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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)

INSIDE INFORMATION

ANNUAL REPORT FOR THE FISCAL YEAR 2014 OF OUR CONTROLLING SHAREHOLDER, WYNN RESORTS, LIMITED

This announcement is issued pursuant to Rule 13.09 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 2 March 2015 (3:31 a.m., Las Vegas time), released its Annual Report for the fiscal year 2014.

This announcement is issued by Wynn Macau, Limited (“we” or our “**Company**”) pursuant to Rule 13.09 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 4 February 2015 (the “**WRL Earnings Release Announcement**”) in respect of the release by our controlling shareholder, Wynn Resorts, Limited, of its unaudited financial results for the fourth quarter and year end of the fiscal year 2014. 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 Earnings Release, Wynn Resorts, Limited has, on or about 2 March 2015, 3:31 a.m., Las Vegas time, released its audited Annual Report for the fiscal year 2014 (“**WRL Annual Report**”). If you wish to review the WRL Annual Report prepared by Wynn Resorts, Limited and as filed with the SEC, please visit <http://www.sec.gov/Archives/edgar/data/1174922/000117492215000021/0001174922-15-000021-index.htm>. The WRL Annual Report contains segment financial information about Wynn Resorts, Limited’s Macau operations, which are owned by our Company. The WRL Annual Report is also available in the public domain.

The financial results of Wynn Resorts, Limited, including those contained in the WRL Annual Report, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“**US 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 Annual Report is not directly comparable to the financial results our Company discloses. In particular, Average Daily Rate (“**ADR**”) and Revenue Per Available Room (“**REVPAR**”) as presented in the WRL Annual Report are based on room revenues as reported under US GAAP, which include associated promotional allowances within room revenues. Under US GAAP, promotional allowances are deducted from gross revenues in presenting net revenue. Under IFRS, room revenues exclude such promotional allowances. Consequently, we offer no indication or assurance that the financial results of our Group for the fourth quarter and year end of the fiscal year 2014 will be the same as that presented in the WRL Annual Report. In the WRL Earnings Release Announcement, we announced our unaudited financial results for the fourth quarter and year ended 31 December 2014 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 Annual Report that relate to our Company and our operations in Macau (unless otherwise provided, all dollar amounts in the WRL Annual Report are denominated in United States dollars):

“ITEM 1. BUSINESS

Our Resorts

Macau Operations

Wynn Macau opened on September 6, 2006. On April 21, 2010, we opened Encore at Wynn Macau, an expansion of Wynn Macau. We refer to the integrated Wynn Macau and Encore at Wynn Macau resort as “Wynn Macau\Encore” or as our “Macau Operations.” We operate Wynn Macau\Encore under a 20-year casino concession agreement granted by the Macau government in June 2002. We lease from the Macau government an approximately 16 acre parcel of land in downtown Macau’s inner harbor where Wynn Macau\Encore is located.

Wynn Macau\Encore features the following as of February 13, 2015:

- Approximately 284,000 square feet of casino space offering 24-hour gaming and a full range of games with 498 table games and 625 slot machines, private gaming salons, sky casinos and a poker pit;*

- Two luxury hotel towers with a total of 1,008 spacious guest rooms and suites;
- Casual and fine dining in eight restaurants;
- Approximately 57,000 square feet of high-end, brand-name retail shopping, including stores and boutiques by Bvlgari, Cartier, Chanel, Dior, Dunhill, Ermenegildo Zegna, Ferrari, Giorgio Armani, Graff, Gucci, Hermes, Hugo Boss, Jaeger-LeCoultre, Loro Piana, Louis Vuitton, Miu Miu, Piaget, Prada, Richard Mille, Roger Dubuis, Rolex, Tiffany, Vacheron Constantin, Van Cleef & Arpels, Versace, Vertu, and others;
- Approximately 31,000 square feet of space for lounges and meeting facilities;
- Recreation and leisure facilities, including two health clubs, spas, a salon and a pool; and
- 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 the reactions of our guests, we have made and expect to continue to make enhancements and refinements to this resort. In February 2015, we completed the renovation of approximately 27,000 square feet of our casino space at Wynn Macau for new VIP gaming rooms.

