THE MARKET

Over the past 20 years, World Wrestling Federation Entertainment, Inc. (WWFE) has become one of the most universally recognized brands in the entertainment industry. It has succeeded in crafting a weekly action-adventure soap opera that has attracted audiences worldwide, and has created Superstars—such as Stone Cold Steve Austin and The Rock—who have quickly become household names.

An integrated media and entertainment company, World Wrestling Federation Entertainment has built its name on the development, production and marketing of television programming, pay-per-view specials and live events, as well as the licensing and sale of branded consumer products.

WWFE's unique product—The World Wrestling Federation—combines thrilling athleticism with exciting storylines and dynamic characters. Every week, more than 20 million U.S. households tune in to watch nine hours of WWFE programming across The National Network (TNN), UPN, MTV and syndicated programming. Its appeal is strongest among the critical demographic of teens, a group that spends $153 billion annually, and young adults.

But it is the live event that is truly the starting point for all great things that follow. In 2000, the company produced more than 200 live events at arenas around the United States and Canada. The company also sold out two shows in the United Kingdom.

The enterprises of WWFE are constantly expanding. To date, the company has launched its own record label—SmackDown! Records, a drag racing team, and an entertainment complex in the heart of New York's Times Square.

ACHIEVEMENTS

As clear indications of the success of the WWFE brand, the numbers speak for themselves:

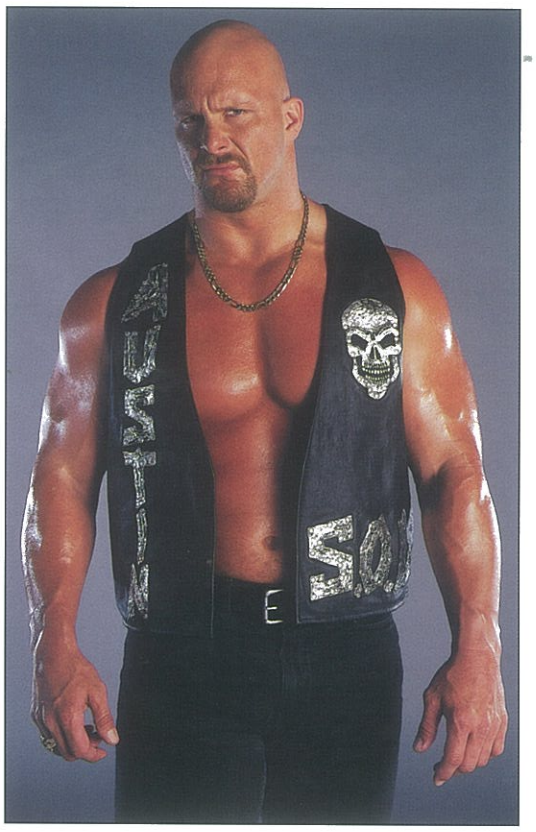
• An 800 percent increase in branded merchandise sales over the past four years. This takes into account the 110 domestic and international licensee partners in sports apparel, action figures, video games, publishing and music, as well as other product areas appealing to the core young adult demograpic.

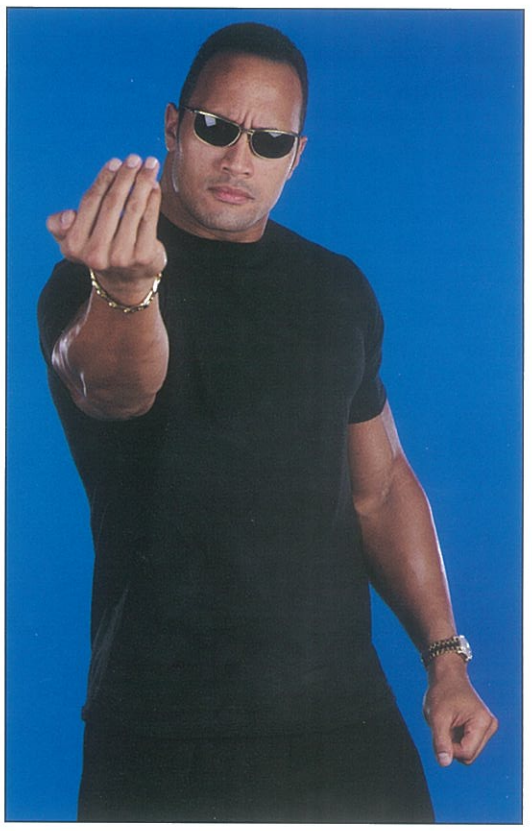
• Television programs and pay-per-view events seen in more than 130 countries, and broadcast in 11 languages.

