

EXHIBIT 17



World Wrestling Entertainment Inc. NYSE:WWE

Guidance/Update Call

Monday, May 19, 2014 4:00 PM GMT

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Presentation

Operator

Hello, and welcome to the webcast entitled WWE Business Outlook. We have just a few announcements before we begin. If you are logged into the webcast, please note that the slides will not advance during the presentation. You will only see the title slide. Please download the full slide presentation via the Resources widget at the bottom of the webcast screen. Also, at the bottom of your screen, you will find a help icon for technical assistance, and you may ask a question at anytime by typing your question into the question box located on the web interface. [Operator Instructions] I will now turn the call over to Mr. Michael Weitz, SVP, Financial Planning and Investor Relations. Please go ahead, Michael.

Michael Weitz

Thank you, and good morning, everyone. Welcome to today's conference call. Last week, we issued a release outlining our business outlook for 2014 and 2015. Leading today's discussion of that release are Vince McMahon, our Chairman and CEO; and George Barrios, our Chief Strategy and Financial Officer.

The business outlook released -- referenced in today's call can be found on our website, corporate.wwe.com. Today's discussion will include forward-looking statements. These forward-looking statements reflect our current views, are based on various assumptions and are subject to risks and uncertainties disclosed from time to time in our SEC filings. Actual results may differ materially, and undue reliance should not be placed on them.

Additionally, the matters we will be discussing today may include non-GAAP financial measures. Reconciliation of non-GAAP to GAAP information is set forth in the notes of this presentation, which is available on our website at corporate.wwe.com.

Finally, as a reminder, today's conference is being recorded. At this time, it's my privilege to turn the call over to Vince.

Vincent K. McMahon

Co-Founder, Chairman, Chief Executive Officer and Chairman of Executive Committee

Thank you, everyone, and thanks for joining us this morning. We hope to give a great deal of clarity as to where we are today from a business standpoint in so many different directions. But nonetheless, I'm over here in London producing Monday Night Raw. So if I have a cell problem, which is what I'm on now, I'll call back through.

As all of you know, we announced our television deal with NBCU last Friday and, at the same time, tried to -- whether we failed or not, I'm not quite certain, but tried to give you a degree of transparency as far as our network is concerned, the WWE Network. And maybe we gave you too much information or maybe not enough, I'm not quite certain. But in the interest of transparency, that's why we're having this call to clear up some degree of perhaps a misunderstanding of what we're trying to do. We've always prided ourselves on being transparent. And hopefully, today, we can give a little bit more light along those lines.

As far as our television deals are concerned, we are -- well, there's a somewhat favorable outcome, I should say. We were a little disappointed in our NBCU deal, quite frankly. But when you add up all of our larger television deals, we nearly doubled our prior deal. So we're at about \$200 million. So internationally, we did much better than we did domestically. But when you add them all up, it's not too bad when you double your television deals. Again, not what we wanted and not what our research showed us. Well, actually, internationally, it did, and we hit those margins, but not so much domestically. Still, a good deal, not what we wanted.

The other aspect of those, in terms of our television deals, we try to give you some outlook as well on the network, which is, obviously, are important -- most important initiative. And in some degree of focusing on our growth as far as domestically and internationally is concerned, we've invested, as you know, significantly in our network, as well as our entire business. We see significant growth in -- on everything that we're trying to do here. The core business is absolutely rock solid in terms of television ratings and in terms of live event attendance.

Blazing new trails of course, there's always a degree of uncertainty. We are blazing new trails, no doubt about that. Again, we feel

very strong, very bullish on -- around our business model, and how it's going to pay off in the future. And again, we're trying to more clearly communicate a degree of transparency and the impact of all these changes on something that is somewhat complex as a new business model. So I'm hoping that today, we can clear up a lot of -- answer a lot of your questions.

So with that in mind, I will give you over to George.

George A. Barrios
Chief Strategy and Financial Officer

Thanks, Vince. As Vince mentioned, our objective today is to provide insights into the update to the company's business outlook, which we've released last week. This includes management discussion of our key strategic initiatives, our rationale for investing in these initiatives and our perspective on how they'll drive our future growth.

First, to provide some context. In the fourth quarter 2011, we began investing in our business, including the development of a WWE Network. In early 2013, we communicated that in order to make significant earnings growth a possibility, we would continue to invest in key areas of content creation and brand building. From 2011 through 2013, we invested \$75 million to develop the network, including operating expenses, program expense and capital expenditures.

In addition to those costs over 2012 and 2013, we invested approximately \$40 million in staffing and production to support the creation of television and digital content and to support our other areas of our business. Our rationale for such investments was to support the success of our primary growth drivers. These included the creation of WWE Network, the renewal of key content agreements and the monetization of our digital and social media presence. We believe that these initiatives could significantly raise our earnings profile. And our business model demonstrated that there were multiple combinations of outcomes, especially for the increase in television rights and the rate of network subscriber adoption that could generate OIBDA in the range of \$125 million to \$190 million by 2015.