Construction and Development Opportunities

*In September 2011, Palo Real Estate Company Limited (“**Palo**”) and Wynn Resorts (Macau), S.A. (“**Wynn Macau SA**”), each an indirect subsidiary of Wynn Macau, Limited, formally accepted the terms and conditions of a land concession contract from the Macau government for approximately 51 acres of land in the Cotai area of Macau. On May 2, 2012, the land concession contract was gazetted by the government of Macau evidencing the final step in the granting of the land concession.*

*On July 29, 2013, Wynn Macau SA and Palo executed a guaranteed maximum price construction (“**GMP**”) contract with Leighton Contractors (Asia) Limited, acting as the general contractor. Under the GMP contract, the general contractor is responsible for both the construction and design of the project. The general contractor is obligated to substantially complete the project in the first half of 2016 for a guaranteed maximum price of HK\$20 billion (approximately \$2.57 billion). An early completion bonus for achievement of substantial completion on or before January 25, 2016, will be paid to the general contractor if certain conditions are satisfied under the GMP contract. While our general contractor has notified us that certain conditions will not be satisfied under the GMP contract by the early completion target, the contractor stated it was still on target to complete the project on time and we continue to expect to open the property in the first half of 2016. Both the contract time and guaranteed maximum price are subject to further adjustment under certain specified conditions. The performance of the general contractor is backed by a full completion guarantee given by Leighton Holdings Limited, the parent company of the general contractor, as well as a performance bond for 5% of the guaranteed maximum price.*

Our Strategy

For the seventh consecutive year, Wynn Macau and The Spa at Wynn Macau received the Forbes five-star distinction, while Encore at Wynn Macau and the Spa at Encore at Wynn Macau received the Forbes five-star distinction for the third consecutive year. For the ninth consecutive year, The Tower Suites at Wynn Las Vegas has received the Forbes five-star distinction. The Spa at Wynn Las Vegas earned five-star recognition from Forbes for the seventh year in a row. The Tower Suites at Encore at Wynn Las Vegas and the Spa at Encore at Wynn Las Vegas are also recipients of the Forbes five-star distinction. In addition, a number of restaurants in our resorts have earned star-distinction from Forbes, with 51 stars in total for the current year.

Market and Competition

The casino resort industry is highly competitive. Both our Macau Operations and our Las Vegas Operations compete with other high-quality casino resorts. Resorts located on or near our properties compete on the basis of overall atmosphere, range of amenities, level of service, price, location, entertainment, themes and size, among other factors. We seek to differentiate our Macau and Las Vegas resorts from other major resorts by concentrating on our fundamental elements of superior design, atmosphere, personal service and luxury.

Macau

Macau is governed as a special administrative region of China and is located approximately 37 miles southwest of, and approximately one hour away via ferry from, Hong Kong. Macau, which has been a casino destination for more than 50 years, consists principally of a peninsula on mainland China, with two neighboring islands, Taipa and Coloane, between which the Cotai area is located. In 2002, the government of Macau ended a 40 year monopoly of the conduct of gaming operations by conducting a competitive process resulting in the issuance of concessions to conduct gaming operations to three concessionaires (including Wynn Macau), who in turn were permitted, subject to the approval of the government of Macau, to each grant one subconcession, resulting in a total of six gaming concessionaires. In addition to Wynn Macau, each of Sociedade de Jogos de Macau (“SJM”) and Galaxy Entertainment Group Limited are primary concessionaires and Sands China Ltd., Melco Crown and MGM China Holdings Limited operate under subconcessions. There is no limit to the number of casinos each concessionaire is permitted to operate, but each facility is subject to government approval. Currently, there are 35 operating casinos in Macau.

We believe that Macau is located in one of the world’s largest concentrations of potential gaming customers. According to Macau Statistical Information, casinos in Macau, the largest gaming market in the world, generated approximately \$44.1 billion in gaming revenue in 2014, a 2.6% decline from the approximately \$45.2 billion generated in 2013. The Macau market has experienced a significant increase in annual gaming revenue from the \$2.9 billion generated in 2002, with the 2014 year-over-year decline in annual gaming revenue being the first over this period.

Macau's gaming market is primarily dependent on tourists. Tourist arrivals in 2014 were 31.5 million, compared to 29.3 million in 2013. The Macau market has also experienced tremendous growth in capacity in the last several years. As of December 31, 2014, there were 27,904 hotel rooms, 5,711 table games and 13,018 slot machines in Macau, compared to 12,978 hotel rooms, 2,762 table games and 6,546 slot machines as of December 31, 2006.