• The company's 12 annual pay-per-view programs generated 6.8 million buys in fiscal year 2000—over one million alone for WrestleMania in April 2000.

• Six of the top ten home videos in the recreational sports category "*Billboard,*" (March 2001) are World Wrestling Federation Home Videos. In 2000, the company shipped more than 30 titles on VHS and DVD formats.

However, even with all of the achievements the company has as a whole, it is the World Wrestling Federation Superstars who have earned the respect of millions and millions of fans worldwide. Even Hollywood has taken notice of their star power. For instance, The Rock has hosted NBC's Saturday Night Live and made his feature film debut in "The Mummy Returns." Stone Cold Steve Austin has appeared on CBS's "Nash Bridges," and Chyna has appeared on several episodes of NBC's "3rd Rock from the Sun."





In addition to the on-air personalities that have become part of mainstream America, some of the World Wrestling Federation Superstars have brought their personal stories to life in best-selling autobiographies. Mick "Mankind" Foley has written two autobiographies—"Have a Nice Day!" and "Foley is Good"—both of which reached the #1 spot on the New York Times Bestseller list. The Rock's autobiography also landed atop the New York Times Bestseller and stayed on the chart for 20 weeks. More best-selling books quickly followed including, "If They Only Knew"—Chyna's autobiography,—"Can You Take the Heat?"—a compilation of the World Wrestling Federation Superstars favorite recipes, "The History of Wrestlemania," and "Mick Foley's Christmas Chaos," a children's holiday book penned by the man himself.

HISTORY

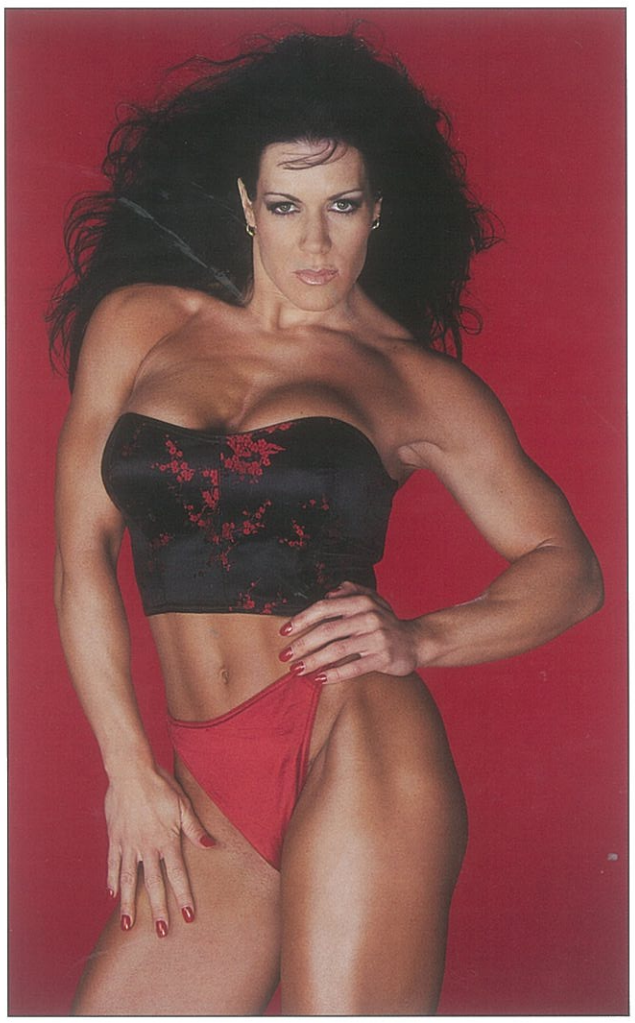
Vincent K. McMahon, chairman of the board of World Wrestling Federation Entertainment, Inc., is a third generation promoter who has made the World Wrestling Federation the global phenomenon it is today. As a pioneer in the television syndication business, a recognized television personality throughout the world, a visionary promoter and a fearless marketer, he continues to make his presence known as a leader within the broadcast and entertainment industries. Vince's wife, Linda, is CEO of WWFE. They have two adult children - Shane, president of WWF New Media, and Stephanie, director of the Creative Team, and a daughter-in-law, Marissa McMahon, who is director of publicity for the company.