Over the past 6 months, we've negotiated television distribution agreements in the U.S., U.K. and Thailand and in -- and are in the midst of discussions regarding the distribution of content in India. Our analysis demonstrated that our content was undervalued in several of our largest markets. Benchmarking our rights fees to the fees paid for sports programming and other original scripted series indicated that our license agreements in these markets could have meaningful upside potential. Programming and viewership data provided similar support to the renegotiation of our content agreements in international markets. As Vince mentioned, in 3 out of the 4 markets, we were correct.

We've evaluated the average annual value of our key television agreements over the respective terms in the U.S., U.K., Thailand and India. As shown on Page 1 of our release, we estimate that we will increase the aggregate of these averages to approximately \$200 million, nearly doubling the total for prior deals and representing an approximate \$90 million increase, that's nearly 3x the increase achieved in prior negotiations in these markets.

You should note that the OIBDA profit associated with these key agreements is expected to increase by \$75 million from 2013 to 2015. The increase is below the aforementioned rise in average annual value due to annual escalators in our agreements. The rights fees from new contracts in 2015 will be below their average annual value. And in contrast, the 2013 rights fees from current deals were above their contractual average.

Also offsetting the rights in television rights, we foresee an approximate \$10 million increase in production costs. As a result, we estimate that OIBDA from our overall television segment, which reflects all of our television agreements and associated production, will increase by approximately \$65 million to about \$120 million in 2015.

As Vince mentioned, we view the global expansion of WWE Network as another major source of future earnings growth. As shown on Page 2 of our release, we estimate that WWE Network could attract between 2.5 million and 3.8 million subscribers at steady-state in the U.S. and certain international markets. Steady-state refers to the period when the ramp-up of subscribers has been completed, and subscriber levels are relatively stable, which we've estimated to be 2 to 3 years from launch.

Additionally, we estimate that if WWE Network attracts 1.3 million to 1.4 million global subscribers, our new network segment would generate OIBDA of approximately \$40 million, plus or minus 10%, which would be equal to the results of our pay-per-view business in 2012. In other words, at that range of subscribers, the contribution from the network would offset the complete cannibalization of the company's prior pay-per-view business.

You can define breakeven by the level of subscribers that results in standalone network OIBDA equal to our estimated pay-per-view loss. Alternatively, you could define breakeven as the level of subscribers that generate network segment results equal to our prior pay-per-view segment results. Whichever definition you choose or approach, the requirement of 1.3 million to 1.4 million subscribers is the same.

You should note, the breakeven point has increased only marginally from the 1.25 million global subscribers that was discussed previously. And the primary driver of this increase has been a more conservative estimate of the loss of pay-per-view revenue. Here, we're assuming complete cannibalization of that revenue from all international markets.

Ultimately, we believe the network represents a sizable economic opportunity. With 2.5 million subscribers at steady-state, we estimate the network segment would generate OIBDA of approximately \$100 million or about \$60 million more than our previous pay-per-view business. With 2.5 million subscribers at steady-state, the network segment could generate OIBDA of approximately \$200 million or about \$140 million more than our previous pay-per-view segment.

Importantly, we have assumed these steady-state figures would allow for meaningful additional potential investments in programming, app development and marketing to support sustained subscriber performance. You should note that these additional investments are not included in our 2014 and 2015 outlook. Therefore our 2015 outlook scenario at 2.5 million subscribers reflects greater network segment OIBDA than the same scenario at steady-state. Importantly, we believe the network, coupled with our recently renegotiated TV distribution agreements, provides a foundation for long-term growth. And that transformation of our business has already been done.

Now to the business outlook. The rate of subscriber adoption is a critical determinant of our projected future financial performance. As such, our business outlook for 2014 and 2015 reflects a range of potential outcomes in both years. As referenced in our outlook release, if WWE Network achieves approximately 1 million subscribers by year-end 2014, it would yield an average of approximately 650,000 subscribers over the 12 months of 2014. And remember, as we launched at the end of February, giving subscribers 1 week free, the paid subscribers for January and February were essentially 0. This rate of adoption in 2014 translates to an estimated 2014 OIBDA loss for our network segment of approximately \$40 million and to an estimated 2014 OIBDA loss for the company ranging from \$35 million to \$45 million.

If WWE Network achieves an average of 2 million to 2.5 million subscribers for 2015, the network segment OIBDA is expected to range from \$105 million to \$160 million, and the company's OIBDA is expected to range from \$125 million to \$200 million. As I previously mentioned, the range of profits for the network segment in 2015 is higher than the estimated profit at steady-state because steady-state assumes potential additional investment in programming and customer acquisition that I previously referenced.

