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Wynn Macau, Limited  
永利澳門有限公司\*

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1128 and Debt Stock Code: 5279, 5280)**

## INSIDE INFORMATION

# UNAUDITED RESULTS FOR THE THIRD QUARTER AND THE FIRST THREE QUARTERS OF FISCAL 2018 OF OUR CONTROLLING SHAREHOLDER, WYNN RESORTS, LIMITED

This announcement is issued pursuant to Rule 13.09 and 37.47B of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our controlling shareholder, Wynn Resorts, Limited has, on or about 7 November 2018 (2:20 p.m., Las Vegas time), released its unaudited results for the third quarter ended 30 September 2018 and the first three quarters of fiscal 2018 ended 30 September 2018.

This announcement is issued by Wynn Macau, Limited (“we” or our “**Company**”) pursuant to Rule 13.09 and 37.47B of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited and under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

Our Company’s controlling shareholder, Wynn Resorts, Limited, is a company listed on the National Association of Securities Dealers Automated Quotations (“**NASDAQ**”) Global Select Market in the United States. As at the date of this announcement, Wynn Resorts, Limited beneficially owns approximately 72% of the issued share capital of our Company.

Reference is made to our announcement on 8 November 2018 (the “**WRL Earnings Release Announcement**”) in respect of the release by our controlling shareholder, Wynn Resorts, Limited, of its unaudited financial results for the third quarter ended 30 September 2018 and the first three quarters of fiscal 2018 ended 30 September 2018. Unless otherwise defined in this announcement, terms defined in the WRL Earnings Release Announcement have the same meaning when used in this announcement.

\* For identification purposes only.

Further to the WRL Earnings Release Announcement, Wynn Resorts, Limited has, on or about 7 November 2018, 2:20 p.m., Las Vegas time, released its quarterly report with unaudited financial results for the third quarter ended 30 September 2018 and the first three quarters of fiscal 2018 ended 30 September 2018 (“**WRL Quarterly Report**”). If you wish to review the WRL Quarterly Report prepared by Wynn Resorts, Limited and as filed with the U.S. Securities and Exchange Commission, please visit <https://www.sec.gov/Archives/edgar/data/1174922/000117492218000175/0001174922-18-000175-index.htm>. The WRL Quarterly Report contains segment financial information about Wynn Resorts, Limited’s Macau operations, which are owned by our Company. The WRL Quarterly Report is also available in the public domain.

The financial results of Wynn Resorts, Limited, including those contained in the WRL Quarterly Report, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“**U.S. GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we use to prepare and present our financial information. As such, the financial information in the WRL Quarterly Report is not directly comparable to the financial results our Company discloses. Consequently, we offer no indication or assurance that the financial results of our Group for the third quarter ended 30 September 2018 and the first three quarters of fiscal 2018 ended 30 September 2018 will be the same as that presented in the WRL Quarterly Report. In the WRL Earnings Release Announcement, we announced our unaudited financial results for the third quarter ended 30 September 2018 prepared in accordance with IFRS.

To ensure that all shareholders and potential investors of our Company have equal and timely access to the information pertaining to our Company, set forth below are the key highlights of financial information and other information published by Wynn Resorts, Limited in the WRL Quarterly Report that relate to our Company and our operations in Macau (unless otherwise provided, all dollar amounts in the WRL Quarterly Report are denominated in United States dollars), some of which may constitute material inside information of the Company:

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

**For the quarterly period ended September 30, 2018**

**Part I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**WYNN RESORTS, LIMITED AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)**

**Note 2 — Summary of Significant Accounting Policies**

*Cash, Cash Equivalents and Restricted Cash*

*Cash, cash equivalents and restricted cash consisted of the following (in thousands):*

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
<i>Restricted cash<sup>(3)</sup></i>	3,747	2,160

(3) *Restricted cash consists of cash collateral associated with an obligation and cash held in a trust in accordance with WML’s share award plan.*

*Recently Adopted Accounting Standards*

*Revenue Recognition Standard*

*In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which amends the existing revenue recognition guidance and creates a new topic for Revenue from Contracts with Customers. The guidance provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This guidance also substantially revises required interim and annual disclosures. The Company adopted the guidance on January 1, 2018, which resulted in the following significant impacts on its Condensed Consolidated Financial Statements:*

- The promotional allowances line item was eliminated from the Condensed Consolidated Statements of Income with the majority of the amount being netted against casino revenues.*
- The estimated cost of providing complimentary goods or services will no longer be allocated primarily to casino expenses from other operating departments as the new guidance requires revenues and expenses associated with providing complimentary goods or services to be classified based on the goods or services provided.*

- *The portion of junket commissions previously recorded as a casino expense is now recorded as a reduction of casino revenue.*
- *Mandatory service charges on food and beverage are now recorded on a gross basis with the amount received from the customer recorded as food and beverage revenue and the corresponding amount paid to employees recorded as food and beverage expense.*

*Certain prior period amounts have been adjusted to reflect the full retrospective adoption of the guidance. There was no impact on the Company's financial condition, operating income or net income.*

## **Note 6 — Long-Term Debt**

*Long-term debt consisted of the following (in thousands):*

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
<b>Macau Related:</b>		
<i>Wynn Macau Credit Facilities:</i>		
<i>Senior Term Loan Facility, due 2021</i>	\$2,298,749	\$2,298,798
<i>Senior Revolving Credit Facility, due 2020</i>	624,393	—
<i>4 7/8% Senior Notes, due 2024</i>	600,000	600,000
<i>5 1/2% Senior Notes, due 2027</i>	750,000	750,000

### **Macau Related Debt**

#### *Wynn Macau Credit Facilities*

*The Company's credit facilities include a \$2.30 billion equivalent fully funded senior secured term loan facility (the "Wynn Macau Senior Term Loan Facility") and a \$750 million equivalent senior secured revolving credit facility (the "Wynn Macau Senior Revolving Credit Facility," collectively, the "Wynn Macau Credit Facilities"). The borrower is Wynn Resorts (Macau) S.A. ("Wynn Macau SA"), an indirect wholly owned subsidiary of WML. As of September 30, 2018 and December 31, 2017, the weighted average interest rate was 3.99% and 3.16%, respectively. As of September 30, 2018, the Company had \$123.9 million of available borrowing capacity under the Wynn Macau Senior Revolving Credit Facility.*

#### *WML Finance Revolving Credit Facility*

*The Company's credit facilities include a HK\$3.87 billion (approximately \$495.1 million) cash-collateralized revolving credit facility ("WML Finance Credit Facility") under which WML Finance I, Limited, an indirect wholly owned subsidiary of WML, is the borrower. The WML Finance Credit Facility bore interest initially at 1.50% per annum, such rate calculated as*

the interest rate paid by the lender as the deposit bank for the cash collateral deposited and pledged with the lender plus a margin of 0.40%. On July 18, 2018, the WML Finance Credit Facility matured with no outstanding borrowings.