Gaming customers traveling to Macau have typically come from nearby destinations in Asia including Hong Kong, mainland China, Taiwan, South Korea and Malaysia. According to the Macau Statistics and Census Service Monthly Bulletin of Statistics, approximately 90% of the tourists who visited Macau in 2014 came from Hong Kong, mainland China and Taiwan. Travel to Macau by citizens of mainland China requires a visa. Chinese government officials have, on occasion, exercised their authority to adjust the visa policy and may do so in the future.

Wynn Macau faces competition from casinos located throughout the world, including Singapore, Australia, Philippines, Las Vegas and cruise ships in Asia that offer gaming.

Employees

As of December 31, 2014, we had approximately 16,800 full-time equivalent employees (including approximately 7,200 in Macau and 9,600 in Las Vegas).

ITEM 1A. RISK FACTORS

Visitation to Macau may decline due to economic disruptions in mainland China, restrictions on visitations to Macau from citizens of mainland China and the anti-corruption campaign.

A significant number of our gaming customers at Wynn Macau come from mainland China. Any economic disruption or contraction in China could disrupt the number of patrons visiting our property or the amount they may be willing to spend. In addition, policies adopted from time to time by the Chinese government, including any travel restrictions imposed by China on its citizens such as restrictions imposed on exit visas granted to residents of mainland China for travel to Macau, could disrupt the number of visitors from mainland China to our property. It is not known when, or if, policies similar to those implemented in 2009 restricting visitation by mainland Chinese citizens to Macau and Hong Kong, will be put in place and travel policies may be adjusted, without notice, in the future. Furthermore, the Chinese government's ongoing anti-corruption campaign has had an overall chilling effect on the behavior of Chinese consumers and their spending patterns both domestically and abroad. The campaign has specifically led to tighter monetary transfer regulations, including real time monitoring of certain financial channels, which could disrupt the number of visitors and the amount of money they can bring from mainland China to Macau. The overall effect of the campaign and monetary transfer restrictions may result in decreased visitation and negatively affect our revenues and results of operations.

Risks Associated with our Macau Operations

We depend upon games promoters for a significant portion of our gaming revenue. If we are unable to maintain, or develop additional, successful relationships with reputable games promoters, our ability to maintain or grow our gaming revenues could be adversely affected.

We may lose the clientele of our games promoters, who generate a significant portion of our gaming revenue. There is intense competition among casino operators in Macau for services provided by games promoters, which we expect to intensify as additional casinos open in Macau. If we are unable to maintain, or develop additional, successful relationships with reputable games promoters, or lose a significant number of our games promoters to our competitors, our ability to maintain or grow our gaming revenues will be adversely affected and we will have to seek alternative ways of developing relationships with VIP customers. In addition, if our games promoters are unable to develop or maintain relationships with our VIP customers, our ability to maintain or grow our gaming revenues will be hampered.

Increased competition for the services of games promoters may require us to pay increased commission rates to games promoters.

Certain games promoters have significant leverage and bargaining strength in negotiating operational agreements with casino operators. This leverage could result in games promoters negotiating changes to our operational agreements, including higher commissions, or the loss of business to a competitor or the loss of certain relationships with games promoters. If we need to increase our commission rates or otherwise change our practices with respect to games promoters due to competitive forces, our results of operations could be adversely affected.

Failure by the games promoters with whom we work to comply with Macau gaming laws and high standards of probity and integrity might affect our reputation and ability to comply with the requirements of our concession, Macau gaming laws and other gaming licenses.

The reputations and probity of the games promoters with whom we work are important to our own reputation and to our ability to operate in compliance with our concession, Macau gaming laws and other gaming licenses. We conduct periodic reviews of the probity and compliance programs of our gaming promoters. However, we are not able to control our games promoters' compliance with these high standards of probity and integrity, and our games promoters may violate provisions in their contracts with us designed to ensure such compliance. In addition, if we enter into a new business relationship with a games promoter whose probity is in doubt, this may be considered by regulators or investors to reflect negatively on our own probity. If our games promoters are unable to maintain required standards of probity and integrity, we may face consequences from gaming regulators with authority over our operations. Furthermore, if any of our games promoters violate the Macau gaming laws while on our premises, the Macau government may, in its discretion, take enforcement action against us, the games promoter, or each concurrently, and we may be sanctioned and our reputation could be harmed.

Revenues from our Macau gaming operations will end if we cannot secure an extension of our concession in 2022 or if the Macau government exercises its redemption right in 2017.

