



World Wrestling Entertainment, Inc.

First Quarter – 2007

Conference Call

May 3, 2007



Forward Looking Statements

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



Agenda: First Quarter 2007

- **Overview**
- **Operational Highlights**
- **Financial Review**
- **Business Outlook**
- **Q&A**



Overview: Summary Income Statement

(\$s in millions, except per share amounts)

	Three Months Ended March 31,		
	2007	2006	Growth %
Revenue	\$107.4	\$95.1	13%
Operating Income	\$20.6	\$14.3	44%
Net Income	\$15.1	\$9.5	59%
Earnings Per Share (diluted)	\$0.21	\$0.13	62%
<u>Memo:</u> EBITDA	\$22.9	\$16.7	37%

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- WWE has changed its fiscal year to a calendar basis beginning with calendar year 2007. In the following schedules, "Q1 2007" refers to the three month period ended March 31, 2007; and "Q1 2006" refers to the three month period ended March 31, 2006.



Operational Highlights:

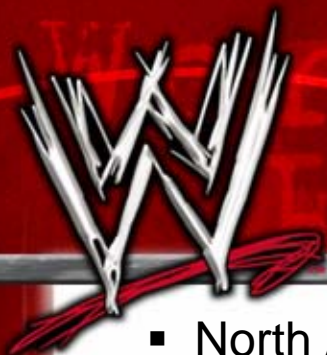
- Overall, our first quarter results were highlighted by solid 13% growth in revenue and gross profit
 - Growth was led by strong licensing sales
 - Operating margins improved 400+ basis points to 19%
- Most fundamental operating metrics continued to trend favorably:
 - Average attendance at our N. American events grew 15% year-over-year
 - Gross DVD unit shipments increased 59% to 1.1M
 - Online traffic, i.e. unique visitors to WWE.com, increased 25% to 17.5M
- Licensing revenue increased 55% led by the performance of our *SmackDown vs. Raw 2007* video game, with nearly 4M unit sales for Q1 2007
- Completed agreement with AT&T mobile to make WWE video content available to AT&T's 60 million subscribers in the US
- Continuing creative success (subsequent to first quarter):
 - WrestleMania PPV buys, based on preliminary estimates, are projected at approximately 1.2 million, representing a 15% increase over the prior 3 year average.



Financial Review: First Quarter Summary

(\$s in millions)

Revenue	Three months ended March 31,		B/(W) vs. 2006	
	2007	2006	\$	%
Live Events/ Venue Merch.	\$ 23.4	\$ 21.4	\$ 2.0	9%
Pay-Per-View	15.8	17.1	(1.3)	(8%)
Television	21.9	20.7	1.2	6%
Digital Media	7.0	4.9	2.1	43%
Licensing	20.6	13.3	7.3	55%
Home Video	13.4	12.4	1.0	8%
Other	5.3	5.3	-	-%
Total Revenue	\$ 107.4	\$ 95.1	\$ 12.3	13%
Profit Contribution				
Live Events/ Venue Merch.	\$ 7.1	\$ 5.8	1.3	22%
Pay-Per-View	10.3	10.7	(0.4)	(4%)
Television	6.4	7.6	(1.2)	(16%)
Digital Media	2.0	1.4	0.6	43%
Licensing	15.1	9.7	5.4	56%
Home Video	7.6	7.8	(0.2)	(3%)
Other	0.8	0.7	0.1	14%
Total Profit Contribution	\$ 49.3	\$ 43.7	\$ 5.6	13%
Profit Margin	46%	46%		
S,G & A	26.4	27.0	0.6	2%
Depreciation	2.3	2.4	0.1	4%
Operating Income	\$ 20.6	\$ 14.3	\$ 6.3	44%
Margin %	19%	15%		



Operational Highlights: Live Events

- North American live events continued to deliver increased revenue and profits
 - Average paid attendance increased for the ninth consecutive quarter, with a 15% year-over-year increase in Q1 2007 to 6,900
 - Average paid attendance has increased 41% from 4,900 in Q1 2004
- Q1 2007 included 8 international events vs. 11 events in Q1 2006
 - The current quarter primarily included events in emerging markets, such as New Zealand, Guatemala and Mexico which had fixed, guaranteed revenue, while the prior year also had events in more established markets of Australia and Japan
 - Expect 65-70 international live events for the twelve months of 2007 compared to 61 international live events in 2006

Key Drivers:

	Three months ended March 31,		
	2007	2006	Inc/(Dec) %
<u>North America</u>			
Average Event Attendance	6,900	6,000	15%
Number of live events	63	61	3%
<u>International</u>			
Average Event Attendance	9,300	12,100	(23%)
Number of live events	8	11	(27%)



Operational Highlights: Pay-Per-View

- Key Drivers:

