WORLD WRESTLING ENTERTAINMENTINC
Form 10-K
February 25, 2010

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

For the year ended December 31, 2009

or

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

Commission file number 0-27639

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 o No x

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 o No x

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 o

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 o No o

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. x

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	o	Accelerated filer x
Non-accelerated filer (Do not check if a smaller reporting company)	o	Smaller reporting company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ____ No X

Aggregate market value of the common stock held by non-affiliates of the Registrant at February 5, 2010 using our closing price on June 30, 2009 was approximately $321,805,198.

As of February 5, 2010, the number of shares outstanding of the Registrant's Class A common stock, par value $.01 per share, was 25,721,433, and the number of shares outstanding of the Registrant's Class B common stock, par value $.01 per share, was 47,713,563 shares. Portions of the Registrant's definitive proxy statement for the 2010 Annual Meeting of Stockholders are incorporated by reference in Part III of this Form 10-K.

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* Incorporated by reference from the Registrant’s Proxy Statement for the 2010 Annual Meeting of Stockholders (the “Proxy Statement”).

PART I

Item 1. Business

World Wrestling Entertainment, Inc. (“WWE”) is an integrated media and entertainment company. We have been involved in the sports entertainment business for more than 25 years, and have developed World Wrestling Entertainment into one of the most popular brands in global entertainment today. We develop unique and creative content centered around our talent and presented at our live and televised events. At the heart of our success are the athletic and entertainment skills and appeal of our WWE Superstars and our consistently innovative and multi-faceted storylines across our brands. Anchored by these brands, we are able to leverage our content and talent across virtually all media outlets. Our live and televised events, consumer products, digital media and feature film outlets provide significant cross-promotion and marketing opportunities that reinforce our brands while effectively reaching our fans.

“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. World Wrestling Entertainment and the stylized and highly distinctive World Wrestling Entertainment scratch 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 centered around the following four business segments:

Live and Televised Entertainment

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

Consumer Products

- Revenues consist principally of the direct sales of WWE produced home videos and magazine publishing and royalties or license fees related to various WWE themed products such as video games, toys and books.

Digital Media

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

WWE Studios

- Revenues consist of receipts from the distribution of filmed entertainment featuring our Superstars. To date, we have partnered with major studios to distribute our productions. We have recently announced plans to self-distribute our future filmed entertainment productions beginning in 2010.

Live and Televised Entertainment

(represents 70%, 63% and 65% of our net revenues in 2009, 2008 and 2007, respectively)

Live Events

Our Raw Superstars travel as one touring show while our SmackDown and ECW Superstars travel together as a combined tour. This gives us flexibility in scheduling that allows us to play numerous domestic and international markets. 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, and culminate in our monthly pay-per-view events.

In 2009, we held 268 live events throughout North America, entertaining over one million fans at an average ticket price of $37.64. We hold many of our live events at major arenas across the country. In addition to providing the content for our television and pay-per-view programming, these events provide us with a real-time assessment of the popularity of our storylines and characters.

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In 2009, we held 74 live events internationally, reaching approximately 600,000 fans at an average ticket price of $66.08. These events were spread over several successful international tours throughout Europe, Latin America and Australia.

Live events net revenues were $108.8 million, $105.7 million and $99.3 million, representing 23%, 20% and 20% of total net revenues in 2009, 2008 and 2007, respectively.

Venue Merchandise

Our venue merchandise business consists of the sale of various WWE-branded products at our live events, such as T-shirts, caps and other novelty items, which feature our Superstars and/or our logo. Nearly all of these products are designed by our in-house creative staff and manufactured by third parties.

Venue merchandise net revenues were $19.8 million, $18.5 million and $19.1 million, representing 4% of total net revenues in each of 2009, 2008 and 2007.

Television Programming

Relying on our in-house production capabilities at our technologically advanced, high definition production facility, we produce seven hours of original weekly programming, 52 weeks per year. This programming is distributed domestically, internationally and via WWE.com. Our domestic programs are: “Monday Night RAW” on USA Network, Telemundo, mun2 and Universal HD; “A.M. RAW” on USA Network; “Friday Night SmackDown” on MyNetworkTV; “ECW” on the Syfy Channel; and “WWE Superstars” on WGN America. WWE programs reach 16.3 million total viewers during the average week. USA Network and the SyFy Channel are owned by NBC Universal.

“Monday Night RAW” is a two-hour primetime program that is broadcast live on USA Network. It is among the most watched regularly scheduled programs on primetime cable television and anchors USA, helping make it a top-rated network. RAW also airs in replays on Telemundo, mun2 and Universal HD.

Our two-hour “Friday Night SmackDown” airs on MyNetworkTV in primetime on Fridays. SmackDown is the top-rated broadcast program on Friday nights among male viewers, including the key male 12-17, Men 18-34, Men 18-49 and Men 25-54 demographics, and is the most-watched program on MyNetworkTV among all key demographics.

“ECW” is among the top-rated programs on Syfy among households, total viewers and all key male demographics. It also ranks among the top 10 regularly scheduled cable programs on Tuesday nights among Men 25-54 and also runs replays on Universal HD and mun2. Beginning in February 2010, the ECW television program was replaced with WWE NXT, a hybrid live event/reality show.

“WWE Superstars” is the most watched program on WGN America among households, total viewers and all key demographics.