Our concession agreement with the Macau government expires in June 2022. Unless our concession is extended, in June 2022, all of our gaming operations and related equipment in Macau will be automatically transferred to the Macau government without compensation to us and we will cease to generate any revenues from these operations. Beginning in June 2017, the Macau government may redeem the concession agreement by providing us at least one year's prior notice. In the event the Macau government exercises this redemption right, we are entitled to fair compensation or indemnity. The amount of such compensation or indemnity will be determined based on the amount of revenue generated during the tax year prior to the redemption multiplied for the remaining years under the concession. We may not be able to renew or extend our concession agreement on terms favorable to us or at all and, if our concession is redeemed, the compensation paid to us may not be adequate to compensate us for the loss of future revenues. The redemption of or failure to extend our concession would have a material adverse effect on our results of operations.

We are currently required to complete Wynn Palace by May 2017. If we are unable to meet this deadline, we may lose the respective land concession, which could prohibit us from operating any facilities developed under such land concession.

The Company has capitalized approximately \$1.8 billion, including the land premium (net of amortization) and \$148.4 million in outstanding construction payables, as of December 31, 2014. Under the Company's land concession for Wynn Palace, the Company is required to complete the development by May 2017. Should the Company determine that it is unable to complete Wynn Palace by this deadline, the Company would expect to apply for an extension from the Macau government. If the Company is unable to meet the current deadline and the deadline for the development is not extended, the Company could lose its land concession for Wynn Palace, which would prohibit the Company from operating any facilities developed under the land concession. As a result, the Company could record a charge for all or some portion of its capitalized construction costs and land premiums (net of amortization).

The smoking control legislation in Macau could have an adverse effect on our business, financial condition, results of operations or cash flows.

In 2014, the Macau government approved smoking control legislation, which prohibits smoking in casinos starting on October 6, 2014. The legislation, however, permits casinos to maintain certain limited smoking areas open to VIP patrons if such areas are within restricted access areas, comply with certain square footage ratios based on overall gaming area square footage and comply with the conditions set out in the Dispatch of the Chief Executive, dated November 1, 2012, as amended by the Dispatch of the Chief Executive, dated June 3, 2014. Recent public announcements by the Macau government indicate that the Macau government intends to pursue a full smoking ban within all Macau casinos. The existing smoking legislation, and any smoking legislation intended to fully ban all smoking in casinos, may deter potential gaming customers who are smokers from frequenting casinos in Macau and disrupt the number of patrons visiting or the amount of time visiting patrons spend at our property, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

ITEM 3. LEGAL PROCEEDINGS

We are occasionally party to lawsuits. As with all litigation, no assurance can be provided as to the outcome of such matters and we note that litigation inherently involves significant costs. For more information regarding the Company's legal matters see Item 1A — "Risk Factors" and Item 8 — "Financial Statements and Supplementary Data", Note 17 "Commitments and Contingencies," in this Annual Report on Form 10-K.

CCAC Information Request

In July 2014, Wynn Macau SA was contacted by the Macau Commission Against Corruption of Macau ("CCAC") requesting certain information related to its land in the Cotai area of Macau. Wynn Macau SA is cooperating with CCAC's request.

ITEM 6. SELECTED FINANCIAL DATA

	<i>As of December 31,</i>				
	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
	<i>(in thousands, except per share amounts)</i>				

Consolidated Balance

Sheets Data:

<i>Cash and cash equivalents</i>	<i>\$2,182,164</i>	<i>\$2,435,041</i>	<i>\$1,725,219</i>	<i>\$1,262,587</i>	<i>\$1,258,499</i>
<i>Total long-term obligations ⁽³⁾</i>	<i>7,538,605</i>	<i>6,789,145</i>	<i>6,041,285</i>	<i>3,096,149</i>	<i>3,405,983</i>

(3) Includes long-term debt, the required contract premium payments under our land concession contract at Wynn Macau, future charitable contributions and deferred income taxes.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

In the Macau Special Administrative Region of the People's Republic of China ("Macau"), we own 72% of and operate Wynn Macau and Encore at Wynn Macau. We refer to the integrated Wynn Macau and Encore at Wynn Macau resort as Wynn Macau\Encore or as our Macau Operations. We are currently constructing Wynn Palace, an integrated casino resort in the Cotai area of Macau.

Macau Operations

Our Macau integrated resort of Wynn Macau and Encore at Wynn Macau features approximately 284,000 square feet of casino space with 498 table games and 625 slot machines and two luxury hotel towers with a total of 1,008 spacious guest rooms and suites. Wynn Macau\Encore includes casual and fine dining in eight restaurants, approximately 57,000 square feet of retail space, approximately 31,000 square feet of lounge and meeting facilities and recreation and leisure

facilities.

