item 14. Principal Accountant Fees and Services	<u>50</u> *
PART IV	
Item 15. Exhibits and Financial Statement Schedules	<u>50</u>

* Incorporated by reference from the Registrant’s Proxy Statement for the 2015 Annual Meeting of Stockholders (the “Proxy Statement”).

Table of Contents

PART I

Item 1. Business

WWE is an integrated media and entertainment company. We have been involved in the sports entertainment business for over 30 years, and have developed WWE into one of the most popular brands in global entertainment today. We develop unique and creative content centered around our talent and present it via network, television, online and at our live events. At the heart of our success are the athletic and entertainment skills and appeal of our Superstars and Divas, and our consistently innovative and multi-faceted storylines. Our network, live and televised events, digital media, home entertainment, consumer products and feature films provide significant cross-promotion and marketing opportunities that reinforce our brands while effectively reaching our fans.

Based on the strength of the Company's brands and its ownership and control over its intellectual property, the Company has been able to leverage its content and talent across virtually all media platforms. We continually evaluate additional opportunities to monetize new and existing content, including our subscription network ("WWE Network"), which launched domestically on February 24, 2014, and internationally beginning August 12, 2014. In support of this initiative, during 2012, 2013 and 2014, the Company increased staffing levels and expanded our content production capabilities. The launch of WWE Network, which changes the distribution of WWE's pay-per-view events, has reduced the monetization of our assets through other platforms such as pay-per-view and other content distributed on certain digital platforms.

"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. The initials "WWE" and our stylized and iconic "W" logo are two of our trademarks. This report also contains other WWE trademarks and trade names as well as those of other companies. All trademarks and trade names appearing in this report are the property of their respective holders.

Our operations are organized around the following principal activities:

Media Division:

• Network

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

• Television

Revenues consist principally of television rights fees and advertising.

• Home Entertainment

Revenues consist principally of sales of WWE produced content via home entertainment platforms, including DVD, Blu-Ray, subscription and transactional on-demand outlets.

• Digital Media

Revenues consist principally of advertising sales on our websites and third party websites including YouTube, sales of various broadband and mobile content and magazine publishing. The Company discontinued the magazine publishing business in August 2014.

Live Events

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

Table of Contents

Consumer Products Division:

Licensing

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

Venue Merchandise

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

WWEShop

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

WWE Studios

•Revenues consist of amounts earned from the investing in producing and/or distributing of filmed entertainment.

Media Division

(represents 63%, 60% and 59% of our net revenues in 2014, 2013 and 2012, respectively)

WWE Network

Launched on February 24, 2014, WWE Network became the first-ever 24/7 live streaming network. This subscription based network is currently available in more than 170 countries and territories, including Australia, Canada, New Zealand, Hong Kong, Singapore, Mexico, Spain, and the Nordics, among others. Subscribers can access all 12 of WWE's live pay-per-view events, exclusive original programming, and more than 2,700 hours of video-on-demand library. WWE Network is available on desktops and laptops via WWE.com, through the WWE App on Amazon Fire TV and Kindle Fire devices, IOS devices, Apple TV, Roku streaming devices, gaming consoles, interconnected TV's, Blu-Ray players and Smart TVs. As of December 31, 2014, WWE Network had 816,000 subscribers. For domestic subscribers, the current subscription to WWE Network is \$9.99 per month with no commitment period.

Network subscription revenues were \$69.5 million, representing 13% of total net revenues in 2014.

Pay-Per-View Programming

WWE has been one of the world's leading providers of pay-per-view programming for over 30 years. In 2014, WWE produced 12 live pay-per-view events which ranked among the highest selling live event programs in the industry. WWE's annual crown jewel, WrestleMania, has historically achieved more than one million buys worldwide. On April 6, 2014, WWE celebrated the 30th Anniversary of WrestleMania in the Mercedes-Benz Superdome in New Orleans, Louisiana, before a sold-out crowd with millions watching at home. WrestleMania 30 achieved approximately 0.7 million buys and generated \$16.4 million in pay-per-view revenue. Additionally, WrestleMania 30 was the first pay-per-view to air live on WWE Network.

WWE produced 12 domestic pay-per-view programs in 2014, 2013 and 2012. The suggested domestic retail price for all pay-per-view events in 2014 was \$44.95, with the exception of WrestleMania which had a suggested domestic retail price of \$59.95. Consistent with industry practices, we share the revenues with cable systems and satellite providers that distribute the events. Average revenue per buy was \$19.55 in 2014, \$21.41 in 2013 and \$20.60 in 2012. Beginning in 2014, these monthly marquis shows are offered as part of our WWE Network. Inclusion of these events as a part of our subscription WWE Network has resulted in a large decrease of á la carte pay-per-view revenue in the markets where WWE Network is available.