## **Note 7 — Stockholders' Equity**

### *Noncontrolling Interests*

On April 25, 2018, WML paid a cash dividend of HK\$0.75 per share for a total of \$497.1 million. The Company's share of this dividend was \$358.8 million with a reduction of \$138.3 million to noncontrolling interests in the accompanying Condensed Consolidated Balance Sheet.

On August 17, 2018, WML announced a cash dividend of HK\$0.75 per share, consisting of an interim dividend of HK\$0.32 per share for the six months ended June 30, 2018 and a special dividend of HK\$0.43 per share, for a total of \$496.6 million, payable on October 5, 2018 to stockholders of record as of September 24, 2018. The Company's share of this dividend will be approximately \$358.3 million, and the Company recorded a reduction to noncontrolling interests of \$138.3 million in the accompanying Condensed Consolidated Balance Sheet.

## **Note 8 — Revenue**

### *Disaggregation of Revenues*

The Company operates integrated resorts in Macau and Las Vegas and generates revenues at its properties by providing the following types of services and products: gaming, rooms, food and beverage and entertainment, retail and other. Revenues disaggregated by type of revenue and geographic location are as follows (in thousands):

<u>Three months ended September 30, 2018</u>	<u>Macau Operations</u>
Casino	\$1,129,143
Rooms	72,387
Food and beverage	45,312
Entertainment, retail and other <sup>(1)</sup>	63,350
<b>Total operating revenues</b>	<b><u><u>\$1,310,192</u></u></b>
<u>Three months ended September 30, 2017</u>	
Casino	\$945,891
Rooms	52,789
Food and beverage	39,834
Entertainment, retail and other <sup>(1)</sup>	48,564
<b>Total operating revenues</b>	<b><u><u>\$1,087,078</u></u></b>

<u>Nine months ended September 30, 2018</u>	<u>Macau Operations</u>
Casino	\$3,234,931
Rooms	209,036
Food and beverage	135,712
Entertainment, retail and other <sup>(1)</sup>	178,470
<b>Total operating revenues</b>	<b>\$3,758,149</b>

<u>Nine months ended September 30, 2017</u>	
Casino	\$2,712,289
Rooms	157,183
Food and beverage	116,144
Entertainment, retail and other <sup>(1)</sup>	141,367
<b>Total operating revenues</b>	<b>\$3,126,983</b>

(1) Includes lease revenue accounted for under lease accounting guidance.

## **Note 10 — Income Taxes**

Wynn Macau SA has received a five-year exemption from complementary tax on profits generated by gaming operations through December 31, 2020. For the three months ended September 30, 2018 and 2017, the Company was exempt from the payment of such taxes totaling \$26.8 million and \$15.0 million, respectively. For the nine months ended September 30, 2018 and 2017, the Company was exempt from the payment of such taxes totaling \$73.7 million and \$41.6 million, respectively.

Wynn Macau SA also entered into an agreement with the Macau government that provides for an annual payment of 12.8 million Macau patacas (approximately \$1.6 million) as complementary tax otherwise due by stockholders of Wynn Macau SA on dividend distributions through 2020.

## **Note 13 — Commitments and Contingencies**

### *Litigation*

In addition to the actions noted below, the Company and its affiliates are involved in litigation arising in the normal course of business. In the opinion of management, such litigation is not expected to have a material effect on the Company's financial condition, results of operations and cash flows.

### *Redemption Action and Counterclaim*

On March 8, 2018, the Company entered into the Settlement Agreement by and between the Company, Mr. Wynn, Linda Chen, Russell Goldsmith, Ray R. Irani, Robert J. Miller, John A. Moran, Marc D. Schorr, Alvin V. Shoemaker, D. Boone Wayson, Allan Zeman, and Ms. Sinatra (collectively, the "Wynn Parties"), and Universal Entertainment Corp. and Aruze

*(collectively with Universal Entertainment Corp., the “Universal Parties”). The Settlement Agreement resolved legal proceedings pending in the Redemption Action as well as other claims. Pursuant to the Settlement Agreement, the Company paid the principal amount of the \$1.94 billion Redemption Note on March 30, 2018. On March 30, 2018, the Company also paid an additional \$463.6 million with respect to the Universal Parties’ claims related to the allegedly below-market interest rate of the Redemption Note and stipulated to the release to Aruze of \$232.4 million in accrued interest held in escrow. The Company recorded the \$463.6 million as a litigation settlement expense on the Condensed Consolidated Statements of Income. Under the Settlement Agreement, the Wynn Parties and the Universal Parties mutually agreed to unconditionally release all claims against each other relating to or arising out of the Redemption Action, as well as any claims which relate to or arise out of any other litigation or claims in any other jurisdiction. As a result, the Universal Parties will not claim that Aruze remains a party to the Stockholders Agreement. The Universal Parties further released any claims against the Wynn Parties and their affiliates in any other jurisdiction, including but not limited to the proceeding pending in Macau against Wynn Resorts (Macau) S.A. and certain related individuals (“Macau Litigation”). As a result of the Settlement Agreement, the parties to the agreement dismissed all litigation between the Universal Parties and the Company and its then-directors and executives with respect to the redemption, including the Redemption Action and the Macau Litigation, but the Settlement Agreement did not release claims against any parties to such litigation who are not parties to the Settlement Agreement, including but not limited to Kazuo Okada and Elaine P. Wynn.*