We've heard questions about how our TV rights and network initiatives impact growth from 2013 to 2015. So we'll walk through an example using 1.5 million network subscribers average in 2015. This scenario is selected for informational purposes only. Its selection does not reflect any prominence in our internal forecast. As shown in our outlook release, if the network achieves an average of 1.5 million network subscribers for 2015, our 2015 company OIBDA is expected to range from \$70 million to \$90 million. So let's bridge the numbers.

In 2013, the company generated OIBDA of \$30 million, which included approximately \$12 million in film impairment charges. So excluding these charges, yield of 2000 OIBDA base of \$42 million. We'll bridge from 2013 OIBDA of \$42 million to a potential 2015 OIBDA range of \$70 million to \$90 million.

Because of the factors noted earlier, the expansion in TV rights from 2013 to 2015 increases our potential 2015 OIBDA by \$65 million to approximately \$107 million. Given an assumed 1.5 million network subscribers, the network segment would generate estimated OIBDA of approximately \$49 million as compared to OIBDA of \$28 million from our pay-per-view segment in 2013. So that \$21 million increase raises our potential 2015 OIBDA to approximately \$128 million.

Offsetting this growth however, are non-network investments of approximately \$30 million to develop our international presence, establishing new offices in Germany, Dubai and Mexico; to enhance our talent development program, including operating costs associated with our new performance center; and continued expansion in our physical facilities and technology infrastructure.

Notably, these factors have been cited in our 2013 and 2014 quarterly earnings. Additionally, we estimate an \$8 million OIBDA decline in some of our other business line. This brings our potential 2015 OIBDA to \$90 million, which is at the high end of the 2015 range we gave in the business outlook.

In summary, for this hypothetical scenario, the \$48 million in OIBDA growth from our 2013 base reflects the expansion of our television rights and the contribution of our network, partially offset by investments in other key areas.

Now I'll move on to subscriber growth. Given the importance of acquiring subscribers to our financial results, I'll reiterate some of my comments on this topic from our last earnings call.

After acquiring nearly 670,000 subscribers at the time of WrestleMania in April, we expect the gradual ramp-up over time as consumers change behavior and adopt new technology, particularly as new platforms increase the size of the addressable market. And to attract subscribers, we need to execute across a 5-part strategy. That includes creating new compelling content, opening the network up globally, expanding the distribution platforms on which the network's available and developing new features and executing high-impact marketing campaigns.

That concludes this portion of our call, and I will now turn it back to Michael.

Michael Weitz Thank you, George. Richard, we're ready now. Please open the lines for questions.

Question and Answer

Operator

[Operator Instructions] Our first question online comes from Mr. Daniel Moore from CJS Securities.

Daniel Moore

CJS Securities, Inc.

George, taking the example that you set out at 1.5 million average subscribers, we're looking at the network segment specifically. What is the total segment operating expense that's implied by the outlook that you just gave? And maybe how much of that would be fixed versus how much of that would be variable expenses?

George A. Barrios

Chief Strategy and Financial Officer

Yes. So that 1.5 million, as I mentioned, were approximately about \$49 million in OIBDA. And on the expense side, you're -- Dan, a part of the complexity here, obviously, is we're making a lot of estimates on this business. But I'd say 10% to 20% of the revenue at that 1.5 million subscribers roughly are variable expenses, and we're now characterizing -- previously, we thought -- we'd characterize it as revenue or a reduction to revenue. We're now characterizing it as and we'll report it as an expense. Things like any affiliate deals with the distribution platform or splits that there occur, any credit card fees, obviously, the screening costs and so on. So it's somewhere in the 10% to 20% range. And again, it depends on the mix of all those things. The fixed cost -- and now that we have the network segment, before, we used to talk -- this is another part of the complexity here. We used to talk about the incremental network costs. And then we would show the cannibalization of all the pay-per-view revenue. Now that we have the network segment, we don't have to pull out the pay-per-view revenue as a separate calculation, it's in essence embedded in the revenue number for the segment. And then you -- what you do, do, though, is include the pay-per-view cost. So you'd have about \$60 million, \$70 million of fixed costs let's say, in that range and then the cost to produce the pay-per-views, which roughly, \$40 million, so you're in that \$110 million or so and those costs have always been with the company. So when we talked about breakeven, then we always assume they would still be there. Does that help?

Daniel Moore

CJS Securities, Inc.

It does. I appreciate that. And just in terms of specifics, corporate expense implied as well?