Our international pay-per-view partners include BSkyB in the United Kingdom, Maxxdome in Germany, SKY Perfect TV! in Japan, SKY Italia in Italy and Main Event in Australia, among many others.

Pay-per-view net revenues were \$45.2 million, \$82.5 million and \$83.6 million, representing 8%, 16% and 17% of total net revenues in 2014, 2013 and 2012, respectively.

Table of Contents

WWE Classics on Demand

WWE Classics On Demand had been a subscription video on demand service that offered classic television shows, older pay-per-view events, specials and original programming for a monthly subscription fee. In anticipation of WWE Network launch, it ceased operations in January 2014.

WWE Classics On Demand net revenues were \$0.3 million in 2014, \$3.8 million in 2013 and \$4.1 million in 2012, representing less than 1% of total net revenues for 2014 and 1% in both 2013 and 2012.

Television

Relying on our in-house production capabilities at our technologically advanced, high definition, production facility, we produce five hours of original weekly domestic television programming. We also produce reality shows and other programming. Many of these programs, with the exception of live and near live airings of RAW and SmackDown, currently air on WWE Network. Our television programming is distributed domestically and internationally. Our domestic television programs currently are: RAW on USA Network with replays on mun2 and Uni HD; SmackDown on Syfy with replays on mun2; and Total Divas on E! Network. WWE's TV programs reach approximately 13 million viewers in the United States during the average week. USA Network, the Syfy Channel and E! Network are owned by NBC Universal.

RAW and SmackDown are licensed domestically under a multi-year contract with NBC Universal which became effective on October 1, 2014.

RAW is a three-hour live primetime program which ranks among the most watched regularly scheduled programs on primetime cable television. RAW, which has been on air for 21 years, is the longest running weekly episodic program in primetime TV history and anchors USA, consistently helping make it the top-rated cable network.

SmackDown is a two-hour show which aired in primetime on Fridays before moving to Thursdays on January 15, 2015. SmackDown has on average been Syfy's most-watched program each week. SmackDown is the second longest running weekly episodic program in primetime TV history, only behind RAW.

WWE Main Event is a one-hour original series featuring WWE's Superstars and Divas. WWE Main Event is distributed via television in certain international markets and also airs on WWE Network.

Total Divas was added to WWE's programming line-up in July 2013, continued to air Sundays on E! beginning with an eleven episode run of Season 2 earlier in 2014, and ended the year with the first ten episodes of Season 3. The reality based show explores life beyond the ring for several WWE Divas. The second half of Season 3 began airing in January 2015. Previous episodes of Seasons 1-2 also replayed on WWE Network.

NXT and WWE Superstars air on WWE Network and HULU domestically. Between them, they also air on television in over 170 countries internationally. NXT features development talent training to become WWE Superstars.

During 2014, the Company began airing webisodes of WWE Slam City™, an animated series on WWE.com and WWE Network. WWE Slam City™ is WWE's original kids animated short-form series, which airs on NickSports and Nicktoons. The 26-episode series is comprised of two-minute shorts featuring WWE Superstars in an animated world. Each year, more than 6,000 hours of WWE's television programming can be seen in more than 170 countries and 35 languages around the world. Our broadcast partners include: BSkyB in the United Kingdom; Ten Sports in India, and J SPORTS in Japan, among many others. In January 2014, we announced the renewal of our agreement with BSkyB in the United Kingdom through 2019. During 2014, the Company signed seven deals that comprise significant amount of our total TV rights fees. These "top 7" totaled over \$130 million in 2014 and are with partners in the U.S., U.K, India, Thailand, Canada, Mexico and Middle East region.

Television revenues were \$176.7 million, \$163.4 million and \$140.9 million, representing 33%, 32% and 29% of total net revenues in 2014, 2013 and 2012, respectively.

Table of Contents

Home Entertainment

WWE distributes its content as home entertainment releases in both physical (DVD and Blu-ray) and digital formats. Content distributed through home entertainment channels has included themed compilations from the Company's vast archives as well as releases of the Company's pay-per-view events. WWE's home entertainment titles are generally sold through retailers, such as Wal-Mart and Best Buy and via subscription and transactional on-demand outlets, such as iTunes, Amazon, Netflix and others. Outside the United States, third-party licensees distribute our home entertainment releases. Starting in January 2015, Warner Brothers Home Entertainment has become the distributor of our home entertainment products.