In 1980, Titan Sports was incorporated and, in 1982, Vince purchased the Capitol Wrestling Corporation from his father. With this purchase, Vince saw the opportunity to take what had always been a regional operation, and gave the World Wrestling Federation a much broader appeal.

However, it was one event in 1985 that changed the face of sports-entertainment forever. That year, WWFE (then known as Titan Sports) presented its first WrestleMania at Madison Square Garden. The fans responded resoundingly. WrestleMania proved the viability of using a live event as a catalyst for revenues stretching far beyond the attendance gate.

Sports-entertainment had gone mainstream, opening up infinite possibilities in merchandizing and licensing opportunities. Towards the end of the '80s, pay-per-view television became a key source of revenue, bringing exciting action into households around the world and building brand name recognition in the process. Licensees and advertisers viewed the company as an even more attractive investment now that it had begun marketing itself as entertainment.

As the world marveled at the company's strides, the McMahons kept looking ahead, eventually transforming WWFE into a multi-dimensional company unlike any other.

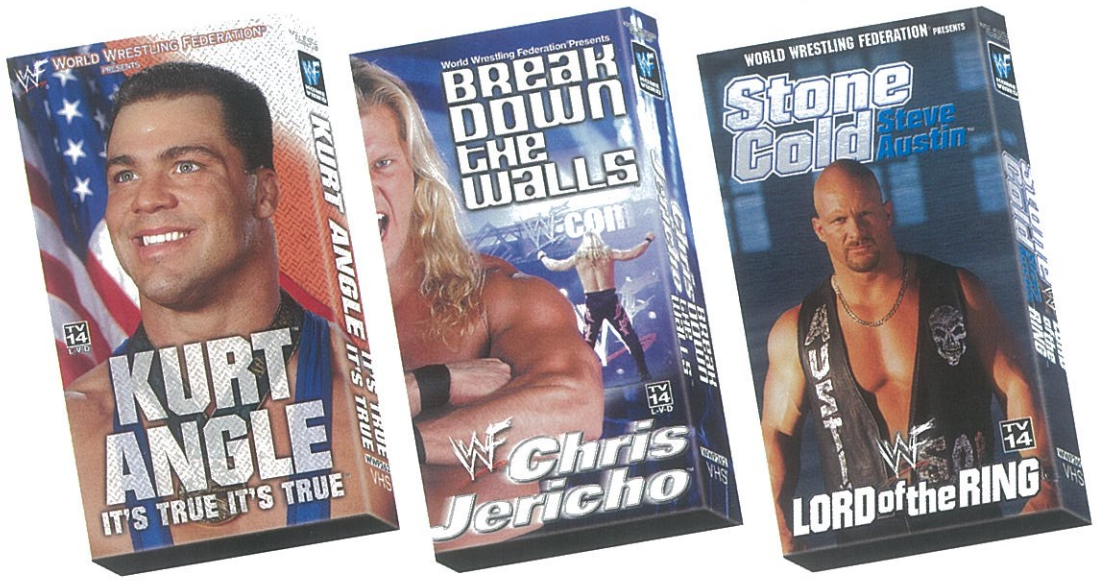


THE PRODUCT

World Wrestling Federation programming features ongoing storylines that center around a cast of colorful, larger-than-life characters. Along with writers from diverse entertainment backgrounds, Vince McMahon heads the World Wrestling Federation's creative team. Among the long-term goals of this creative process are the licensing and merchandising of the performers' likenesses and catch phrases.