George A. Barrios

Chief Strategy and Financial Officer

Yes. So then stepping apart from the network segment, we have our unallocated corporate and other costs. And about 40% of those roughly sit for what I'd call indirect G&A costs, so HR, IT, legal, finance and so forth. And then 60% are in -- so it's 4 major areas: our talent development; our marketing, any marketing that doesn't get allocated to a segment sits there; our international offices, which obviously, support all our business; and our integrated sales we're selling assets across. So -- and there, you have growth of roughly -- we're assuming \$30 million between '13 and '15, and it includes those investments that I mentioned internationally, talent, infrastructure. Obviously, all those costs and because WWE is a -- it has a significant layer our fixed cost. We have fairly high pure variable margins. All those costs, while they're "fixed", are discretionary. We've said before that we have the ability to either put a stop to the investment if we thought that made sense, or -- and also, go and do some of the investments we've made so far. At this point, we're still confident in our ability to execute across our initiatives, so that's why it's included in the outlook.

Daniel Moore

CJS Securities, Inc.

Okay. And one more sort of backward looking, and I'll jump back in queue. You've maintained, obviously, that the launch of the network would not cannibalize viewership and would not impact negatively your negotiating position for the TV rights in North America with NBCU. With hindsight, was the launch of the network a sticking point for your current and potential cable partners? And would you have to consider delaying it if you had to do it over again?

Vincent K. McMahon

Co-Founder, Chairman, Chief Executive Officer and Chairman of Executive Committee

That's a very fair question. I'll answer that one. I think it definitely had a negative impact. How much of it? I don't know by coming out with the network before we finish negotiating all of our rights. The other aspect of that is that if we didn't come out with the network when we did, it would take us another year because the idea there was to come out with the network at the strongest point, which would be WrestleMania. And so it's sort of a chicken and egg kind of situation. I do think, though, that, that was part of -- I don't know if it was the significant aspect, but part of a lighter number in terms of television rights. So I think that's a fair thing to say.

Operator

[Operator Instructions] Our next question online comes from Mr. Lance Vitanza from CRT Capital Group.

Lance W. Vitanza

CRT Capital Group LLC, Research Division

Hi, and I apologize if I missed this earlier, but have you discussed the tenor of the new U.S. TV deals?

George A. Barrios

Chief Strategy and Financial Officer

We haven't talked specifically. But what I will say is that materially, those deals will be less than 5 years. It still to be all figured out, but I don't expect that anyone of them would be greater than 5.

Lance W. Vitanza

CRT Capital Group LLC, Research Division

Okay. And then when you were going through the EBITDA bridge for '15, I may have misheard this. But did you say \$65 million of incremental EBITDA from the recent TV renegotiations?

George A. Barrios

Chief Strategy and Financial Officer

Well, I've described a little bit different. I said \$65 million would be the increase in our Television segment OIBDA, and I said about \$75 million of that would come from the almost 100% fall-through of the year-over-year increases from the rights agreement, again, because they all have escalators. So the average annual value in -- there's a cycling element there. And that, that \$75 million then is offset by about \$10 million of additional production expenses.

Lance W. Vitanza

CRT Capital Group LLC, Research Division

Okay. That makes more sense to me. I missed that. Sorry. And then lastly, on the network side. I think you said in the past that the cannibalization in the U.S. could be up to \$60 million, and I'm wondering if I'm somehow confusing apples and oranges. When I think about now, it looks like it's \$40 million. Has that cannibalization estimate changed? Or am I just -- are they 2 different numbers?

George A. Barrios

Chief Strategy and Financial Officer

Yes. I think you may be not seeing something. So what we're assuming now in cannibalization is globally about \$80 million. So when you look at the numbers, we're essentially saying assume there's no pay-per-view revenue in the network segment

because that's where that will be reported from now on. And to your point, we had previously said \$60 million domestically, and that \$60 million domestically still stands, and the other \$20-odd million would be international.

Lance W. Vitanza

CRT Capital Group LLC, Research Division

Okay. So the \$60 million in the U.S., so that still stands. So then what's the relationship then between the \$40 million that it looks like you're talking about today, and the \$60 million that is still the actual number?

George A. Barrios

Chief Strategy and Financial Officer

\$40 million was our pay-per-view segment OIBDA, if that's the pay -- if that's what you're referring to. So that's one element. There's another \$40 million that's the additional cost to produce the pay-per-views. So Lance, I'm really not so sure of what you were referring to.

Lance W. Vitanza

CRT Capital Group LLC, Research Division

I guess I'm just trying to understand the difference between the \$40 million of EBITDA that's there today and the potential cannibalization of \$60 million.

George A. Barrios

Chief Strategy and Financial Officer

So historically, the pay-per-view segment had \$40 million of OIBDA. And we've said, if you cannibalize that complete -- the pay-per-view revenue completely at about 1.3 million subscribers, you'd have still around \$40 million of OIBDA in that Network segment.

Operator

Our next question online comes from Mr. Robert Routh from National Alliance.

Robert G. Routh

National Alliance Capital Markets, Research Division

First, one big thing investors are really worried about is given what's happening with the stock and uncertainty, although it's better to be conservative than not, so I totally get that, is the dividend. Based on these increase in spending and the amendment you made to your credit facility, is it -- should investors assume that dividend is safe? Or is that at risk going forward? And if so, to what extent based on what you see now?