#### *Litigation Commenced by Kazuo Okada*

*On July 3, 2015, WML announced that the Okada Parties filed a complaint in the Court of First Instance of Macau (“Macau Court”) against Wynn Macau SA and certain individuals who are or were directors of Wynn Macau SA and or WML (collectively, the “Wynn Macau Parties”). The principal allegations in the lawsuit are that the redemption of the Okada Parties’ shares in Wynn Resorts was improper and undervalued, that the previously disclosed payment by Wynn Macau SA to an unrelated third party in consideration of relinquishment by that party of certain rights in and to any future development on the land in Cotai where Wynn Palace is located was unlawful and that the previously disclosed donation by Wynn Resorts to the University of Macau Development Foundation was unlawful. The plaintiffs seek dissolution of Wynn Macau SA and compensatory damages. On July 11, 2017, the Macau Court dismissed all claims by the Okada Parties as unfounded, fined the Okada Parties, and ordered the Okada Parties to pay for court costs and the Wynn Macau Parties’ attorney’s fees. On or about October 16, 2017, the Okada Parties filed formal appeal papers in Macau, which Wynn Macau SA received on November 21, 2017. Wynn Macau SA filed its response on December 21, 2017. In March 2018, pursuant to the Settlement Agreement, the Universal Parties voluntarily withdrew from the Macau Litigation, leaving Mr. Okada as the sole claimant.*

*The Company believes this action is without merit and will vigorously defend itself against the claims pleaded against it by Mr. Okada. Management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this action or the range of reasonably possible loss, if any.*

## Actions Related to Mr. Wynn

### Investigations:

On January 26, 2018, the Company's Board of Directors formed a Special Committee comprised solely of independent directors to investigate allegations of inappropriate personal conduct by Mr. Wynn in the workplace. On August 3, 2018, the Board received the final presentation from the Special Committee. The gaming regulator in Macau is monitoring and reviewing the situation, and the Company is cooperating. In deference to the ongoing regulatory investigations, the Board and the Company intends to not make any further public statement on the results of the Special Committee presentation until the regulatory investigations are completed.

## Note 14 — Segment Information

The Company reviews the results of operations for each of its operating segments. Wynn Macau and Encore, an expansion at Wynn Macau, are managed as a single integrated resort and have been aggregated as one reportable segment ("Wynn Macau"). Wynn Palace is presented as a separate reportable segment and is combined with Wynn Macau for geographical presentation.

Other Macau primarily represents the Company's Macau holding company.

The following tables present the Company's segment information (in thousands):

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
		<b>(as adjusted)</b>		<b>(as adjusted)</b>
<b>Operating revenues</b>				
<b>Macau Operations:</b>				
Wynn Palace	\$730,572	\$525,029	\$2,017,004	\$1,373,742
Wynn Macau	579,620	562,049	1,741,145	1,753,241
<b>Total Macau Operations</b>	<b>1,310,192</b>	<b>1,087,078</b>	<b>3,758,149</b>	<b>3,126,983</b>
<b>Adjusted Property EBITDA<sup>(1)</sup></b>				
<b>Macau Operations:</b>				
Wynn Palace	\$226,141	\$138,228	\$617,317	\$337,487
Wynn Macau	182,928	183,219	565,677	574,723
<b>Total Macau Operations</b>	<b>409,069</b>	<b>321,447</b>	<b>1,182,994</b>	<b>912,210</b>

(1) "Adjusted Property EBITDA" is net income before interest, income taxes, depreciation and amortization, litigation settlement expense, pre-opening expenses, property charges and other, management and license fees, corporate expenses and other (including intercompany golf course and water rights leases), stock-based compensation, (loss)

gain on extinguishment of debt, change in derivatives fair value, change in Redemption Note fair value and other non-operating income and expenses. Adjusted Property EBITDA is presented exclusively as a supplemental disclosure because management believes that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. Management uses Adjusted Property EBITDA as a measure of the operating performance of its segments and to compare the operating performance of its properties with those of its competitors, as well as a basis for determining certain incentive compensation. We also present Adjusted Property EBITDA because it is used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to GAAP. In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including us, have historically excluded from their EBITDA calculations pre-opening expenses, property charges, corporate expenses and stock-based compensation, that do not relate to the management of specific casino properties. However, Adjusted Property EBITDA should not be considered as an alternative to operating income as an indicator of our performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted Property EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. We have significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, income taxes and other non-recurring charges, which are not reflected in Adjusted Property EBITDA. Also, our calculation of Adjusted Property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

	<u>September 30,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
<b>Assets</b>		
<b>Macau Operations:</b>		
Wynn Palace	\$3,890,829	\$4,017,494
Wynn Macau	1,932,745	1,271,544
Other Macau	189,752	174,769
<b>Total Macau Operations</b>	<b>6,013,326</b>	<b>5,463,807</b>

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Overview**

We are a developer, owner and operator of destination casino resorts (integrated resorts). In the Macau Special Administrative Region of the People's Republic of China ("Macau"), we own approximately 72% of Wynn Macau, Limited ("WML"), which includes the operations of the Wynn Palace and Wynn Macau resorts, which we refer to as our Macau Operations.

### **Macau Operations**

We operate our Macau Operations under a 20-year casino concession agreement granted by the Macau government in June 2002. We lease from the Macau government approximately 51 acres of land in the Cotai area of Macau where Wynn Palace is located and 16 acres of land in downtown Macau's inner harbor where Wynn Macau is located.

*Wynn Palace features the following as of October 15, 2018:*

- *Approximately 424,000 square feet of casino space, offering 24-hour gaming and a full range of games with 323 table games and 1,095 slot machines, private gaming salons and sky casinos;*
- *A luxury hotel with a total of 1,706 guest rooms, suites and villas;*
- *13 food and beverage outlets;*
- *Approximately 106,000 square feet of high-end, brand-name retail space;*
- *Approximately 37,000 square feet of meeting and convention space;*
- *Recreation and leisure facilities, including a gondola ride, health club, spa, salon and pool; and*
- *Public attractions including a performance lake, floral art displays and fine art displays.*

*Wynn Macau features the following as of October 15, 2018:*

- *Approximately 273,000 square feet of casino space, offering 24-hour gaming and a full range of games with 310 table games and 836 slot machines, private gaming salons, sky casinos and a poker pit;*
- *Two luxury hotel towers with a total of 1,008 guest rooms and suites;*
- *12 food and beverage outlets;*
- *Approximately 59,000 square feet of high-end, brand-name retail space;*
- *Approximately 31,000 square feet of meeting and convention space;*
- *Recreation and leisure facilities, including two health clubs, spas, a salon and a pool; and*
- *A rotunda show featuring a Chinese zodiac-inspired ceiling along with gold “prosperity tree” and “dragon of fortune” attractions.*

*In response to our evaluation of our Macau Operations and our commitment to creating a unique customer experience, we have made and expect to continue to make enhancements and refinements to these resorts.*