Each year, more than 7,500 hours of WWE’s television programming can be seen in more than 145 countries and 30 languages around the world. Our broadcast partners include: BSkyB in the UK; Ten Sports in India, and J SPORTS in Japan, among many others.

The Company has announced that it is in the early stages of exploring the formation of a WWE network as an additional vehicle to distribute our programming content.

Television rights fee net revenues were $111.9 million, $100.7 million and $92.4 million, representing 24%, 19% and 19% of total net revenues in 2009, 2008 and 2007, respectively.

Advertising

We provide sponsorships in the US domestic market to meet the needs of our advertisers. Through these sponsorships, we offer advertisers a full range of our promotional vehicles, including internet and print advertising, arena signage, on-air announcements and pay-per-view sponsorship. In Canada, we sell advertising in our programs rather than receive a rights fee.

Advertising and sponsorship net revenues were $7.7 million, $7.4 million and $5.9 million, representing 2%, 1% and 1% of total net revenues in 2009, 2008 and 2007, respectively.

Pay-Per-View Programming

WWE has been the world's pre-eminent provider of pay-per-view programming for the past 25 years. In 2009, WWE televised 14 live pay-per-view events which consistently rank among the highest selling live event programs in the industry. Consistent with industry practices, we share the revenues with cable systems and satellite providers such as DirecTV, and pay service fees to iNDEMAND and TVN. WWE's annual crown jewel, WrestleMania, repeatedly achieves more than one million buys worldwide. On April 5, 2009, WWE celebrated the 25th Anniversary of WrestleMania in Houston, TX before a sold-out crowd with millions watching at home. The 25th Anniversary of WrestleMania achieved more than one million buys and generated approximately $22.5 million in pay-per-view revenue.

WWE produced 14 domestic pay-per-view programs in both 2009 and 2008. The suggested domestic retail price for all pay-per-view events in 2009 was $39.95, with the exception of WrestleMania which had a suggested domestic retail price of $54.95. We have increased our suggested retail price to $44.95 for pay-per-view events other than WrestleMania beginning in January 2010

Our international pay-per-view partners include SKY in the United Kingdom, Premiere 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 $80.0 million, $91.4 million and $94.3 million, representing 17%, 17% and 19% of total net revenues in 2009, 2008 and 2007, respectively.

WWE Classics On Demand

WWE Classics On Demand is a Subscription Video On Demand (SVOD) service that offers highly-rated and best-selling classic television shows, pay-per-view events, specials and original programming for a monthly subscription fee. Most of this material is drawn from WWE's extensive video library and includes other leading wrestling brands. WWE owns and controls the content from the vast libraries of such promotions as WCW, WCCW and AWA. WWE Classics on Demand subscribers have access to approximately 40 hours of content each month.

WWE Classics On Demand is currently distributed with 14 of the top 15 cable operators in the United States, making WWE Classics on Demand available to more than 80 percent of video-on-demand enabled subscribers. Major North American distributors currently include: Comcast Communications, Cox Communications, Charter Communications, Cablevision, Mediacom, and Verizon Communications, among others.

WWE Classics On Demand net revenues were $5.4 million in 2009, $6.3 million in 2008 and $4.9 million in 2007, representing 1% of total net revenues in each of 2009, 2008 and 2007.

Consumer Products

(represents 21%, 26% and 24% of our net revenues in 2009, 2008 and 2007, respectively)

Licensing

We have established a worldwide licensing program using our World Wrestling Entertainment 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 160 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.

Videogames and toys represent important components of our licensing program. During 2009, we settled all pending litigation with THQ, Inc. ("THQ") and Jakks Pacific, Inc. and announced a new multi-year videogame license with THQ effective January 1, 2010. January 1, 2010, is also the effective date of our new comprehensive, multi-year licensing agreement with Mattel, Inc. as our new master toy licensee covering all global territories.

We have publishing licensing agreements with Simon & Schuster, Dorling Kindersley, and Titan, which allow us to publish original content in a variety of genres and formats, including fiction, histories, how-to, comics, and biographies and autobiographies. During 2009, we published eight new books, including the New York Times bestselling WWE Encyclopedia, the autobiography of Rey Mysterio (Rey Mysterio: Behind the Mask), a history of D-Generation X (Are You Ready? The Unauthorized History of D-Generation X), and beginning reader books profiling WWE Superstars John Cena, Undertaker, Triple H, and CM Punk.

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. In addition to composing, producing, and recording most of our music, including Superstar and Diva entrance themes, WWE Music Group licenses commercial music for use across a variety of cable television and pay-per-view programming needs.

WWE programming and WWE.com have music woven in from up-and-coming artists across the board, thus maintaining our commitment to developing artists and providing a platform for awareness to an audience to which they might not be exposed through traditional record company marketing.

Licensing net revenues, including music, were $44.7 million, $60.5 million and $47.1 million, representing 9%, 11% and 10% of total net revenues in 2009, 2008 and 2007, respectively.

Home Video

In 2009, we released 28 new home video productions and shipped approximately 3.5 million DVD and Blu-ray units, including catalog titles released in prior years. In September 2009, Vivendi Entertainment became our home video distributor, replacing Genius Products, LLC. Outside the United States, our new releases and catalog titles are distributed through licensees.

Home video net revenues were $39.4 million, $58.5 million and $53.7 million, representing 8%, 11% and 11% of total net revenues in 2009, 2008 and 2007, respectively.