George A. Barrios

Chief Strategy and Financial Officer

Yes. As we've put in the business outlook, Rob, if we're successful executing our network strategy. We feel comfortable with the -- and we have the financial capacity to support the dividend, but it requires successful execution.

Robert G. Routh

National Alliance Capital Markets, Research Division

Okay. So at least near term, though, it should be safe over the next 12 months, you think?

George A. Barrios

Chief Strategy and Financial Officer

Yes. I gave you the statement that we said in the business outlook, so we're going to skip -- we're going to stick to that.

Robert G. Routh

National Alliance Capital Markets, Research Division

Okay. Great. And just one other question. I mean, this morning, on the DirecTV-AT&T call, one thing that they both said was as a result of this, they're going to be looking to invest in over-the-top providers going forward because in 2 or 3 years, they see that as a potentially a big business for them. I'm wondering, since they've said that, they're obviously talking to people. Have you guys had any talks with the any of the distributors about potentially partnering or selling your content to them that way? And if not, is it something that you think in the near-term could happen, considering they did say that that's something they're going to look to invest in going forward once that deal closes in 12 months?

Vincent K. McMahon

Co-Founder, Chairman, Chief Executive Officer and Chairman of Executive Committee

I think this that -- I think everyone is going to recognize this, that OTT is the future. And I think you're going to see a lot more of those. And obviously, we're wide open, very flexible, wide open to listening to and, in fact, encouraging a number of ways to deal with everybody else. It's not just our way or the highway. There are going to be many opportunities for WWE that are going to open up just like the one you mentioned.

Operator

Our next question online comes from Mr. Brad Safalow from PAA Research.

Bradley G. Safalow

PAA Research LLC

Just the first question. I guess, a lot of the concern in the marketplace is around your level of confidence in the subscriber trend. Can you give us some insights maybe being on last month, post WrestleMania [ph] that you had a Raw subscriber acquisition or a different pattern [ph] outside of the survey and studied [ph] in? What really gives you confidence that these subscriber will rollover [ph]?

Vincent K. McMahon

Co-Founder, Chairman, Chief Executive Officer and Chairman of Executive Committee

I'm sorry, George, I couldn't hear that question to be able to answer? Hello, George?

Operator

Our next question comes from Mr. Jamie Clement from Sidoti & Company.

James Clement

Sidoti & Company, Inc.

Operator, I think the hosts may not be on the call right now.

[Technical Difficulty]

Michael Weitz

Thank you, Richard. We were just speaking with Robert Routh. Robert?

Operator

[Operator Instructions] Our next question online comes from Mr. Mike Hickey from Benchmark.

Michael Hickey

The Benchmark Company, LLC, Research Division

Just curious on the personnel side of your network. It looks like you had high-end turnover there. I'm just curious if you can talk about the leadership of the network and maybe why we saw the turnover.

George A. Barrios
Chief Strategy and Financial Officer

Yes, I mean, we're really comfortable with the management team that we've got in place and the ability to execute the -- on the networking. Now all those decisions are either personal or the company makes the decision, we're not going to get into specifics around it. But we're very comfortable with the management team and our working relationship with Baseball Advanced Media were obviously, a critical part on the delivery of the network.

Michael Hickey
The Benchmark Company, LLC, Research Division

Okay, fair enough. And then, obviously, this is probably not normal for you guys. But given your updated guidance and the relative weight now that the network has on achieving your OIBDA expectation for '15, can you give us a look at where your subscriber count has been in the network?

George A. Barrios
Chief Strategy and Financial Officer

Yes, Mike, as we discussed on the last earnings call, we came to the conclusion we're going to provide subscriber guidance quarterly. So we're going to stick to that. So the next one will be on our next earnings call.

Michael Hickey
The Benchmark Company, LLC, Research Division

Okay. Assuming that perhaps you don't pace subscriber growth on the network to where you want it. Can you talk about potential cost that you can take out? Can you help maybe quantify some of the costs that you could take out of your fiscal '15 period, assuming that the network under paces your expectations?

George A. Barrios
Chief Strategy and Financial Officer

Yes, like I mentioned before, we did about \$480 million in expenses in 2013. Roughly 20% to 25% of those kind of are pure variable costs that kind of move directly with revenue. Probably have about 30% to 40% that aren't pure variable and are more event driven that you can do some things on. And you have [indiscernible] cost. They're discretionary. And like in any business, the -- how much you want to pull back on is going to be predicated on what you see as the opportunity and whether you think you're getting a return on the investment. So I know it's a long-winded answer. I don't want to put a specific number on it because we're planning for success. But we've said before, if we're wrong, the core business is still strong and you could do some reengineering to get back to a level of OIBDA that the company enjoyed in the past.