## *Construction and Development Opportunities*

*We have begun a reconfiguration of the current Wynn Club gaming area at Wynn Macau. When completed, the enhanced space will consist of approximately 40 mass market table games, a refurbished high-limit slot area, two new restaurants and approximately 7,000 square feet of retail space, and will provide for improved pedestrian access from the boardwalk. We estimate the total project budget to be approximately \$62 million. We expect to complete the high-limit slot area refurbishment in the fourth quarter of 2018. We expect to complete the mass market table game enhancements and open the new restaurants in the third quarter of 2019, and we expect to open the new retail space in the fourth quarter of 2019.*

### **Key Operating Measures**

*Certain key operating measures specific to the gaming industry are included in our discussion of our operational performance for the periods for which a Condensed Consolidated Statement of Income is presented. Below are definitions of these key operating measures discussed:*

- Table drop in mass market for our Macau Operations is the amount of cash that is deposited in a gaming table's drop box plus cash chips purchased at the casino cage.*
- Rolling chips are non-negotiable identifiable chips that are used to track turnover for purposes of calculating incentives within our Macau Operations' VIP program.*
- Turnover is the sum of all losing rolling chip wagers within our Macau Operations' VIP program.*
- Table games win is the amount of table drop or turnover that is retained and recorded as casino revenues. Table games win is before discounts, commissions and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis.*
- Slot machine win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenues. Slot machine win is after adjustment for progressive accruals and free play, but before discounts and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis.*
- Average daily rate ("ADR") is calculated by dividing total room revenues, including complimentaries (less service charges, if any), by total rooms occupied.*
- Revenue per available room ("REVPAR") is calculated by dividing total room revenues, including complimentaries (less service charges, if any), by total rooms available.*
- Occupancy is calculated by dividing total occupied rooms, including complimentary rooms, by the total rooms available.*

*Below is a discussion of the methodologies used to calculate win percentages at our resorts.*

*In our VIP operations in Macau, customers primarily purchase rolling chips from the casino cage and can only use them to make wagers. Winning wagers are paid in cash chips. The loss of the rolling chips in the VIP operations is recorded as turnover and provides a base for calculating VIP win percentage. It is customary in Macau to measure VIP play using this rolling chip method. We expect our win as a percentage of turnover from these operations to be within the range of 2.7% to 3.0%. In our mass market operations in Macau, customers may purchase cash chips at either the gaming tables or at the casino cage.*

*The measurements from our VIP and mass market operations are not comparable as the measurement method used in our mass market operations tracks the initial purchase of chips at the table and at the casino cage, while the measurement method from our VIP operations tracks the sum of all losing wagers. Accordingly, the base measurement from the VIP operations is much larger than the base measurement from the mass market operations. As a result, the expected win percentage with the same amount of gaming win is lower in the VIP operations when compared to the mass market operations.*

## **Results of Operations**

### *Summary of third quarter 2018 results*

*The results reflect the Company's adoption of the new accounting guidance for revenue recognition ("ASC 606"), effective January 1, 2018. Certain prior period amounts have been adjusted to reflect the full retrospective adoption of ASC 606, with no impact to operating income, net income or Adjusted Property EBITDA.*

*Net income attributable to Wynn Resorts, Limited for the three months ended September 30, 2018, was \$156.1 million, or \$1.44 per diluted share, compared to \$79.8 million, or \$0.78 per diluted share, for the same period of 2017. The increase was primarily due to an increase in operating income from Wynn Palace and Wynn Macau, offset by a decrease in our Las Vegas Operations.*

*Adjusted Property EBITDA was \$504.4 million for the three months ended September 30, 2018, an increase of 6.6%, or \$31.4 million, from \$473.0 million for the same period of 2017. This was driven by an increase of \$87.9 million from Wynn Palace, partially offset by a decrease of \$56.2 million from our Las Vegas Operations.*

*Net income attributable to Wynn Resorts, Limited for the nine months ended September 30, 2018, was \$107.6 million, or \$1.01 per diluted share, compared with \$255.5 million, or \$2.49 per diluted share, for the same period of 2017. The decrease was driven by \$463.6 million in litigation settlement expenses and a decrease at our Las Vegas Operations, partially offset by increases in our benefit for income taxes and operating income from Wynn Palace.*

*Adjusted Property EBITDA was \$1.55 billion for the nine months ended September 30, 2018, an increase of 16.1%, or \$214.5 million, from \$1.33 billion for the same period of 2017. This was driven by an increase of \$279.8 million from Wynn Palace, and partially offset by decreases of \$9.0 million from Wynn Macau and \$56.2 million from our Las Vegas Operations for the comparable period.*

**Financial results for the three months ended September 30, 2018 compared to the three months ended September 30, 2017.**

*Operating revenues*

The following table presents operating revenues from our Macau and Las Vegas Operations (dollars in thousands):

	<b>Three Months Ended September 30,</b>		<b>Percent Change</b>
	<b>2018</b>	<b>2017</b>	
<b>Operating revenues</b>			
<i>Macau Operations:</i>			
Wynn Palace	\$730,572	\$525,029	39.1
Wynn Macau	579,620	562,049	3.1
<b>Total Macau Operations</b>	<b>1,310,192</b>	<b>1,087,078</b>	<b>20.5</b>

Operating revenues increased 10.2%, or \$157.7 million, to \$1.71 billion for the three months ended September 30, 2018, from \$1.55 billion for the same period of 2017. Increases of \$205.5 million and \$17.6 million at Wynn Palace and Wynn Macau were partially offset by a decrease of \$65.4 million in our Las Vegas Operations, compared with the same period of 2017.

*Casino revenues*

Casino revenues increased 13.6%, or \$146.5 million, to \$1.22 billion for the three months ended September 30, 2018, from \$1.08 billion for the same period of 2017. This was primarily due to an increase of \$178.5 million from Wynn Palace, partially offset by a decrease of \$36.8 million at our Las Vegas Operations. Wynn Palace table drop and VIP turnover increased 37.3% and 13.4%, respectively. The VIP operations at Wynn Palace also benefited from an increase in VIP win as a percentage of turnover to 3.40% from 2.99%. Wynn Macau casino revenues increased \$4.7 million, driven by a 10.6% increase in table drop and a 4.4% increase in VIP turnover, mostly offset by a decrease in VIP win as a percentage of turnover to 3.01% from 3.37%.