Magazine Publishing

WWE Magazine is a global men's lifestyle publication with native language editions in Spain, Mexico, France, Germany and Greece. Every issue is filled with features, photos, exclusive interviews and access that fans will not see on television. In the US, WWE Magazine is ranked "top-5" in retail revenue for the men's category, averaging more than $1.0 million in newsstand sales every month. On average, more than 4.6 million readers purchase WWE Magazine every month. Our WWE Kids magazine was launched in April 2008 and published ten issues in 2009. WWE Kids also has licensed editions in the UK and Germany.

Magazine publishing net revenues were $13.5 million, $15.4 million and $16.5 million, representing 3% of total net revenues in 2009, 2008 and 2007.

Digital Media

(represents 7%, 7% and 7% of our net revenues in 2009, 2008 and 2007, respectively)

WWE.com

WWE utilizes the Internet to promote our brands, create a community experience among our fans, market and distribute our online and mobile products and sell online advertising. Our primary website, WWE.com, attracted an average of 14.0 million monthly unique visitors worldwide. These visitors viewed an average of more than 423 million pages and approximately 22.0 million video streams per month. WWE wallpapers, ringtones, voicetones and videos are available through our mobile partnership with AT&T.

WWE currently has local language websites in 34 countries worldwide where fans can get the WWE experience in their own language. Worldwide presence includes Japan, China, Italy, Portugal, Spain, India and all of Latin America with local websites recently launched in Germany and France.

WWE.com net revenues were $16.8 million, $16.3 million and $16.2 million, representing 4%, 3% and 3% of total net revenues in 2009, 2008 and 2007, respectively.

WWEShop

WWEShop is our e-commerce storefront. WWEShop processed over 300,000 orders during 2009 as compared to 329,200 in 2008.

WWEShop net revenues were $16.0 million, $18.5 million and $18.6 million, representing 3%, 4% and 4% of total net revenues in 2009, 2008 and 2007, respectively.

WWE Studios (represents 2%, 5% and 3% of our net revenues in 2009, 2008 and 2007, respectively)

Established in 2002, WWE Studios creates a diversified mix of filmed entertainment including theatrical releases, direct-to-DVD films, television movies, series, animation, reality and other projects currently in development.

WWE Studios has released four feature films: See No Evil, The Marine, The Condemned and 12 Rounds. WWE Studios has also released two direct-to-DVD films, Behind Enemy Lines: Columbia and The Marine 2. 12 Rounds was distributed by Fox and was released in March 2009. The Marine 2 starring WWE Superstar Ted DiBiase, was produced in conjunction with 20th Century Fox Home Entertainment and was released in December 2009.

In January 2010, WWE Studios announced that it will self-distribute and market its upcoming films beginning with the release of the drama Legendary (working title) starring Patricia Clarkson, Danny Glover and WWE Superstar John Cena. WWE Studios has also completed shooting the feature film, Knucklehead starring Mark Feuerstein (Royal Pains), Melora Hardin (The Office), Paul "Big Show" Wight (WWE), Dennis Farina (Law and Order) and Wendy Malick (Just Shoot Me). The film is tentatively scheduled for release in the Fall of 2010.

WWE Studios remains committed to providing global audiences family-friendly filmed entertainment which leverages the World Wrestling Entertainment brand. Upcoming films will feature well-known actors and actresses in lead roles supported by WWE Superstars. WWE is slated to produce and release nine films through 2012. Upcoming projects will feature a wide range of genres including family-friendly comedies, dramas and thrillers. International distribution will be handled by WWE’s existing television and video partners worldwide.

WWE Studios net revenues were $7.7 million, $24.5 million and $16.0 million, representing 2%, 5% and 3% of total net revenues in 2009, 2008 and 2007, respectively.

International

Revenues generated outside of North America were approximately $127.1 million for 2009, $135.2 million for 2008 and $119.3 million for 2007. Revenues generated from international sources accounted for approximately 27% of total revenues generated in 2009, 26% in 2008 and 25% in 2007. Revenues generated in the United Kingdom, our largest international market, were approximately $36.5 million, $47.3 million and $45.0 million for 2009, 2008 and 2007, respectively.

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, and culminate in our monthly pay-per-view events.

Our success is due primarily to the continuing popularity of our Superstars and Divas. We currently have 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.

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, we face competition from professional and college sports as well as from other forms of live, filmed and televised entertainment and other leisure activities. We compete with entertainment companies, professional and college sports leagues and other makers of branded apparel and merchandise for the sale of our branded merchandise. As we continue to expand into the highly competitive digital media market we face increased competition from websites offering paid and free web-based and wireless 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 television programming, music, photographs, books, magazines 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 18 to Notes to Consolidated Statements, which is included elsewhere in this Form 10-K, for financial information about each of our segments.

Employees

As of February 2010 we had approximately 585 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 generally satisfactory. 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. In the event that 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 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 the Securities and Exchange Commission ("SEC"). Our reports are also available free of charge on the SEC's website, http://www.sec.gov. 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 Committee and Compensation Committee 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 World Wrestling Entertainment, Inc., 1241 East Main Street, Stamford, CT 06902, Attn: Investor Relations Department.

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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.

Our failure to maintain or renew key agreements could adversely affect our ability to distribute television and pay-per-view programming which could adversely affect our operating results.