In 2014, we released 30 new home video productions globally and, in the U.S., shipped approximately 2.7 million DVD and Blu-ray units, including catalog titles released in prior years.

Home entertainment net revenues were \$27.3 million, \$24.3 million and \$33.0 million, representing 5%, 5% and 7% of total net revenues in 2014, 2013 and 2012, respectively.

Digital Media

WWE utilizes the Internet to promote our brands, create a community experience among our fans, market and distribute our content and digital products and sell online advertising. Our primary website, WWE.com, attracted an average of 20.7 million monthly unique visitors worldwide during 2014. These visitors viewed an average of more than 486.5 million pages and approximately 47.8 million video streams per month. WWE wallpapers, ringtones, voicetones, games and videos are available through our mobile partnerships.

WWE currently has regional websites spanning 50 countries worldwide, allowing fans to experience WWE in their native language with a concentration on local events and shows. Some of the countries in which we have regional websites include China, France, Germany, India, Japan, Poland, Portugal, Spain and Russia. Local sales agencies sell advertising on WWE.com in more than 35 countries.

WWE currently streams its video content on select video portals such as YouTube. During 2014, 3.9 billion videos of WWE content were viewed on YouTube garnering the Company advertising revenues attached to the content.

Total Digital Media net revenues were \$20.9 million, \$28.7 million and \$25.7 million, representing 4%, 6% and 5% of total net revenues in 2014, 2013 and 2012, respectively.

Magazine Publishing

The magazine division of WWE published WWE Magazine, WWE Kids magazine and several special magazines. However, with the cost reduction initiatives implemented in September 2014, the magazine division was eliminated. The Company still produces special edition magazines from time to time.

Live Events

(represents 20%, 22% and 22% of our net revenues in 2014, 2013 and 2012, respectively)

Our broad and talented roster of Superstars, allows us to perform in numerous domestic markets and take advantage of the strong international demand for our events. Live events and television programming are our principal creative content and production activities. Our creative team develops compelling and complex characters and weaves them into dynamic storylines that combine physical and emotional elements. Storylines are usually played out in the ring and unfold on our weekly television shows, culminating in monthly marquis events distributed via pay-per-view and now also available on WWE Network.

In 2014, we produced 264 live events throughout North America, entertaining approximately 1.6 million fans at an average ticket price of \$48.86. We hold many of our live events at major arenas across the country. In addition to providing content for our television and other programming, these events provide us with a real-time assessment of the popularity of our storylines and characters.

Table of Contents

In 2014, we produced 54 live events internationally, reaching approximately 300,000 fans at an average ticket price of \$75.81. These events were spread over several international tours throughout Europe, the Middle East, Asia, Latin America and Australia.

Live events net revenues were \$110.7 million, \$113.1 million and \$106.6 million, representing 20%, 22% and 22% of total net revenues in 2014, 2013 and 2012, respectively.

Consumer Products Division

(represents 14%, 15% and 17% of our net revenues in 2014, 2013 and 2012, respectively)

Licensing

We have established a worldwide licensing program using our marks and logos, copyrighted works and characters on a large variety of retail products, including toys, video games, apparel and books. Currently, we have relationships with more than 150 licensees worldwide that provide products for sale at major retailers. To maintain the distinctive style and quality of our intellectual property and brand, we retain creative approval over the design, packaging, advertising and promotional materials associated with these products.

Video games and toys are the largest components of our licensing program. We have a comprehensive, multi-year licensing agreement with Mattel, Inc. our master toy licensee, covering all global territories. In 2013, we entered into a new multi-year agreement with Take-Two Interactive Software, Inc. ("Take-Two") to publish future video games.

Music is an integral part of the entertainment experience surrounding WWE's live events, television programs and pay-per-views. We compose and record most of our music, including our Superstar entrance themes, in our recording studio. In addition to our own composed music, we license music performed by popular artists. Music links the WWE brand to all media platforms including television, film, radio, video games, live events and other emerging digital technologies.

Licensing net revenues, including music, were \$38.6 million, \$43.6 million and \$46.3 million, representing 7%, 9% and 10% of total net revenues in 2014, 2013 and 2012, respectively.

Venue Merchandise

Our venue merchandise business consists of the design, sourcing, marketing and distribution of numerous WWE-branded products such as t-shirts, caps and other novelty items, all of which feature our Superstars, Divas and/or logos. These items are offered for sale at our live events.