In response to our evaluation of our Macau Operations and the reactions of our guests, we have made and expect to continue to make enhancements and refinements to our resort. In February 2015, we completed a renovation of approximately 27,000 square feet of our casino space at Wynn Macau into new VIP gaming rooms.

Future Development

We are currently constructing Wynn Palace, an integrated resort containing a 1,700-room hotel, performance lake, meeting space, casino, spa, retail offerings and food and beverage outlets in the Cotai area of Macau. In July 2013, we signed a \$2.6 billion GMP contract for the project's construction. The total project budget, including construction costs, capitalized interest, pre-opening expenses, land costs and financing fees, is approximately \$4.1 billion. As of December 31, 2014, we have invested approximately \$1.8 billion in the project. We expect to open Wynn Palace in the first half of 2016.

Results of Operations

Financial results for the year ended December 31, 2014 compared to the year ended December 31, 2013.

Net revenues

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

	<i>Years Ended December 31,</i>		<i>Percent Change</i>
	<i>2014</i>	<i>2013</i>	
<i>Net revenues</i>			
<i>Macau Operations</i>	\$3,796,750	\$4,040,526	(6.0)

Net revenues decreased 3.3% to \$5,433.7 million for the year ended December 31, 2014, from \$5,620.9 million for the same period in 2013. The decline in net revenues was primarily driven by a decrease of 5.8%, or \$221.1 million in casino revenue from our Macau Operations, partially offset by an increase of 5.8%, or \$51.8 million, in non-casino revenues from our Las Vegas Operations.

Casino revenues

Casino revenues decreased 4.8% to \$4,274.2 million for the year ended December 31, 2014, from \$4,490.6 million in the same period of 2013. Our Macau Operations experienced a year-over-year decrease in casino revenues of 5.8% from \$3,807.9 million to \$3,586.8 million. The decrease is primarily due to a decrease from our VIP gaming operations, partially offset by an increase of 7.1% in table games win percentage from our mass market gaming operations. Our VIP gaming operations experienced a 12.1% reduction in turnover and a decline in win as a percentage of turnover from 3.01% to 2.82%.

The table below sets forth our casino revenues and associated key operating measures for our Macau and Las Vegas Operations (in thousands, except for win per unit per day and average number of table games and slots).

	<u>Years Ended December 31,</u>		<u>Increase/</u>	<u>Percent</u>
	<u>2014</u>	<u>2013</u>	<u>(Decrease)</u>	<u>Change</u>
Macau Operations:				
Total casino revenues	\$3,586,781	\$3,807,850	\$(221,069)	(5.8)
Average number of table games	461	491	(30)	(6.1)
VIP				
VIP turnover	\$108,077,342	\$122,991,763	\$(14,914,421)	(12.1)
VIP win as a % of turnover	2.82%	3.01%	(0.19)	
Mass market				
Drop ⁽¹⁾	\$2,650,359	\$2,633,870	\$16,489	0.6
Table games win	\$1,187,997	\$992,872	\$195,125	19.7
Table games win % ⁽¹⁾	44.8%	37.7%	7.1	
Table games win per unit per day	\$16,154	\$13,098	\$3,056	23.3
Average number of slot machines	679	866	(187)	(21.6)
Slot machine handle	\$5,415,127	\$4,846,938	\$568,189	11.7
Slot machine win	\$264,763	\$245,578	\$19,185	7.8
Slot machine win per unit per day	\$1,068	\$777	\$291	37.5

(1) Customers purchase mass market casino gaming chips at either the gaming tables or the casino cage. Chips purchased at the casino cage are excluded from table games drop and will increase the expected win percentage. Because of the large number of chip purchases occurring at the casino cage in our Macau mass market casino, we believe the relevant indicator of volumes in the mass market casino should be actual table games win.

Non-casino revenues

Rooms revenue increased 10.3%, or \$50.5 million, to \$542.8 million for the year ended December 31, 2014, from \$492.2 million in the same period of 2013. Our Las Vegas Operations accounted for \$31.4 million of the increase, while Macau Operations accounted for \$19.1 million, both experiencing an increase in ADR and occupancy.

The table below sets forth our rooms revenue and associated key operating measures for our Macau and Las Vegas Operations.