Our television programming is distributed by broadcast and cable networks, and our pay-per-view programming is distributed by pay-per-view providers. Because our revenues are generated, directly and indirectly, from the distribution of our televised and pay-per-view programming, any failure to maintain or renew arrangements with these distributors or the failure of the distributors to continue to provide services to us could adversely affect our operating results. We regularly engage in negotiations relating to substantial agreements covering the distribution of our cable, broadcast and/or pay-per-view television by carriers located in the United States and abroad.

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 and could adversely affect our operating results.

The creation, marketing and distribution of our live and televised entertainment, including our pay-per-view events, is at the core of our business and is critical to our ability to generate revenues across our media platforms and product outlets. Our failure to continue to create popular live events and televised programming would likely lead to a decline in our television ratings and attendance at our live events, which would adversely affect our operating results.

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, which could adversely affect our operating results.

Our success depends, in large part, upon our ability to recruit, train and retain athletic performers who have the physical presence, acting ability and charisma to portray characters in our live events and televised programming. We cannot assure you that we will be able to continue to identify, train and retain these performers in the future. Additionally, we cannot assure you that we will be able to retain our current performers during the terms of their contracts or when their contracts expire. Our failure to attract and retain key performers, or a serious or untimely injury to, or the death of, or unexpected or premature loss or retirement for any reason of any of our key performers, could lead to a decline in the appeal of our storylines and the popularity of our brand of entertainment, which could adversely affect our operating results.

The loss of the creative services of Vincent K. McMahon could adversely affect our ability to create popular characters and creative storylines, which could adversely affect our operating results.

In addition to serving as Chairman of our Board of Directors and Chief Executive Officer, Mr. McMahon leads the creative team that develops the storylines and the characters for our televised programming and live events. Mr. McMahon is also an important member of our cast of performers. The loss of Mr. McMahon due to unexpected retirement, disability or death or other unexpected termination for any reason could have a material adverse effect on our ability to create popular characters and creative storylines, which could adversely affect our operating results.

A continued decline in general economic conditions and disruption of financial markets may, among other things, reduce the discretionary income of consumers or further erode advertising markets, which could adversely affect our business.

Our operations are affected by general economic conditions, which affect consumers’ disposable income. The demand for entertainment and leisure activities tends to be highly sensitive to the level of consumers’ disposable income. Declines in general economic conditions could reduce the level of discretionary income that our fans and potential fans have to spend on our live and televised entertainment and consumer products, which could adversely affect our revenues. Volatility and disruption of financial markets could limit our clients’, licensees’ and distributors’ ability to obtain adequate financing to maintain operations and result in a decrease in sales volume that could have a negative impact on our business, financial condition and results of operations.Our television partners derive revenues from our programming by the sale of advertising, and we sell advertising directly on our website and in our magazines. As widely reported, the advertising market has been impacted by the weak economic environment. Continued softness in the market could adversely affect our revenues or the financial viability of our distributors.

Our accounts receivable represent a significant portion of our current assets and relate principally to a limited number of distributors, increasing our exposure to bad debts and potentially impacting our results of operations.

A substantial portion of our accounts receivable are from distributors of our pay-per-view, television, home video and magazine products. Adverse changes in general economic conditions and continued contraction in global credit markets could precipitate liquidity problems among our key distributors. This could increase our exposure to losses from bad debts and have a material adverse effect on our business, financial condition and results of operations.

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.

Our operations are affected by consumer tastes and entertainment trends, which are unpredictable and subject to change and may be affected by changes in the social and political climate. Our programming is created to evoke a passionate response from our fans. Changes in our fans' tastes or a material change in the perceptions of our business partners, including our distributors and licensees, whether as a result of the social and political climate or otherwise, could adversely affect our operating results.

Changes in the regulatory atmosphere and related private sector initiatives could adversely affect our business.

While the production of television programming by independent producers is not directly regulated by the federal or state governments in the United States, the marketplace for television programming in the United States is affected significantly 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 ratings, and all of our programming currently has a PG rating. Domestic and foreign governmental and private-sector initiatives relating to the content of media programming are announced from time to time. Changes in these governmental policies and private-sector perceptions could further restrict our program content and adversely affect our levels of viewership and operating results.

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, which could adversely affect our operating results.

For our live, television and pay-per-view audiences, we face competition from professional and college sports, as well as from other forms of live and televised entertainment and other leisure activities in a rapidly changing and increasingly fragmented marketplace. The manner in which audio/video content is distributed and viewed is constantly changing, and while we attempt to distribute our content across all platforms, our failure to continue to do so effectively could adversely affect our operating results. For the sale of our consumer products, we compete with entertainment companies, professional and college sports leagues and other makers of branded apparel and merchandise. Many of the companies with whom we compete have greater financial resources than we do.

Our failure to compete effectively could result in a significant loss of viewers, venues, distribution channels or performers and fewer entertainment and advertising dollars spent on our form of sports entertainment, any of which could adversely affect our operating results.

We face uncertainties associated with international markets.

Our production of live events overseas subjects us to the risks involved in foreign travel and local regulations, including regulations requiring us to obtain visas for our performers. In addition, these live events and the licensing of our television and consumer products in international markets expose us to some degree of currency risk. All international operations are subject to political instability inherent in varying degrees in those markets. These risks could adversely affect our operating results and impair our ability to pursue our business strategy as it relates to international markets.

We may be prohibited from promoting and conducting our live events if we do not comply with applicable regulations.

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. In the event that 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.

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.