Venue merchandise net revenues were \$19.3 million, \$19.4 million and \$18.8 million, representing 4% of total net revenues in each 2014, 2013 and 2012.

WWEShop

WWEShop is our e-commerce storefront. WWEShop processed approximately 426,000 orders during 2014 as compared to approximately 320,000 in 2013. The Company established a new relationship with Amazon UK to distribute orders via WWEEuroShop.com.

WWEShop net revenues were \$20.2, \$15.5 million and \$14.8 million, representing 4% of total net revenues in 2014, and 3% of total revenues in 2013 and 2012, respectively.

Table of Contents

WWE Studios

(represents 2%, 2% and 2% of our net revenues in 2014, 2013 and 2012, respectively)

WWE Studios oversees the Company's participation in the production and global distribution of filmed entertainment content, which may include movies for theatrical, home entertainment, and/or television release. The Company believes its movie business, expands its brands, reaching new audiences, supporting the Company's investment in its Superstar talent, and building a content library with lasting value.

In 2012, WWE Studios implemented a new business model, which focuses on the utilization of strategic partnerships, including production, distribution and acquisition relationships, to increase financial returns and mitigate risk. WWE utilizes its marketing and content platforms, especially its weekly presence on prime-time television, to support its movie projects.

In 2014 WWE Studios released seven films. Among the film projects, WWE Studios joined with Warner Brothers Animation to co-produce and co-finance Scooby Doo! WrestleMania Mystery and released several direct-to-home sequels with Lionsgate: Leprechaun Origins and See No Evil 2. Additionally, Jingle All the Way 2, a direct-to-home film, premiered on DVD then capped off USA Network's holiday WWE week programming event.

WWE Studios net revenues were \$10.9 million, \$10.8 million and \$7.9 million, representing 2%, 2% and 2% of total net revenues in 2014, 2013 and 2012, respectively.

The Company has substantial capitalized film costs. The accounting for our film business in accordance with generally accepted accounting principles entails significant judgment used to develop estimates of expected future revenues from films. If expected revenue for one or more of our films does not materialize because audience demand does not meet expectations, our estimated revenues may not be sufficient to recoup our investment in the film. If actual revenues are lower than our estimated revenues or if costs are higher than expected, or if other conditions indicate our film assets may not be recoverable, we calculate the estimated fair value of the film. If the unamortized cost of the film is greater than the estimated fair value, we are required to record an impairment charge and write down the capitalized costs of the film to the estimated fair value. During the years ended December 31, 2014, 2013 and 2012, we recorded aggregate impairment charges of \$1.5 million, \$11.7 million and \$1.2 million, respectively, relating to feature films. See Note 7 to the Consolidated Financial Statements included in this report for further discussion.

International

Revenues generated outside of North America across all our business segments were \$116.4 million for 2014, \$116.3 million for 2013 and \$118.1 million for 2012. Revenues generated from international sources accounted for 21% of total revenues generated in 2014, 23% in 2013 and 24% in 2012. Revenues generated in the United Kingdom, our largest international market, were \$40.5 million, \$36.0 million and \$34.0 million for 2014, 2013 and 2012, respectively.

See Note 19 to the Consolidated Financial Statements included in this report for additional information by segment and by geographic area.

Creative Development and Production

Headed by our Chairman and Chief Executive Officer, Vincent K. McMahon, our creative team develops compelling and complex characters and weaves them into dynamic storylines that combine physical and emotional elements. Storylines are usually played out in the ring and unfold on our weekly television shows, culminating in our monthly marquis events. We voluntarily designate the suitability of each of our television shows using standard industry ratings, and all of our programming carries a PG rating, which is critical to maintaining the Company's reputation for family friendly entertainment.

Our success is due primarily to the continuing popularity of our Superstars and Divas. We currently have approximately 140 Superstars and Divas under exclusive contracts, ranging from multi-year guaranteed contracts with established Superstars to developmental contracts with our Superstars in training. Our Superstars and Divas are highly trained and motivated independent contractors, whose compensation is tied to the revenue that they help generate. We own the rights to substantially all of our characters and exclusively license the rights we do not own through agreements with our Superstars and Divas. We continually seek to identify, recruit and develop additional talent for our business.

Table of Contents

Competition

While we believe that we have a loyal fan base, the entertainment industry is highly competitive and subject to fluctuations in popularity, which are not easy to predict. For our live, television, pay-per-view and movie audiences and from business such as our new WWE Network, we will face competition from professional and college sports as well as from other forms of live, filmed, televised, streamed entertainment and other leisure activities. We compete with entertainment companies, professional and college sports leagues and other makers of branded apparel and merchandise. As we continue to expand into the highly competitive streamed media market, we will face increased competition from websites and mobile and other internet connected apps offering paid and free content. Many companies with whom we compete have greater financial resources than we do.