Michael Hickey
The Benchmark Company, LLC, Research Division

Okay. And then, just in terms of '15, looking at -- or trying to figure out your kind of average sub base for the network. You have WrestleMania in April. I'm guessing, like this year, that it's kind of your big catalyst for subscriber growth. Now global, I guess, with international, I would assume has a full rollout into that event. So should we be looking at kind of that early post-WrestleMania subscriber number as kind of -- I'm guessing, that's where the majority of the growth will go into and they kind of hold pacing after that. Is that a fair assumption?

George A. Barrios
Chief Strategy and Financial Officer

Yes, I wouldn't make any assumptions at this point on ramp rate, Mike. I mean, I think there's 2 elements, obviously, to this. There's how big do you think the opportunity is? How many global subscribers you can get? And the numbers that we've shared are based on all the research that we've done globally. Then the second question and assumption is ramp rate, and the reality is that there's not a lot of benchmarks that compare to. You can take a look at academic models that have tried to look at other new product introductions to get some element of ramp rate, and internally, we've looked at those. But even the variability from one product launch to another is pretty great. Even the smooth curve looks nice, but there's a lot of -- so it's a long-winded way,

again, of saying there's a lot of variability and I wouldn't be reading in at this point too much into -- we're certainly not making big assumptions about that curve. I think we're just going to have to actually see and learn as we -- as time goes on.

Michael Hickey

The Benchmark Company, LLC, Research Division

Okay. Last question is the -- seemed like maybe part of the problem on the TV side was that the demographic maybe the affluency profile is a little bit less than other audiences. Thinking about -- I'm curious how you feel about that. And I guess, I'm curious as to how that would necessarily impact churn on the network, given the demographic, that our subscribers maybe don't have the same discretionary income than the other audiences in that demographic.

George A. Barrios

Chief Strategy and Financial Officer

Yes, I think there were 2 separate questions in there with the assumption on demographics. Look, what I'll say as far as the impact on the deals themselves, they didn't seem to have an impact in 3 of the 4 markets and -- but we don't have as clean demographic data in some of those markets. If you think that the WWE universe is pretty broad, we didn't see an impact in 3 out of the 4 markets on the deal size. As far as churn, I think that's something, again, we'll learn over time as we actually get the behavior and see the behavior.

Operator

Our next question online comes from Mr. Brad Safalow, again, from PAA.

Bradley G. Safalow

PAA Research LLC

I just wanted to go back to maybe 2015, the \$30 million. Is all of that recurring...

George A. Barrios

Chief Strategy and Financial Officer

You're coming in and out, Brad. If you're on a cell phone or speaker, if you could pick up.

Bradley G. Safalow

PAA Research LLC

Okay. Can you hear me okay? On the \$30 million in 2015, the increase in cost, what percentage of that is recurring versus nonrecurring?

George A. Barrios

Chief Strategy and Financial Officer

No, it would all be recurring. I mean, it's a big part of staff cost, structural cost. But infrastructure -- but a big chunk of it is discretionary. You don't have to do it. We think it's the right thing to do, which is why it's included in the numbers, but you don't have to.

Bradley G. Safalow

PAA Research LLC

And is some of that spending related to developing Spanish-speaking -- or content -- or for Spanish-speaking countries and the rollout in France and Germany? And you mentioned France and Germany, I think, in the prepared remarks.

George A. Barrios

Chief Strategy and Financial Officer

No, I didn't mention France or Germany in the prepared remarks. But to answer your question, no, a cost like that, something that's so directly attributable to a business, wouldn't show up on the unallocated element. So it would be up in the TV segment

or the network segment, depending on where you were doing the localizing. But to answer your question directly, no, it doesn't include a lot of cost for -- it doesn't include the cost for localizing. These are, again, unallocated costs for areas of our business that support all our business segments.

Operator

Our next question, we have a follow-up question from Mr. Lance Vitanza from CRT Capital.

Lance W. Vitanza

CRT Capital Group LLC, Research Division

Just trying to understand the difference. In the outlook release, you talk about a long-term incremental OIBDA for the network of about \$50 million under a 2.5 million sub scenario. But then down in the tables down below, if I'm doing the math right, it looks like it's actually more like \$100 million of incremental EBITDA in 2015. And I'm wondering if I'm reading that correctly, if there's some incremental cost that you expect to come in beyond '15 or how I should be thinking about that?

George A. Barrios

Chief Strategy and Financial Officer

Yes, and that was in the prepared remarks, Lance. And that's been -- at steady-state, we've layered in additional costs that aren't in '15 and part of that is to -- things that we don't know. So -- but we -- our belief is that once you're at that subscriber level and you have a good, healthy business that's very accretive, you may need to spend on marketing, on product development, on even more new content and that, that spend would be justifiable at those levels. For '15, that spend isn't in there. So you actually have the network segment, in the 2.5 million model, is probably around \$160 million in OIBDA. So you read it right. But that difference is at steady-state, we're allowing for more investment. Again, we may not have to do that, which just makes it even more accretive at steady-state.