Prior to the opening of Wynn Palace in August 2016, the Gaming Inspection and Coordination Bureau of Macau authorized 100 new table games for operation at Wynn Palace with 25 additional table games authorized for operation on January 1, 2017, and a further 25 new table games for operation on January 1, 2018, for a total of 150 new table games in the aggregate. In addition, we have shared and will continue to share table games between Wynn Palace and Wynn Macau, subject to the aggregate cap, to optimize our casino operations. As of October 15, 2018, we had a total of 323 table games at Wynn Palace and 310 at Wynn Macau.

The table below sets forth our casino revenues and associated key operating measures for our Macau and Las Vegas Operations (dollars in thousands, except for win per unit per day):

	<b>Three Months Ended</b>		<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
	<b>September 30,</b>			
	<b>2018</b>	<b>2017</b>		
<b>Macau Operations:</b>				
Wynn Palace:				
Total casino revenues	\$625,586	\$447,066	\$178,520	39.9
<b>VIP:</b>				
Average number of table games	112	106	6	5.7
VIP turnover	\$15,525,637	\$13,694,250	\$1,831,387	13.4
VIP table games win	\$528,219	\$409,648	\$118,571	28.9
VIP win as a % of turnover	3.40%	2.99%	0.41	
Table games win per unit per day	\$51,463	\$42,015	\$9,448	22.5
<b>Mass market:</b>				
Average number of table games	206	201	5	2.5
Table drop	\$1,189,895	\$866,637	\$323,258	37.3
Table games win	\$308,149	\$194,294	\$113,855	58.6
Table games win %	25.9%	22.4%	3.5	
Table games win per unit per day	\$16,291	\$10,491	\$5,800	55.3
Average number of slot machines	1,056	1,100	(44)	(4.0)
Slot machine handle	\$922,514	\$817,543	\$104,971	12.8
Slot machine win	\$46,044	\$41,965	\$4,079	9.7
Slot machine win per unit per day	\$474	\$415	\$59	14.2
Wynn Macau:				
Total casino revenues	\$503,557	\$498,825	\$4,732	0.9
<b>VIP:</b>				
Average number of table games	109	96	13	13.5
VIP turnover	\$13,966,931	\$13,373,060	\$593,871	4.4
VIP table games win	\$420,864	\$451,136	\$(30,272)	(6.7)
VIP win as a % of turnover	3.01%	3.37%	(0.36)	
Table games win per unit per day	\$42,061	\$51,324	\$(9,263)	(18.0)

**Three Months Ended  
September 30,**

	<b>2018</b>	<b>2017</b>	<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
<b>Mass market:</b>				
Average number of table games	200	206	(6)	(2.9)
Table drop	\$1,183,667	\$1,070,119	\$113,548	10.6
Table games win	\$250,229	\$216,439	\$33,790	15.6
Table games win %	21.1%	20.2%	0.9	
Table games win per unit per day	\$13,625	\$11,408	\$2,217	19.4
Average number of slot machines	845	918	(73)	(8.0)
Slot machine handle	\$895,249	\$864,553	\$30,696	3.6
Slot machine win	\$34,769	\$35,522	\$(753)	(2.1)
Slot machine win per unit per day	\$447	\$421	\$26	6.2

*Non-casino revenues*

*Non-casino revenues increased 2.4%, or \$11.3 million, to \$487.0 million for the three months ended September 30, 2018, from \$475.8 million for the same period of 2017. Increases of \$27.0 million and \$12.8 million from Wynn Palace and Wynn Macau, respectively, were partially offset by a decrease of \$28.6 million in our Las Vegas Operations.*

*Room revenues increased 7.4%, or \$12.7 million, to \$183.0 million for the three months ended September 30, 2018, from \$170.4 million during the same period of 2017, primarily driven by higher ADR at our Macau Operations, and partially offset by decreases in ADR and occupancy at our Las Vegas Operations. Increases of \$14.8 million and \$4.8 million from Wynn Palace and Wynn Macau, respectively, were partially offset by a decrease of \$6.9 million in our Las Vegas Operations.*

The table below sets forth our room revenues and associated key operating measures for our Macau and Las Vegas Operations:

	<i>Three Months Ended</i>		<i>Percent</i>
	<i>September 30,</i>		
	<i>2018</i>	<i>2017</i>	<i>Change</i> <sup>(1)</sup>
<b>Macau Operations:</b>			
<i>Wynn Palace:</i>			
<i>Total room revenues</i>			
<i>(dollars in thousands)</i>	\$44,296	\$29,510	50.1
<i>Occupancy</i>	96.0%	96.1%	(0.1)
<i>ADR</i>	\$275	\$199	38.2
<i>REVPAR</i>	\$264	\$192	37.5
<i>Wynn Macau:</i>			
<i>Total room revenues</i>			
<i>(dollars in thousands)</i>	\$28,091	\$23,279	20.7
<i>Occupancy</i>	99.0%	97.3%	1.7
<i>ADR</i>	\$276	\$238	16.0
<i>REVPAR</i>	\$273	\$231	18.2

(1) Except occupancy, which is presented as a percentage point change.

Food and beverage revenues decreased 3.1%, or \$6.2 million, to \$193.9 million for the three months ended September 30, 2018, from \$200.1 million for the same period of 2017. The decrease at our Las Vegas Operations was partially offset by increases of \$3.6 million and \$1.9 million from Wynn Palace and Wynn Macau, respectively, which were primarily driven by increased covers at our food and beverage outlets.

Entertainment, retail and other revenues increased 4.5%, or \$4.8 million, to \$110.1 million for the three months ended September 30, 2018, from \$105.3 million for the same period of 2017. During the third quarter of 2018, Wynn Palace and Wynn Macau recorded business interruption insurance proceeds of \$5.4 million and \$5.3 million, respectively, related to the full settlement of claims from Typhoon Hato in 2017.

#### *Operating expenses*

Operating expenses increased 9.6%, or \$124.1 million, to \$1.42 billion for the three months ended September 30, 2018, from \$1.29 billion for the same period of 2017, primarily due to increased casino expenses at Wynn Palace.

Casino expenses increased 15.4%, or \$104.7 million, to \$783.2 million for the three months ended September 30, 2018, from \$678.5 million for the same period of 2017, primarily due to increased gaming taxes at Wynn Palace commensurate with the increase in casino revenues.

Food and beverage expenses increased 6.9%, or \$10.5 million, to \$162.3 million for the three months ended September 30, 2018, from \$151.8 million for the same period of 2017, primarily due to increases of \$6.5 million and \$2.5 million from Wynn Palace and Wynn Macau, respectively, commensurate with increased sales at our restaurants.