Our inability to protect our large portfolio of trademarks, service marks, copyrighted material and characters, trade names and other intellectual property rights from piracy, counterfeiting or other unauthorized use could negatively affect our business. 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 to our television programming, music, photographs, books, magazines 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 at our live events 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.

We could incur substantial liabilities if pending material litigation is resolved unfavorably.

We are currently a party to civil litigation, which, if concluded adversely to our interests, could adversely affect our operating results. In the ordinary course of business we become subject to various complaints and litigation matters. The outcome of litigation is inherently difficult to assess and quantify, and the defense against such claims or actions can be costly. Any adverse judgment significantly in excess of our insurance coverage could materially and adversely affect our financial condition or results of operations.

We could incur substantial liability in the event of accidents or injuries occurring during our physically demanding events.

We hold numerous live events each year. This schedule exposes our performers and our employees who are involved in the production of those events to the risk of travel and performance-related accidents, the consequences of which may not be fully covered by insurance. The physical nature of our events exposes our performers to the risk of serious injury or death. Although our performers, as independent contractors, are responsible for maintaining their own health, disability and life insurance, we self-insure medical costs for our performers for injuries that they incur while performing. We also self-insure a substantial portion of any other liability that we could incur relating to such injuries. Liability to us resulting from any death or serious injury sustained by one of our performers while performing, to the extent not covered by our insurance, could adversely affect our business, financial condition and operating results.

Our live events entail other risks inherent in public live events.

We hold numerous live events each year, both domestically and internationally. Certain risks are inherent in large events of this type as well as the travel to and from them. Although we believe we take appropriate safety and financial precautions in connection with our events, possible difficulties could occur including air and land travel accidents, the spread of illness such as a H1N1 flu outbreak, injuries resulting from building problems or other equipment malfunction, violence, local labor strikes and other "force majeure" type events. These issues could result in cancelled events and other disruptions to our business as well as liability to other parties, any of which could materially and adversely affect our financial condition or results in operation.

We will continue to face certain risks relating to our feature film business.

We have substantial capitalized film costs. These capitalized costs are reflected net of certain production incentives granted by various governmental authorities; our ability to realize these credits may be limited by changes in the legislation governing the incentives and/or the economic environment; the inability to realize these credits would have the effect of increasing our overall production costs. Additionally, 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, we may be required to record an impairment charge and write down the capitalized costs of the film. Under our historic distribution model, we participate in revenue after our distribution partners recoup their costs of distribution, including print and advertising. If a film performance does not generate sufficient receipts to recoup these distribution expenses, we would be obligated to reimburse our distribution partner for any deficit. Additionally, we have recently announced that we will self distribute and market our films. While we believe that this new model will better fit our business needs, allowing us greater control in the ultimate success of our films, no assurances can be given that we will be successful in these new endeavors.

Through his beneficial ownership of a substantial majority of our Class B common stock, Mr. McMahon can exercise control over our affairs, and his interests may conflict with the holders of our Class A common stock.

We have Class A common stock and Class B common stock. The holders of Class A common stock generally have rights identical to holders of Class B common stock, except that holders of Class A common stock are entitled to one vote per share, and holders of Class B common stock are entitled to ten votes per share. Holders of both classes of common stock generally will vote together as a single class on all matters presented to stockholders for their vote or approval, except as otherwise required by applicable Delaware law.

A substantial majority of the issued and outstanding shares of Class B common stock is owned beneficially by Vincent K. McMahon. Mr. McMahon controls approximately 88% of the voting power of the issued and outstanding shares of our common stock. Through his beneficial ownership of a substantial majority of our Class B common stock, Mr. McMahon effectively can exercise control over our affairs, and his interest could conflict with the holders of our Class A common stock. In addition, the voting power of Mr. McMahon through his ownership of our Class B common stock could discourage others from initiating potential mergers, takeovers or other change of control transactions. As a result, the market price of our Class A common stock could decline.

To the extent the Company’s distributions represent a return of capital for tax purposes shareholders could recognize an increased capital gain upon a subsequent sale of the Company’s Common Stock.

The Company believes that its aggregate dividend distributions paid in 2009 were in excess of its current earnings and profits for that year calculated under applicable Internal Revenue Code (“IRC”) provisions. Under the IRC, distributions in excess of both the Company’s current earnings and profits and the Company’s accumulated earnings and profits will constitute a return of capital and will reduce the stockholder’s adjusted tax basis in its Common Stock. If a stockholder’s adjusted basis in its Common Stock is reduced to zero, these excess distributions would thereafter constitute a capital gain to the stockholder. Dividends paid by the Company could be in excess of current and accumulated earnings and profits as early as calendar 2010.

Our dividend is significant and is dependent on a number of factors, including a waiver from members of the McMahon family and approval of any new waiver by the Internal Revenue Service.

Our Board of Directors regularly evaluates the Company’s Common Stock dividend policy and determines the dividend rate each quarter. The level of dividends will continue to be influenced by many factors, including, among other things, our liquidity and historical and projected cash flow, our strategic plan (including alternative uses of capital), our financial results and condition, contractual and legal restrictions on the payment of dividends, general economic and competitive conditions and such other factors as our Board of Directors may consider relevant from time to time. In February 2008, the Company increased its quarterly dividend from $.24 to $.36 per share. At that time, the McMahon family and their trusts entered into an agreement with the Company to waive the increased portion of the dividend for all shares of Class A and Class B common stock beneficially held by the family for a period of three years, subject to early termination in the event of Vincent K. McMahon’s death. Instead, they continue to receive a quarterly cash dividend of $.24 per share. Any new dividend waiver is subject to the agreement of members of the McMahon family and their receipt of the approval of the Internal Revenue Service. No assurances can be given that any similar dividend waiver will be in place after the current dividend waiver expires. While we intend to continue to pay quarterly dividends, we cannot assure our stockholders that dividends will be paid in the future, or that, if paid, dividends will be at the same amount or with the same frequency as in the past. Any reduction in our dividend payments could have a negative effect on our stock price.