Bradley G. Safalow

PAA Research LLC

I would also think that, I mean, you'd be getting greater return on the invested capital at that point, so steady-state becomes perhaps a bit of a cyclical reference, right? Presumably, you'd continue to grow your subscribers if you're making those types of investments in additional content.

George A. Barrios

Chief Strategy and Financial Officer

I think that's right. And that's why we said -- we're saying -- again, steady-state is a term of art. But you're -- we said relatively stable. I think, for example, if you look at HBO to use a proxy, they're still growing subscribers, but I describe them as being at steady-state. Now their subscriber growth is driven by household formation, incremental marketing campaign, but the big ramp-up has happened. They've now reached a level that, in our view that would be described as steady-state. And again, understanding that's a term of art that we're using.

Operator

[Operator Instructions] Our next question comes from Jamie Clement from Sidoti & Company.

James Clement

Sidoti & Company, Inc.

George, a follow-up question on the terminology of steady-state and kind of getting back to your prepared remarks of bridging 2013 to 2015. I think that as you get past the ramp costs and marketing costs and that sort of thing, I think people and myself are perhaps a little bit confused as to why total spending, x steady state, might be higher than it would be during the ramp phase. Because, I mean, I would, logically, I would sort of assume that marketing-related costs, launch-related costs, those kinds of things would go away and, certainly, you might spend more money on content development and that kind of thing. But at minimum, I would have assumed that would be kind of a wash.

George A. Barrios
Chief Strategy and Financial Officer

Yes, it's -- that's a great question, Jamie. And part of this is, Vince touched on it in his opening remarks, some of the complexities of communicating with a pretty significant business model change. And it's moving to a business model that, frankly, we don't have a lot -- haven't had historically have been in, which is a subscription business. We had our classics on demand, but quite frankly, the scale of that makes it completely different. So to your point, I think it's a good point, we've taken the approach that says, look, at 2.5 million to 3.8 million subscribers, and to Lance's point, that's such a great business. And getting even -- small incremental subscriber growth leverages so dramatically that we may need to put those additional costs in at just a steady-state level. And hey, we're going to produce instead of 4 new series a year, we may do 10. 10, we don't know. But that's what it gets to, and I agree. If we decide not to do that, then you have not \$100 million or \$200 million at those levels but you're probably looking at \$150 million to \$300 million. But we've been conservative when we described the network at steady-state. In '15, because we know where we are in the timeline, we're not going to add those costs. We don't foresee needing to do that.

James Clement
Sidoti & Company, Inc.

Okay. George, I think getting back to kind of perhaps Friday's problem. And I just want to ask it in kind of clear terms now is, obviously, y'all -- your sensitivity tables are talking full company now versus previously you were talking trying to isolate the network and that sort of thing. Are you all spending more money now in terms of marketing the network and that sort of thing than you thought you were 3 to 6 months ago? Or is the confusion here really just confusion?

George A. Barrios
Chief Strategy and Financial Officer

Yes, I think on the -- specifically on the network segment, had a -- obviously, has it changed somewhat? Sure, because your projections are never dead on, but I wouldn't describe it as fundamentally changed materially. And you'll start seeing some of that in what we're reporting and you'll continue to see that. So I mean, that -- I think that answers it.

Operator

We have a follow-up question for Mr. Daniel Moore from CJS Securities.

Daniel Moore
CJS Securities, Inc.

It's sort of a follow-up on the last question. A year ago, the network was just still an abstract. Now that's launched. Talk about your confidence just in terms of the costs, not necessarily the subscriber projection, but just in terms of the cost that you're laying out today as we look a year from now in terms of hitting those goals and those targets and sticking to those.

George A. Barrios
Chief Strategy and Financial Officer

Yes. Dan, look, I think it gets to the whole point of at steady-state, having that pretty significant additional layer of cost assumed in. The reason we're doing that and this whole conversation is because we're still getting our sea legs in understanding that. Over the next 18 months, we have a pretty good idea on the programming, on the marketing, on the customer service, a pretty good idea. But like I said, I don't want to -- as Vince said, we're trying to be as transparent as possible. We're learning a lot. Day -- every single day, we're learning a lot. So I feel more comfortable over the next 18 -- 12 to 18 months, let's say, that we've got our arms around the cost. But I will also say that, that can change with the new learning and every day, we have new learnings. And I know that's -- people want certainty, and I wish I can give it to you, but I can't.

Daniel Moore
CJS Securities, Inc.

And then one follow-up. Maybe what additional levers beyond sort of 3-week promotions, and obviously, the carrot of WrestleMania might we not be thinking about that you sort of have in the quiver to drive subscriber growth as we get to the back

half of the year and then beyond WrestleMania in the next year as well?