General and administrative expenses increased 7.7%, or \$13.8 million, to \$192.3 million for the three months ended September 30, 2018, from \$178.5 million for the same period of 2017, primarily due to increases at Wynn Palace and Wynn Macau of \$5.5 million and \$5.3 million, respectively. These increases were primarily driven by increased payroll and other general and administrative costs.

#### *Other non-operating income and expenses*

We recorded a gain of \$11.2 million and a loss of \$1.9 million for the three months ended September 30, 2018 and 2017, respectively, from foreign currency remeasurements. The impact of the exchange rate fluctuation of the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities drove the variability between periods.

#### *Net income attributable to noncontrolling interests*

Net income attributable to noncontrolling interests was \$63.7 million for the three months ended September 30, 2018, compared to \$26.2 million for the same period of 2017. These amounts were primarily related to the noncontrolling interests' share of net income from WML.

### ***Financial results for the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.***

#### *Operating revenues*

The following table presents operating revenues from our Macau and Las Vegas Operations (dollars in thousands):

	<i>Nine Months Ended</i>		<i>Percent</i>
	<i>September 30,</i>		
	<i>2018</i>	<i>2017</i>	<i>Change</i>
<b><i>Operating revenues</i></b>			
<i>Macau Operations:</i>			
Wynn Palace	\$2,017,004	\$1,373,742	46.8
Wynn Macau	1,741,145	1,753,241	(0.7)
<b><i>Total Macau Operations</i></b>	<b>3,758,149</b>	<b>3,126,983</b>	<b>20.2</b>

Operating revenues increased 13.1%, or \$582.1 million, to \$5.03 billion for the nine months ended September 30, 2018, from \$4.45 billion for the same period of 2017. The increase of \$643.3 million at Wynn Palace was the primary driver. Operating revenues at Wynn Macau and our Las Vegas Operations decreased \$12.1 million and \$49.1 million, respectively, compared with the same period of 2017.

## Casino revenues

Casino revenues increased 16.2%, or \$497.1 million, to \$3.56 billion for the nine months ended September 30, 2018, from \$3.07 billion for the same period of 2017. This was primarily due to an increase of \$571.6 million from Wynn Palace, partially offset by decreases of \$49.0 million and \$25.6 million at Wynn Macau and our Las Vegas Operations, respectively. Wynn Palace table drop and VIP turnover increased 53.3% and 23.7%, respectively. The VIP operations at Wynn Palace also benefited from an increase in VIP win as a percentage of turnover to 3.00% from 2.74%. The decrease at Wynn Macau was primarily driven by a decrease in VIP win as a percentage of turnover to 2.72% from 3.41%, offset by a 16.6% increase in table games win.

The table below sets forth our casino revenues and associated key operating measures for our Macau and Las Vegas Operations (dollars in thousands, except for win per unit per day):

	<b>Nine Months Ended September 30,</b>		<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
	<b>2018</b>	<b>2017</b>		
<b>Macau Operations:</b>				
<i>Wynn Palace:</i>				
Total casino revenues	\$1,719,072	\$1,147,429	\$571,643	49.8
<b>VIP:</b>				
Average number of table games	114	101	13	12.9
VIP turnover	\$44,940,535	\$36,340,603	\$8,599,932	23.7
VIP table games win	\$1,348,291	\$997,031	\$351,260	35.2
VIP win as a % of turnover	3.00%	2.74%	0.26	
Table games win per unit per day	\$43,302	\$36,290	\$7,012	19.3
<b>Mass market:</b>				
Average number of table games	209	205	4	2.0
Table drop	\$3,625,959	\$2,365,661	\$1,260,298	53.3
Table games win	\$898,876	\$530,668	\$368,208	69.4
Table games win %	24.8%	22.4%	2.4	
Table games win per unit per day	\$15,750	\$9,507	\$6,243	65.7
Average number of slot machines	1,062	1,041	21	2.0
Slot machine handle	\$2,921,582	\$2,132,973	\$788,609	37.0
Slot machine win	\$145,993	\$110,712	\$35,281	31.9
Slot machine win per unit per day	\$503	\$390	\$113	29.0

	<i>Nine Months Ended</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>September 30,</i>			
	<i>2018</i>	<i>2017</i>		
<i>Wynn Macau:</i>				
<i>Total casino revenues</i>	\$1,515,859	\$1,564,860	\$(49,001)	(3.1)
<b>VIP:</b>				
<i>Average number of table games</i>	111	93	18	19.4
<i>VIP turnover</i>	\$44,982,849	\$42,680,904	\$2,301,945	5.4
<i>VIP table games win</i>	\$1,223,219	\$1,456,139	\$(232,920)	(16.0)
<i>VIP win as a % of turnover</i>	2.72%	3.41%	(0.69)	
<i>Table games win per unit per day</i>	\$40,204	\$57,095	\$(16,891)	(29.6)
<b>Mass market:</b>				
<i>Average number of table games</i>	202	205	(3)	(1.5)
<i>Table drop</i>	\$3,799,636	\$3,274,733	\$524,903	16.0
<i>Table games win</i>	\$758,748	\$650,911	\$107,837	16.6
<i>Table games win %</i>	20.0%	19.9%	0.1	
<i>Table games win per unit per day</i>	\$13,747	\$11,637	\$2,110	18.1
<i>Average number of slot machines</i>	902	907	(5)	(0.6)
<i>Slot machine handle</i>	\$2,861,703	\$2,589,125	\$272,578	10.5
<i>Slot machine win</i>	\$116,960	\$113,607	\$3,353	3.0
<i>Slot machine win per unit per day</i>	\$475	\$459	\$16	3.5

#### *Non-casino revenues*

*Non-casino revenues increased 6.2%, or \$85.0 million, to \$1.47 billion for the nine months ended September 30, 2018, from \$1.38 billion for the same period of 2017, due to increases of \$71.6 million and \$36.9 million at Wynn Palace and Wynn Macau, respectively, partially offset by a decrease of \$23.5 million at our Las Vegas Operations.*

*Room revenues increased 11.0%, or \$55.3 million, to \$559.4 million for the nine months ended September 30, 2018, from \$504.1 million for the same period of 2017, primarily due to higher ADR at our Macau and Las Vegas Operations.*

The table below sets forth our room revenues and associated key operating measures for our Macau and Las Vegas Operations:

	<i>Nine Months Ended September 30,</i>		<i>Percent Change<sup>(1)</sup></i>
	<i>2018</i>	<i>2017</i>	
<b>Macau Operations:</b>			
<i>Wynn Palace:</i>			
<i>Total room revenues</i>			
<i>(dollars in thousands)</i>	\$125,461	\$86,699	44.7
<i>Occupancy</i>	96.3%	96.0%	0.3
<i>ADR</i>	\$261	\$193	35.2
<i>REVPAR</i>	\$251	\$185	35.7
<i>Wynn Macau:</i>			
<i>Total room revenues</i>			
<i>(dollars in thousands)</i>	\$83,575	\$70,484	18.6
<i>Occupancy</i>	99.1%	96.9%	2.2
<i>ADR</i>	\$280	\$240	16.7
<i>REVPAR</i>	\$277	\$232	19.4

(1) Except occupancy, which is presented as a percentage point change.