We could face a variety of risks if we expand into new and complementary businesses.

We have entered into new or complementary businesses in the past and may do so again in the future. Risks of expansion may include, among other risks: potential diversion of management's attention and other resources, including available cash, from our existing businesses; unanticipated liabilities or contingencies; reduced earnings due to increased amortization, impairment charges and other costs; competition from other companies with more experience in such businesses; and possible additional regulatory requirements and compliance costs. In this regard, the Company has announced that it is in the early stages of exploring the formation of a WWE television network as an additional vehicle to distribute our programming content.

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 of those shares could lower our stock price.

All of the issued and outstanding shares of Class B common stock are held by Vincent McMahon and other members of the McMahon family and trusts set up for these family members. Sales of substantial amounts of these shares, or the perception that such sales could occur, may lower the prevailing market price of our Class A common stock. If any such sales were to occur, the shares would automatically convert into Class A common stock, and the waiver of dividends in excess of $0.24 per share by the McMahon family would terminate as to the shares sold. The Company is not aware that any member of the McMahon family has any plan to sell shares other than Shane McMahon, Vincent McMahon's son and a former executive officer of the Company, who has indicated an interest in a sale or sales of all or a substantial portion of the approximate 1.9 million shares beneficially held by him.

Our Class A common stock has a relatively small public "float."

Historically, as a result of our relatively small public float, our Class A common stock has been less liquid than the common stock of companies with broader public ownership, and the trading prices for our Class A common stock have been more volatile than generally may be the case for more widely-held common stock. Among other things, trading of a relatively small volume of our Class A common stock may have a greater impact on the trading price of our Class A common stock than would be the case if our public float were larger.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We have executive offices, television and music recording studios, post-production operations and warehouses at locations in or near Stamford, Connecticut. We also have offices in New York, London, Toronto and Los Angeles, and have regional international offices in Sydney, Tokyo, Shanghai, and Singapore. We own the buildings in which our executive and administrative offices, our television and music recording studios and our production operations are located. We lease space for our sales offices, WWE Studios office, and other facilities.

Our principal properties consist of the following:

Facility	Location	Square Feet	Owned/Leased	Expiration Date of Lease
Executive offices	Stamford, CT	114,300	Owned	—
Production studio	Stamford, CT	39,000	Owned	—
Studios	Stamford, CT	7,000	Leased	Various through September 2011
WWE Studios office	Los Angeles, CA	11,000	Leased	April 2020
Sales offices	Various	17,900	Leased	Various through October 2015

All of the facilities listed above are utilized in our Live and Televised Entertainment, Consumer Products and Digital Media segments, with the exception of the WWE Studios office in Los Angeles, which focuses on our WWE Studios segment.

We have upgraded our television production facility to produce high definition broadcasting. In order to allow for future growth we have performed the initial planning for an expansion of our television production facility. However, management has elected to delay the start of any construction project until the economic environment improves.

Item 3. Legal Proceedings

See Note 13 to Notes to Consolidated Financial Statements, which is included elsewhere in this Form 10-K.

Item 4. Submission of matters to a vote of Security Holders

None.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our Class A common stock trades on the New York Stock Exchange under the symbol "WWE."

The following table sets forth the high and the low sale prices for the shares of Class A common stock as reported by the New York Stock Exchange and the dividends paid on shares of Class A and Class B common stock for the periods indicated.

Fiscal Year 2008

Quarter Ended	March 31	June 30	September 30	December 31	Full Year
Class A common stock price per share:					
High	$ 19.48	$ 19.86	$ 17.13	$ 15.99	$ 19.86
Low	$ 13.35	$ 14.97	$ 13.94	$ 8.76	$ 8.76
Class A dividends paid per share	$ 0.36	$ 0.36	$ 0.36	$ 0.36	$ 1.44
Class B dividends paid per share	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.96

Fiscal Year 2009

Quarter Ended	March 31	June 30	September 30	December 31	Full Year
Class A common stock price per share:					
High	$ 12.22	$ 14.25	$ 15.25	$ 16.59	$ 16.59
Low	$ 8.98	$ 10.34	$ 11.93	$ 13.09	$ 8.98
Class A dividends paid per share	$ 0.36	$ 0.36	$ 0.36	$ 0.36	$ 1.44
Class B dividends paid per share	$ 0.24	$ 0.24	$ 0.24	$ 0.24	$ 0.96

There were 9,955 holders of record of Class A common stock and five holders of record of Class B common stock on February 5, 2010. Vincent K. McMahon, Chairman of the Board of Directors and Chief Executive Officer, along with his wife Linda E. McMahon, control approximately 88% of the voting power of the issued and outstanding shares of our common stock. Through their beneficial ownership of a substantial majority of our Class B common stock, Mr. and Mrs. McMahon can effectively exercise control over our affairs. Sales of substantial amounts of these shares, or the perception that such sales could occur, may lower the prevailing market price of our Class A common stock. If any such sales were to occur, the shares would automatically convert into Class A common stock, and the waiver of dividends in excess of $0.24 per share by the McMahon family would terminate as to the shares sold. The Company is not aware that any member of the McMahon family has any plan to sell shares other than Shane McMahon, Vincent McMahon's son and a former executive officer of the Company, who has indicated an interest in a sale or sales of all or a substantial portion of the approximate 1.9 million shares beneficially held by him.