George A. Barrios
Chief Strategy and Financial Officer

Well, the -- at the company's core, we're promoters and marketers. So we've got a large marketing team that's hard at work pulling that together and had a lot of ideas. I don't want to let the cat out of the bag. On the earnings call, I announced Tough Enough that -- which we hadn't announced previously. So I don't want to announce any marketing campaigns. But what you'll see coming up is a lot of different things. I mean, as you know, in a subscription business, it's not one program necessarily. It's the amalgam of a lot of different programs for different segments, and this thing, we're at the beginning of the beginning. So we're focused on it and you'll start seeing more and more of those.

Daniel Moore
CJS Securities, Inc.

And last one, I'll take a shot. Downside scenario, what metrics are you using or will you use to measure the effectiveness of your promotion and marketing spend if the network -- if you're just not generating types of returns on incremental investment that you would have thought? Is there a threshold? We know where breakeven is. But beyond that, what's the types of growth numbers do we need to see over the next 12 to 24 months to know that you are successful and achievable?

George A. Barrios
Chief Strategy and Financial Officer

Sure. Yes, I mean, Dan, and I know -- like you said, you're trying again. I mean, it gets to that to ramp rate question, which, at this point, there isn't a model that we could say "Hey, here's a model. If you're below that, that's bad, and if you're above that, that's good." I think net-net, if you're not seeing some consistent growth that gives you confidence that you're heading to the numbers, at least in the middle towards the end of the chart over time, getting -- that you think you'll get there at steady-state, I think that's when you begin to reevaluate. And again, I wish I could give you the exact numbers so that you could track that, but I think there's a little bit of art in it as we need to see it and we need to live it and kind of get a perspective.

Daniel Moore
CJS Securities, Inc.

Okay. And then last one, I promise. CapEx this year and next year, updated numbers for this.

George A. Barrios
Chief Strategy and Financial Officer

Yes, we had an update. It hasn't changed that much from our prior communication. We haven't given for '15, so we're not going to do that right now.

Operator

[Operator Instructions] We have a follow-up question from Jamie Clement from Sidoti & Company.

James Clement
Sidoti & Company, Inc.

Hey, George, just one last question. I think that some folks may think, okay, well, WrestleMania 2014 has come and gone, so the next catalyst for subscriber growth would be WrestleMania 2015. But in thinking about it, I mean, I figure a lot of your audience probably has to ask mom and dad for permission to either buy a pay-per-view or potentially buy the network. So do you view the holiday season as potentially a very good time in which to add subscribers?

George A. Barrios
Chief Strategy and Financial Officer

Jamie, I view every waking hour of every day as a good time to be working on some subscribers. But it gets back to -- what

you've asked is a fairly straightforward question that probably you'd expect a straightforward answer. But what I don't want to do on this call is give the impression that we have an insight that we don't have. Usually, I think a year or 2 years from now, we'll be able to look back and say, okay, this was the ramp. This is how it worked. For me to start putting day-to-day or seasons of what I think, I think it will just be conjecture, and I don't want to do that.

Operator

[Operator Instructions] We have a follow-up question from Mike Hickey from Benchmark.

Michael Hickey

The Benchmark Company, LLC, Research Division

Just perhaps a way to kind of benchmark your success with the decision to drive and build out the network. Can you give us, George, an idea of what your OIBDA level would be in '15 assuming that you got the GBP [ph] that you did and kept kind of your pay-per-view business as it was without the development of the network?

George A. Barrios

Chief Strategy and Financial Officer

Well, that's breakeven, I think, that we were discussing. So if the network did about 1.3 million to 1.4 million subscribers, kind of at that roughly breakeven number, that would have been about \$40 million of OIBDA, which is the old pay-per-view number. So that would sit around just to the left of the 1.5 million range that we put in the outlook release. So that 1.5 million was to \$70 million to \$90 million. At that breakeven, you're probably \$60 million to \$80 million, rough justice.

Operator

At this time, I see we have no -- correction, we have one question that came in. There are no questions in the queue at this time.

George A. Barrios

Chief Strategy and Financial Officer

Thanks.

Michael Weitz

Thank you.

George A. Barrios

Chief Strategy and Financial Officer

Thanks. And I wanted to -- just wanted to say thanks for everyone for being on the call, for the insightful questions that were asked. Hopefully, as Vince said, the whole purpose here was to bring as much clarity as we could. And I just wanted to thank everyone that was part of it, asked good questions and hopefully helps the entire community.

Michael Weitz

And from the IR team, thank you, everyone, for listening today. If you have any questions, please don't hesitate to reach out to us. Thank you.

Operator Thank you. Ladies and gentlemen, this concludes today's webcast. Thank you for participating. You may now disconnect. Speakers, please standby for your post conference.

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