Food and beverage revenues increased 2.1%, or \$12.1 million, to \$581.0 million for the nine months ended September 30, 2018, from \$568.9 million for the same period of 2017, due to increases of \$12.4 million and \$7.2 million at Wynn Palace and Wynn Macau, primarily as a result of increased covers at our restaurants.

Entertainment, retail and other revenues increased 5.7%, or \$17.7 million, to \$325.5 million for the nine months ended September 30, 2018, from \$307.8 million for the same period of 2017. During the third quarter of 2018, Wynn Palace and Wynn Macau recorded business interruption insurance proceeds of \$5.4 million and \$5.3 million, respectively, related to the full settlement of claims from Typhoon Hato in 2017. An increase in sales at retail outlets at our Macau Operations also contributed to the increased revenues.

#### *Operating expenses*

Casino expenses increased 15.2%, or \$297.9 million, to \$2.25 billion for the nine months ended September 30, 2018, from \$1.96 billion for the same period of 2017, primarily due to increased gaming taxes at Wynn Palace commensurate with the increase in casino revenues.

*Food and beverage expenses increased 6.8%, or \$30.0 million, to \$468.3 million for the nine months ended September 30, 2018, from \$438.3 million for the same period of 2017, due to increases of \$14.2 million, \$10.5 million and \$5.3 million from Wynn Palace, our Las Vegas Operations and Wynn Macau, respectively. The increases at Wynn Palace and Wynn Macau were commensurate with increased sales at our restaurants.*

*Entertainment, retail and other expenses decreased 3.0%, or \$4.3 million, to \$138.6 million for the nine months ended September 30, 2018, from \$143.0 million for the same period of 2017. The change was driven by a decrease of \$14.2 million at our Las Vegas Operations and partially offset by increases of \$6.2 million and \$3.6 million at Wynn Palace and Wynn Macau. The increase in costs at Wynn Palace and Wynn Macau was commensurate with the increase in entertainment, retail and other revenues.*

*General and administrative expenses increased 8.5%, or \$42.9 million, to \$545.5 million for the nine months ended September 30, 2018, from \$502.6 million for the same period of 2017, primarily due to increases of \$16.6 million, \$7.6 million and \$7.2 million at Wynn Palace, Wynn Macau, and at our Las Vegas Operations, respectively. These increases were primarily driven by an increase in corporate expense, primarily as a result of increased legal expenses, and increased payroll costs at our Macau and Las Vegas Operations.*

*Depreciation and amortization decreased 0.9%, or \$3.8 million, to \$411.7 million for the nine months ended September 30, 2018, from \$415.5 million for the same period of 2017. The decrease was the result of certain Wynn Macau assets becoming fully depreciated.*

#### *Other non-operating income and expenses*

*We recorded a gain of \$1.0 million and a loss of \$19.8 million for the nine months ended September 30, 2018 and 2017, respectively, from foreign currency remeasurements. The impact of the exchange rate fluctuation of the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities drove the variability between periods.*

#### *Net income attributable to noncontrolling interests*

*Net income attributable to noncontrolling interests was \$180.0 million for the nine months ended September 30, 2018, compared to \$89.8 million for the same period of 2017. These amounts were primarily related to the noncontrolling interests' share of net income from WML.*

## **Adjusted Property EBITDA**

We use Adjusted Property EBITDA to manage the operating results of our segments.

The following table summarizes Adjusted Property EBITDA (in thousands) for our Macau and Las Vegas Operations as reviewed by management and summarized in Item 1 — “Notes to Condensed Consolidated Financial Statements,” Note 14, “Segment Information.”

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Wynn Palace	\$226,141	\$138,228	\$617,317	\$337,487
Wynn Macau	\$182,928	\$183,219	\$565,677	\$574,723

Adjusted Property EBITDA at Wynn Palace increased 63.6% and 82.9% for the three and nine months ended September 30, 2018, compared to the same period of 2017, primarily driven by an increase in operating revenues.

Adjusted Property EBITDA at Wynn Macau was relatively flat for the three months ended September 30, 2018, compared to the same period of 2017. Adjusted Property EBITDA at Wynn Macau decreased 1.6% for the nine months ended September 30, 2018, compared to the same period of 2017, primarily driven by a decrease in VIP win as a percentage of turnover, partially offset by an increase in mass market table games win.

## **Liquidity and Capital Resources**

### **Operating Activities**

Our operating cash flows primarily consist of the operating income generated by our Macau and Las Vegas Operations (excluding depreciation and amortization and other non-cash charges), interest paid and collected and changes in working capital accounts such as receivables, customer deposits and accounts payable. Our table games play in both Macau and Las Vegas is a mix of cash and credit play, while our slot machine play is conducted primarily on a cash basis. A significant portion of our table games revenue is attributable to the play of a limited number of premium international customers who gamble on credit. The ability to collect these gaming receivables may impact our operating cash flow for the period. Our rooms, food and beverage, and entertainment, retail and other revenues are conducted primarily on a cash and credit card basis.

Net cash provided by operating activities for the nine months ended September 30, 2018 was \$497.9 million, compared to \$1.28 billion for the same period of 2017. The change was primarily due to the payment of a \$463.6 million litigation settlement in 2018, and changes in customer deposits driven by timing differences between the purchase and redemption of gaming chips by promoters in Macau.

## **Financing Activities**

Net cash used in financing activities for the nine months ended September 30, 2018 was \$423.7 million, compared to \$318.1 million for the same period of 2017. In addition, during the nine months ended September 30, 2018, we borrowed \$624.4 million under the Macau Senior Revolving Credit Facility, \$615.0 million under the Retail Term Loan (as defined below), and we used cash of \$350.7 million for the payment of dividends and \$301.1 million for distributions to noncontrolling interest holders of the Retail Joint Venture.