	Three months ended March 31,		
	2007	2006	Inc/(Dec) %
Total Pay-Per-View buys (000s)	901	1,183	(24%)
<i>Current period buys</i>	929	1,061	(12%)
<i>Prior period buys</i>	(28)	122	(123%)
Number of events	3	3	-

- Revenue reflected a \$5 domestic price increase (14%) that was offset by a 12% decline in buys for the 3 PPV events which were produced in both the current and prior year periods
- International buys represented 36% of PPV purchases vs. 35% in the first quarter last year
- Buys for WrestleMania 23 (which will be reported in Q2 2007 results) have been estimated at 1.2 million, representing a 15% increase over the prior 3 year average – based on preliminary projections



Operational Highlights: Television

- RAW remains one of the most watched regularly scheduled programs on cable television, and anchors USA network as a top rated network
 - RAW is regularly seen by over 5.5 million viewers each week
- SmackDown transitioned successfully to the CW network in September 2006 and continues to be a top rated program among young males 12-17, males 18-34 and Hispanic households
 - SmackDown is seen by more than 4.7 million viewers each week.
- ECW is the top rated program on the SCI FI Channel, and is the #1 cable program among males 18-34 and males 18-49 on Tuesday nights.
- Key Drivers:

TV Ratings (THH):	Three months ended March 31,		
	2007	2006	Inc/(Dec) %
RAW	4.1	4.2	(2%)
SmackDown	2.9	2.9	-
ECW	1.6	N/A	N/A



Operational Highlights: Consumer Products

- Home Video revenue increased 8% over the prior year quarter
 - DVD shipments increased nearly 60% to 1.1 million gross units
 - *The New and Improved DX* shipped 140,000 gross units in the quarter
 - More than 450,000 units of catalog titles shipped in the quarter compared to about 265,000 units last year
- Licensing revenue increased 55% (\$7.3 million) over the prior year quarter with significant revenue growth generated by video games and toy products
 - *SmackDown vs. RAW 2007* (released in November) has sold nearly 4 million units to-date for PS2, PSP and Xbox 360 platforms - representing a 46% increase in unit sales from the prior release in the comparable period last year
 - Sales of toy products, primarily action figures, accounted for approximately 25% of the growth in licensing revenue
 - International revenue represented 39% of total licensing revenue for the quarter compared to 40% in the prior year quarter



Operational Highlights: Digital Media

- Digital Media, our Internet based operations including online ad sales, mobile content and e-commerce, generated \$7.0M in revenue, representing a 43% increase over the prior year quarter
- WWE.com revenue, principally from online ad sales and premium services, grew 27% to \$2.8M in the quarter
 - WWE.com averaged 17.5 million unique users per month and 43 million video streams in the period
 - WWE online advertising is attracting new advertisers – such as Colgate; a sales office was opened in Chicago, and the direct sales staff has been expanded in New York and Los Angeles.
 - WWE completed a new agreement with AT&T mobile, making WWE’s digital content available to AT&T’s 60 million mobile subscribers in the US
- WWEShop.com’s revenue increased \$1.4M (54%) reflecting a 64% increase in merchandise sales to approximately 82,000 online orders (vs. 50,000 in the first quarter last year)



Operational Highlights: WWE Films

- WWE released two feature films in 2006 with performance to-date in line with management expectations
 - *See No Evil* and *The Marine* have now been released in domestic DVD markets.
 - *The Marine* DVD debuted in the number two position on Videoscans's sales charts and, during its opening week, was the number one rental title according to *Home Media* magazine.
 - *See No Evil* and *The Marine* are pacing in line with management's "ultimate" profit projections
- *The Condemned*, our third film starring Stone Cold Steve Austin, was released on April 27, 2007.
 - The film has garnered approximately \$4.4 million in domestic box office receipts through May 1st, 2007. The early theatrical performance of *The Condemned* is below our aspirations for the film. We will continue to update our financial projections as new data becomes available.



Financial Overview: Profit Contribution and S,G&A (\$s in millions)

Profit Contribution increased 13% to \$49.3 million reflecting 13% revenue growth led by licensing, live event and digital media businesses

- Profit contribution margin was 46% in the current and prior year quarter as improved margins from live events/ venue merchandise were offset by increases in television production costs. Segment profit margins declined as follows:

	Three months ended March 31		
	2007	2006	Incl/ (Dec) %
Live & Televised Entertainment	38%	39%	(1%) <i>pt.</i>
Consumer Products	63%	64%	(1%) <i>pt.</i>
Digital Media	29%	29%	- <i>pts.</i>

Selling, General and Administrative of \$26.4 in Q1 2007 (-2%) vs. \$27.0 in Q1 2006

Operating Income increased 44% to \$20.6 in Q1 2007 vs. \$14.3 in Q1 2006

- Operating Income margin of 19% vs. 15% in prior year quarter

Net Income increased 59% to \$15.1 vs. \$9.5 in Q1 2006

- Effective tax rate reduced to 35% vs. 45% due to greater tax-exempt income. In addition, Q1 2006 also reflected reserves for state and local tax examinations