In February 2008, the Company increased its quarterly dividend from $.24 to $.36 per share. At that time, the McMahon family and their trusts entered into an agreement with the Company to waive the increased portion of the dividend for all shares of Class A and Class B common stock beneficially held by the family for a period of three years, subject to early termination in the event of Vincent K. McMahon's death. Instead, they continue to receive a quarterly cash dividend of $.24 per share. Any new dividend waiver is subject to the agreement of members of the McMahon family and their receipt of the approval of the Internal Revenue Service. No assurances can be given that any similar dividend waiver will be in place after the current dividend waiver expires.

Our Board of Directors regularly evaluates the Company's Common Stock dividend policy and determines the dividend rate each quarter. The level of dividends will continue to be influenced by many factors, including, among other things, our liquidity and historical and projected cash flow, our strategic plan (including alternative uses of capital), our financial results and condition, contractual and legal restrictions on the payment of dividends, general economic and competitive conditions and such other factors as our Board of Directors may consider relevant from time to time, including the waiver by the Mcmahon family of a portion of the dividends. While we intend to continue to pay quarterly dividends, we cannot assure our stockholders that dividends will be paid in the future, or that, if paid, dividends will be at the same amount or with the same frequency as in the past. Any reduction in our dividend payments could have a negative effect on our stock price.

CUMULATIVE TOTAL RETURN CHART

Set forth below is a line graph comparing, for the period commencing April 30, 2004 and ending December 31, 2009, the cumulative total return on our Class A common stock compared to the cumulative total return of the Russell 2000 Index and the S&P Movies and Entertainment Index, a published industry index. The graph assumes the investment of $100 at the close of trading of April 30, 2004 in our Class A common stock, the Russell 2000 Index and the S&P Movies and Entertainment Index and the reinvestment of all dividends.

	4/04	4/05	4/06	12/06	12/07	12/08	12/09
World Wrestling Entertainment, Inc.	100.00	80.03	136.63	134.11	129.26	106.96	165.17
Russell 2000	100.00	104.71	139.76	145.22	142.94	94.65	120.36
S&P Movies & Entertainment	100.00	98.03	101.95	124.00	112.18	65.21	96.28

Equity Compensation Plan Information

The following table sets forth certain information with respect to securities authorized for issuance under equity compensation plans as of December 31, 2009.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders :			
1999 Long Term Incentive Plan			
Stock options	192,436	$ 13.14	-
Restricted stock units	203,686	N/A	-
2007 Omnibus Incentive Plan			
Performance stock units	883,210	N/A	3,534,861
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	1,279,332		3,534,861

Item 6. Selected Financial Data

The following table sets forth our selected financial data for the years ended December 31, 2009, December 31, 2008 and December 31, 2007, the eight month transition period ended December 31, 2006 and each of the two fiscal years in the period ended April 30, 2006. The selected financial data as of December 31, 2009 and December 31, 2008 and for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 have been derived from the audited consolidated financial statements included elsewhere in this Annual Report. The selected financial data as of December 31, 2007, December 31, 2006, April 30, 2006 and April 30, 2005 and for the eight month transition period ended December 31, 2006, fiscal years ended April 30, 2006 and April 30, 2005 have been derived from our audited consolidated financial statements, which are not included in this Annual Report. You should read the selected financial data in conjunction with our consolidated financial statements and related notes and the information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this Annual Report.

Financial Highlights:

	For the periods ended December 31,				For the periods ended April 30,	
	2009	2008	2007	T 2006 (1)	2006	2005
Net revenues	$ 475.2	$ 526.5	$ 485.7	$ 262.9	$ 400.1	$ 366.4
Operating income	$ 77.1	$ 70.3	$ 68.4	$ 39.2	$ 70.5	$ 50.3
Income from continuing operations	$ 50.3	$ 45.4	$ 52.1	$ 31.6	$ 47.0	$ 37.8
Net income	$ 50.3	$ 45.4	$ 52.1	$ 31.6	$ 47.0	$ 39.1
Earnings per share, basic	$ 0.68	$ 0.62	$ 0.73	$ 0.45	$ 0.68	$ 0.57
Earnings per share, diluted	$ 0.68	$ 0.62	$ 0.72	$ 0.44	$ 0.67	$ 0.56
Dividends paid per Class A share	$ 1.44	$ 1.44	$ 0.96	$ 0.72	$ 0.72	$ 0.36
Cash and short-term investments	$ 208.2	$ 177.3	$ 266.4	$ 248.2	$ 280.9	$ 258.1

	As of December 31,			As of April 30,		
	2009	2008	2007	T 2006	2006	2005
Total assets	$ 440.6	$ 429.4	$ 470.1	$ 453.3	$ 479.4	$ 441.4
Total debt	$ 3.9	$ 4.9	$ 5.8	$ 6.7	$ 7.2	$ 8.0

Total stockholders’ equity	$	337.0	$	360.0	$	383.4	$	385.7	$	396.2	$	375.5

(1) In June 2006, WWE changed its fiscal year to a calendar basis beginning with calendar 2007. Due to the change to a calendar year end, we established an eight month transition period from May 1, 2006 through December 31, 2006. The results from this time period are referred to throughout this report as “2006 transition period”, “T 2006”, or the “transition period”.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with the audited consolidated financial statements and related notes included elsewhere in this Form 10-K.