Trademarks and Copyrights

Intellectual property is material to all aspects of our operations, and we expend substantial cost and effort in an attempt to maintain and protect our intellectual property and to maintain compliance vis-à-vis other parties' intellectual property. We have a large portfolio of registered and unregistered trademarks and service marks worldwide and maintain a large catalog of copyrighted works, including copyrights in our programming, music, photographs, books, magazines, films and apparel art. A principal focus of our efforts is to protect the intellectual property relating to our originally created characters portrayed by our performers, which encompasses images, likenesses, names and other identifying indicia of these characters. We also own a large number of internet website domain names and operate a network of developed, content-based sites, which facilitate and contribute to the exploitation of our intellectual property worldwide.

We vigorously seek to enforce our intellectual property rights by, among other things, searching the internet to ascertain unauthorized use of our intellectual property, seizing goods that feature unauthorized use of our intellectual property and seeking restraining orders and/or damages in court against individuals or entities infringing our intellectual property rights. Our failure to curtail piracy, infringement or other unauthorized use of our intellectual property rights effectively, or our infringement of others' intellectual property rights, could adversely affect our operating results.

Financial Information about Segments

See Note 19 to Notes to Consolidated Financial Statements, which is included elsewhere in this Form 10-K, for financial information about each of our segments.

Employees

As of February 2015, we had approximately 761 employees. This headcount excludes our Superstars, who are independent contractors. Our in-house production staff is supplemented with contract personnel for our television production. We believe that our relationships with our employees are good. None of our employees are represented by a union.

Regulation

Live Events

In various states in the United States and some foreign jurisdictions, athletic commissions and other applicable regulatory agencies require us to obtain licenses for promoters, medical clearances and/or other permits or licenses for performers and/or permits for events in order for us to promote and conduct our live events. If we fail to comply with the regulations of a particular jurisdiction, we may be prohibited from promoting and conducting our live events in that jurisdiction. The inability to present our live events over an extended period of time or in a number of jurisdictions could lead to a decline in the various revenue streams generated from our live events, which could adversely affect our operating results.

Television Programming

The production of television programming by independent producers is not directly regulated by the federal or state governments, but the marketplace for television programming in the United States and internationally is substantially affected by government regulations applicable to, as well as social and political influences on, television stations, television networks and cable and satellite television systems and channels. We voluntarily designate the suitability of each of our television shows using standard industry

Table of Contents

ratings, and all of our programming carries a PG rating. Changes in governmental policy and private-sector perceptions could further restrict our program content and adversely affect our levels of viewership and operating results.

Available Information

Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments to those reports, are available free of charge on our website at <http://corporate.wwe.com> as soon as reasonably practicable after such reports are filed with or furnished to the Securities and Exchange Commission ("SEC"). Our reports are also available free of charge on the SEC's website, <http://www.sec.gov>. The public may read and copy any materials filed by the Company with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. None of the information on any of our websites is part of this Annual Report on Form 10-K. Our Corporate Governance Guidelines, Code of Business Conduct and charters of our Audit, Compensation and our Governance and Nominating Committees are also available on our website. A copy of any of these documents will be mailed to any stockholder without charge upon request to us at 1241 East Main Street, Stamford, CT 06902, Attn: Investor Relations Department.

Table of Contents

Item 1A. Risk Factors

There are inherent risks and uncertainties associated with our business that could adversely affect our operating performance and financial condition. Set forth below are descriptions of those risks and uncertainties that we currently believe to be material, but the risks and uncertainties described below are not the only risks and uncertainties that could affect our business. See the discussion under “Cautionary Statement for Purposes of the ‘Safe Harbor’ Provisions of the Private Securities Litigation Reform Act of 1995” in Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, in this Annual Report on Form 10-K.

The Company has spent, and will likely continue to spend, substantial amounts to produce content and infrastructure for distribution of content on our new WWE Network which launched domestically in early 2014 and began to be launched internationally in late 2014. We are still developing expertise in the digital distribution platforms that carry WWE Network on a subscription basis and could experience significant setbacks in such monetization efforts. If, for any of a number of reasons, we are unable to monetize this distribution platform successfully, these additional costs, and the loss of very significant revenue from other distribution platforms being displaced, could have a material adverse effect on our operating results.

Loss of Pay-Per-View Revenue.