Free cash flow of \$23.2 in Q1 2007 vs. \$15.1 in Q1 2006

- Free cash flow reflects improved operating results as well as favorable changes in the Company's working capital and tax position



Financial Review: First Quarter Revenue

(\$s in millions)

Q1 2007 Revenue	\$107.4
vs. Q1 2006 \$	+\$12.3
%	13%
Licensing - royalties earned	
Videogames (Sales of <i>SmackDown</i> vs. <i>Raw</i> video game increase by 46%)	+\$4.3
Other Licensed merchandise (primarily increased sales of toys and apparel)	+\$3.0
<i>Subtotal</i>	+\$7.3
Live Events/ Venue Merchandise:	
N. America (15% increase in avg. attendance to 6,900)	+\$3.9
International (8 events in current quarter vs. 11 events in Q1 2006)	-\$2.7
Venue Merchandise (sales per event attendee)	+\$0.8
<i>Subtotal</i>	+\$2.0
Digital Media revenue:	
Website Merchandise Sales (WWEShop)	+\$1.4
TV Rights Fees (primarily ECW rights fees)	+\$1.2
Home Video sales	+\$1.0
WWE 24/7 (primarily subscriber growth)	+\$0.7
Pay-per-view (primarily 12% decline in current period PPV buys to 929K)	-\$1.3
All other	-
Total	+\$12.3



Financial Review: First Quarter Operating Income

(\$s in millions)

Q1 2007 Operating Income	\$20.6
vs. Q1 2006 \$	\$6.3
%	44%
Licensing	+\$5.4
Live Events/ Venue Merchandise:	
Live Events (primarily increased average attendance - N. America)	+\$0.5
Venue Merchandise	<u>+\$0.8</u>
<i>Subtotal</i>	<u>+\$1.3</u>
TV Rights/ Production	-\$1.2
Digital Media (primarily e-commerce @WWEShop)	+\$0.6
All other (including SG&A)	+\$0.2
Total	<u>+\$6.3</u>



Financial Overview: Consolidated Balance Sheets

(\$s in millions)

	As of <u>March 31, 2007</u>	As of <u>December 31, 2006</u>
<u>Assets</u>		
Cash & short-term investments	\$ 255.4	\$ 248.2
Accounts receivable	44.5	52.1
Other current assets	23.3	16.8
Total current assets	<u>323.2</u>	<u>317.1</u>
Net fixed assets	67.5	68.0
Feature film production assets	54.3	53.6
Other assets	15.8	14.6
Total assets	<u>\$ 460.8</u>	<u>\$ 453.3</u>
<u>Liabilities & Stockholders' Equity</u>		
Current liabilities	\$ 59.2	\$ 61.8
Long-term debt	5.5	5.8
Other long-term liabilities	10.4	-
Total liabilities	<u>75.1</u>	<u>67.6</u>
Total stockholders' equity	385.7	385.7
Total equity & liabilities	<u>\$ 460.8</u>	<u>\$ 453.3</u>



Business Outlook

- Business Outlook:

- As we manage the Company for the long-term, our management has decided not to provide specific guidance on near term results
- The Company has committed to complete a comprehensive strategic review, with the objective of identifying sustainable multi-year growth rates. We expect to communicate our financial objectives within the near term
- In lieu of providing specific, near term financial guidance, we have expanded the depth of our business metrics and have made these available on a monthly basis on our corporate website: corporate.wwe.com
 - As a specific point of reference, the Company has targeted 2007 EBITDA growth of approximately 12% over the prior calendar year for the payout of management bonuses



APPENDIX



Appendix

(\$s in millions)

Reconciliation of Net Income to Normalized EBITDA

	Three months ended March 31,	
	2007	2006
Net income reported on GAAP basis	\$ 15.1	\$ 9.5
Addback:		
Provision for income taxes	8.1	7.6
Interest income and other, net	(2.6)	(2.8)
Depreciation and amortization	2.3	2.4
EBITDA	\$ 22.9	\$ 16.7
Normalized EBITDA	<u>\$22.9</u>	<u>\$16.7</u>



Appendix

(\$s in millions)

Reconciliation of cash provided by operating activities to free cash flow

	Three months ended March 31,	
	2007	2006
Net cash provided by operating activities before investment in feature films	\$ 25.4	\$ 18.6
Feature films	(0.7)	(0.8)
Net cash provided by operating activities	\$ 24.7	\$ 17.8
Less cash used for capital expenditures:		
Purchase of property and equipment	(1.5)	(1.8)
Purchase of other film library assets	-	(0.9)
Total capital expenditures	(1.5)	(2.7)
Free Cash Flow	\$ 23.2	\$ 15.1