Background

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

Live and Televised Entertainment

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

Consumer Products

- Revenues consist principally of the direct sales of WWE produced home videos and magazine publishing and royalties or license fees related to various WWE themed products such as video games, toys and books.

Digital Media

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

WWE Studios

- Revenues consist of receipts from the distribution of filmed entertainment featuring our Superstars. To date, we have partnered with major studios to distribute our productions. We have recently announced plans to self-distribute our future filmed entertainment productions beginning in 2010.

We provide updated information on the key drivers of our business including live event attendance, pay-per-view buys, home video shipments, website traffic, and online merchandise sales on a monthly basis on our corporate website http://corporate.wwe.com. Such information is not incorporated herein by reference.

Results of Operations

Year Ended December 31, 2009 compared to Year Ended December 31, 2008 (dollars in millions)

Summary

Net Revenues	2009		2008	
Live and Televised Entertainment	$	335.0	$	331.5
Consumer Products		99.7		135.7
Digital Media		32.8		34.8
WWE Studios		7.7		24.5
Total	$	475.2	$	526.5

Cost of Revenues	2009		2008	
Live and Televised Entertainment	$	191.9	$	221.2
Consumer Products		41.5		52.1
Digital Media		18.5		22.9
WWE Studios		3.9		15.6
Total	$	255.8	$	311.8
Profit contribution margin		46%		41%

Operating Income	2009		2008	
Live and Televised Entertainment	$	124.7	$	92.4
Consumer Products		52.7		76.5
Digital Media		5.8		6.2
WWE Studios		2.2		7.2
Corporate		(108.3)		(112.0)
Operating income	$	77.1	$	70.3
Income from operations	$	50.3	$	45.4

Our Live and Televised Entertainment segment benefited from strong performances of our live events and higher television rights fees in both domestic and international markets, which more than offset declines in our pay-per-view business. Our Consumer Products segment experienced declines in both our home video and licensing businesses, primarily video games and toys. Digital Media revenues declined from the prior year, primarily as a result of 9% fewer orders for our WWEShop online retail store. Revenues related to WWE Studios accounted for $7.7 million, as compared to $24.5 million recorded in the prior year, reflecting timing differences in our films release schedule.

Operating income for the year was also impacted by a $7.4 million charge for bad debt expense related to a former distribution partner and the benefit of $8.3 million of tax incentives relating to our production activities. $5.0 million of these incentives were recorded as cost of revenues, primarily in our Live and Televised Entertainment segment, while $3.3 million were recorded in Selling, General & Administrative Expenses.

Revenues derived from international sources represented 27% and 26% of total net revenues in 2009 and 2008, respectively.

Live and Televised Entertainment

The following chart provides performance results and key drivers for our Live and Televised Entertainment segment:

Revenues- Live and Televised Entertainment	2009		2008	
Live events (dollars in millions)	$	108.8	$	105.7
Number of North American events		268		242
Average North American attendance		6,500		6,400
Average North American ticket price (dollars)	$	37.64	$	40.98
Number of international events		74		77
Average international attendance		8,500		8,500
Average international ticket price (dollars)	$	66.08	$	78.96
Venue merchandise (dollars in millions)	$	19.8	$	18.5
Domestic per capita spending (dollars)	$	9.58	$	10.35
Pay-per-view (dollars in millions)	$	80.0	$	91.4
Number of pay-per-view events		14		14
Number of buys of pay-per-views		4,490,200		5,034,400
Average revenue per buy (dollars)	$	17.26	$	17.76
Domestic retail price, excluding WrestleMania (dollars)	$	39.95	$	39.95
Domestic retail price WrestleMania (dollars)	$	54.95	$	54.95
Television rights fees (dollars in millions)				
Domestic	$	72.8	$	63.5
International	$	39.1	$	37.2
Television advertising (dollars in millions)	$	7.7	$	7.4
WWE Classics on Demand (dollars in millions)	$	5.4	$	6.3
Other (dollars in millions)	$	1.4	$	1.5
Total (dollars in millions)	$	335.0	$	331.5
Ratings:				
Average weekly household ratings for Raw		3.7		3.4
Average weekly household ratings for SmackDown		2.0		2.4
Average weekly household ratings for ECW		1.2		1.3

Cost of Revenues-Live and Televised Entertainment	2009		2008	
Live events	$	74.6	$	74.3
Venue merchandise		11.1		11.2
Pay-per-view		32.5		49.8
Television		65.7		75.8
Television advertising		0.9		0.8
WWE Classics on Demand		0.8		1.8
Other		6.3		7.5
Total	$	191.9	$	221.2
Profit contribution margin		43%		33%

Live events revenue reflects approximately $67.8 million for North American events and $41.0 million for international events in 2009 as compared to $64.0 million for North American events and $41.7 million for international events in 2008. During 2009, average attendance at our North American events was approximately 6,500 while average attendance at our international events was approximately 8,500. During 2008, North American average attendance was approximately 6,400 and average international attendance was approximately 8,500. Live events