## **Capital Resources**

As of September 30, 2018, we had \$1.95 billion of cash and cash equivalents. Of these amounts, WML and its subsidiaries (of which we own approximately 72%) held \$1.37 billion in cash and cash equivalents.

The following table summarizes our outstanding borrowings and available borrowing capacity under our credit facilities and Commitment Letter as of September 30, 2018 (in thousands):

	<u>Facility Borrowing Capacity</u>	<u>Borrowings Outstanding</u>	<u>Letters of Credit Outstanding</u>	<u>Facility Availability</u>
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### **Macau Related:**

#### **Wynn Macau Credit Facilities<sup>(1)</sup>:**

Senior Term Loan Facility	\$2,298,749	\$2,298,749	\$—	\$—
Senior Revolving Credit Facility	748,271	624,393	—	123,878

(1) Our Macau related credit facilities include a \$2.30 billion equivalent fully funded senior secured term loan facility (the “Wynn Macau Senior Term Loan Facility”) and a \$750 million equivalent senior secured revolving credit facility (the “Wynn Macau Senior Revolving Credit Facility,” and together with the Wynn Macau Senior Term Loan Facility, the “Wynn Macau Credit Facilities”). The borrower is Wynn Macau SA, an indirect wholly owned subsidiary of WML, and borrowings consist of both United States dollar and Hong Kong dollar tranches. Wynn Macau SA has the ability to upsize the Wynn Macau Credit Facilities by an additional \$1 billion in equivalent senior secured loans upon its satisfaction of various conditions.

### **Other Factors Affecting Liquidity**

Wynn Resorts, Limited is a holding company and, as a result, our ability to pay dividends is highly dependent on our ability to obtain funds and our subsidiaries’ ability to provide funds to us. Wynn America, LLC and Wynn Macau SA debt instruments and the Retail Term Loan contain customary negative covenants and financial covenants, including, but not limited to, covenants that restrict our ability to pay dividends or distributions to any direct or indirect subsidiaries.

Similarly, we expect that our Macau Operations will fund Wynn Macau SA and WML’s debt service obligations with existing cash, operating cash flows and availability under the Wynn Macau Credit Facilities. However, we cannot assure you that operating cash flows will be sufficient to do so. We may refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of the indebtedness on acceptable terms or at all.

*Legal proceedings in which we are involved also may impact our liquidity. No assurance can be provided as to the outcome of such proceedings. In addition, litigation inherently involves significant costs.*

*New business developments or other unforeseen events may occur, resulting in the need to raise additional funds. We continue to explore opportunities to develop additional gaming or related businesses in domestic and international markets. There can be no assurances regarding the business prospects with respect to any other opportunity. Any new development would require us to obtain additional financing. We may decide to conduct any such development through Wynn Resorts, Limited or through subsidiaries separate from the Las Vegas or Macau-related entities.*

### *Contractual Obligations and Commitments*

*During the nine months ended September 30, 2018, there have been no material changes to the contractual obligations previously reported in our Annual Report on Form 10-K for the year ended December 31, 2017, other than (i) the borrowing of \$623.3 million on the Wynn Macau Senior Revolving Credit Facility, which matures in September 2020, (ii) the repayment of the \$1.94 billion Redemption Note, which was to mature in February 2022, (iii) the acquisition of a ground lease that has annual rental payments of \$3.8 million until 2023 and total payments of \$370.7 million thereafter and (iv) the borrowing of \$615 million pursuant to the Retail Term Loan Agreement.*

## ***Item 3. Quantitative and Qualitative Disclosures About Market Risk***

### ***Foreign Currency Risks***

*The currency delineated in Wynn Macau SA's concession agreement with the government of Macau is the Macau pataca. The Macau pataca, which is not a freely convertible currency, is linked to the Hong Kong dollar, and in many cases the two are used interchangeably in Macau. The Hong Kong dollar is linked to the U.S. dollar and the exchange rate between these two currencies has remained relatively stable over the past several years. However, the exchange linkages of the Hong Kong dollar and the Macau pataca, and the Hong Kong dollar and the U.S. dollar, are subject to potential changes due to, among other things, changes in Chinese governmental policies and international economic and political developments.*

*If the Hong Kong dollar and the Macau pataca are not linked to the U.S. dollar in the future, severe fluctuations in the exchange rate for these currencies may result. We also cannot assure you that the current rate of exchange fixed by the applicable monetary authorities for these currencies will remain at the same level.*

*We expect most of the revenues and expenses for any casino that we operate in Macau will be in Hong Kong dollars or Macau patacas. For any U.S. dollar-denominated debt or other obligations incurred by our Macau-related entities, fluctuations in the exchange rates of the Macau pataca or the Hong Kong dollar, in relation to the U.S. dollar, could have adverse effects on our results of operations, financial condition and ability to service debt. Based on our balances as of September 30, 2018, an assumed 1% change in the U.S. dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of \$28.5 million.*

## **Part II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

#### *CCAC Information Request*

*In July 2014, Wynn Resorts (Macau) S.A. (“Wynn Macau SA”), an indirect subsidiary of Wynn Macau, Limited, was contacted by the Commission Against Corruption of Macau (“CCAC”) requesting certain information related to its land in the Cotai area of Macau. Wynn Macau SA cooperated with CCAC’s request.”*

This announcement contains forward-looking statements. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by us. The risks and uncertainties include, but are not limited to, competition in the casino/hotel and resorts industries, our Company’s dependence on existing management, levels of travel, leisure and casino spending, general economic conditions, and changes in gaming laws or regulations. Additional information concerning potential factors that could affect our Company’s financial results are included in our published interim and annual reports. We are under no obligation to (and expressly disclaim any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

Our shareholders and potential investors are advised not to place undue reliance on the WRL Quarterly Report and to exercise caution in dealing in securities in our Company.

By order of the Board  
**Wynn Macau, Limited**  
**Dr. Allan Zeman**  
*Chairman*

Hong Kong, 8 November 2018

*As at the date of this announcement, the Board comprises Matthew O. Maddox and Ian Michael Coughlan (as Executive Directors); Linda Chen (as Executive Director and Vice Chairman); Craig S. Billings and Maurice L. Wooden (as Non-Executive Directors); Allan Zeman (as Independent Non-Executive Director and Chairman); and Nicholas Sallnow-Smith, Bruce Rockowitz and Jeffrey Kin-fung Lam (as Independent Non-Executive Directors).*