WWFE produces two flagship programs that carry the storylines on a weekly basis: "WWF RAW IS WAR," the number-one rated weekly program on cable television, and WWF "SmackDown!," the top-rated program on UPN. Additional programs, including "Sunday Night Heat," "Superstars," "Livewire," "Metal" and "Jakked" round out the company's programming options.

As part of its campaign to diversify the company's core business, WWFE created SmackDown! Records. Music has always played a major part of the World Wrestling Federation live event and recent World Wrestling Federation compilation releases have sold more than a million copies In February 2001 the first CD from SmackDown! Records landed on store sheves.



WWF The Music Volume 5 debuted at #2 on the Billboard Top 200 and shipped more than 1. 5 million copies worldwide.

WWFE has also had an impact on National Hot Rod Association drag racing, unveiling dragsters named after World Wrestling Federation Superstars The Rock, Stone Cold Steve Austin, Kane, Cactus Jack, and Triple H.

In 1999, New York's Times Square became home to WWF New York—the company's first entertainment complex and restaurant. The facility also houses a merchandise store and a soundstage for television production and concerts. "Sunday Night Heat", which airs on Sunday nights on MTV, is broadcast live from the entertainment complex.

Always looking to strengthen its portfolio of brands, WWFE accquired the World Championship Wrestling (WCW) brand in March 2001. The acquisition adds a solid list of athletes and performers to the roster and gives the company the unique opportunity to build new revenue streams by potentially having more live events, more programming, and more advertisers and sponsors. And in typical WWFE fashion, the acquisition will allow the company to add more diversity and creativity to their storylines.

PROMOTION

No entertainment company has utilized television as effectively as the World Wrestling Federation. Cliffhangers are a staple of its television programs. Fans are urged to attend live events or order pay-per-views in order to satisfy their curiosity about the outcome of the numerous exciting storylines going on simultaneously at any given time. There are no reruns, so viewers are tuning into original-and often live-programming 52 weeks a year.

The World Wrestling Federation's groundbreaking innovations in pay-per-view television established it as an entity people would pay to watch. Similarly, it has taken optimum advantage of more recent technology to further advance its brand.

WWF.com receives more than 8.1 million unique visitors and 240 million page views per month. Additionally, more than eight million video streams are downloaded every month, making WWF.com one of the leading providers of streaming video on the Internet.

The company also promotes its product through two monthly publications. "World Wrestling Federation Magazine" and "RAW Magazine" have a combined reach of nearly 7.5 million readers last year.

BRAND VALUES

WWFE's incredible success derives from its ability to give consumers an affordable and exciting entertainment experience. The company literally exhilarates its audience by presenting a unique spectacle with a trademark "Attitude" that fans have grown to recognize and identify with the WWFE product.

RECENT DEVELOPMENTS

World Wrestling Federation Entertainment set its sights on laying the smackdown on Wall Street. In October 1999, the company underwent a successful initial stock offering, and is now featured on the New York Stock Exchange (NYSE) under the symbol WWF.

THINGS YOU DIDN'T KNOW ABOUT WWFE

- 93,173 fans attended WrestleMania III at Michigan's Pontiac Silverdome in 1987—an indoor attendance record that still stands.
- At WrestleMania 2000 at Anaheim's Arrowhead Pond, merchandise sales averaged $19 per patron.
- On April 1, 2001, 67,925 fans filled Houston's Reliant Park (formerly the Astrodome) to witness Wrestlemania X-Seven, the largest crowd ever assembled at the famous domed stadium.