	<u>Years Ended December 31,</u>		
	<u>2014</u>	<u>2013</u>	<u>Percent Change^(a)</u>
Macau Operations:			
Total rooms revenue (in thousands)	\$133,781	\$114,638	16.7
Occupancy	98.4%	95.5%	2.9
ADR	\$333	\$313	6.4
REVPAR	\$327	\$299	9.4

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

Entertainment, retail and other decreased 4.2%, or \$17.5 million, to \$401.2 million for the year ended December 31, 2014, from \$418.7 million for the same period of 2013. The decrease is primarily due to a decline in revenue from retail shops at our Macau Operations.

Operating costs and expenses

Casino expenses decreased 6.3%, or \$179.5 million, to \$2,667.0 million for the year ended December 31, 2014, from \$2,846.5 million for the same period of 2013, primarily due to lower gaming taxes from the 39.0% gross win tax incurred at our Macau Operations.

General and administrative expenses increased 9.7%, or \$43.7 million, to \$492.5 million for the year ended December 31, 2014, from \$448.8 million in the same period of 2013 primarily from our Macau Operations. Our Macau Operations experienced an increase compared to the prior year in labor costs, along with certain property maintenance and repair expenses and other miscellaneous items. Our Macau Operations incurred additional general and administrative labor costs associated with a new 2014 bonus program for non-management employees.

Pre-opening costs were \$30.1 million for the year ended December 31, 2014, compared to \$3.2 million for the same period of 2013 and were primarily associated with the design and planning for Wynn Palace. We expect our pre-opening costs to increase in the future as the construction and development of Wynn Palace progresses toward the expected completion in the first half of 2016.

Income Taxes

For the years ended December 31, 2014 and 2013, we recorded a tax benefit of \$3.8 million and \$17.6 million, respectively. For the year ended December 31, 2014, our benefit for income taxes primarily relates to a release of valuation allowance on prior year foreign tax credits resulting from the implementation of a tax planning strategy. For the year ended December 31, 2013, our income tax benefit is primarily related to a decrease in our deferred tax liabilities reduced by foreign taxes assessable on the dividends of Wynn Macau SA. Since June 30, 2010,

we have no longer considered our portion of the tax earnings and profits of Wynn Macau, Limited to be permanently reinvested. No additional U.S. tax provision has been made with respect to amounts not considered permanently reinvested as we anticipate that U.S. foreign tax credits should be sufficient to eliminate any U.S. tax provision relating to such repatriation. We have not provided deferred U.S. income taxes or foreign withholding taxes on temporary differences which are considered indefinitely reinvested.

Wynn Macau SA received an exemption from Macau's 12% Complementary Tax on casino gaming profits through December 31, 2015. Accordingly, we were exempt from the payment of \$99.4 million and \$107.3 million in such taxes during the year ended December 31, 2014 and 2013, respectively. Our non-gaming profits remain subject to the Macau Complementary Tax and casino winnings remain subject to the Macau Special Gaming tax and other levies together totaling 39% in accordance with our concession agreement.

In March 2013, the Financial Services Bureau commenced an examination of the 2009, 2010, and 2011 Macau income tax returns of Wynn Macau SA. In December 2014, Wynn Macau SA reached an agreement with the Macau Financial Services Bureau regarding issues raised during its examination. While no additional tax was due as a result of the examination, adjustments were made to Wynn Macau SA's foreign net operating loss carryforwards. On December 31, 2014, the statute of limitations for the 2009 Macau Complementary tax return expired.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests was \$231.1 million for the year ended December 31, 2014, compared to \$275.5 million for the year ended December 31, 2013. These amounts represent the noncontrolling interests' share of net income from Wynn Macau, Limited for each year.

Adjusted Property EBITDA

We use Adjusted Property EBITDA to manage the operating results of our segments. Adjusted Property EBITDA is earnings before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, corporate expenses, intercompany golf course and water rights leases, stock-based compensation, and other non-operating income and expenses, and includes equity in income from unconsolidated affiliates. Adjusted Property EBITDA is presented exclusively as a supplemental disclosure because we believe that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. We use Adjusted Property EBITDA as a measure of the operating performance of our segments and to compare the operating performance of our properties with those of our competitors. 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 financial measures in accordance with U.S. generally accepted accounting principles ("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, 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.

The following table summarizes Adjusted Property EBITDA (in thousands) for our Macau and Las Vegas Operations as reviewed by management and summarized in Item 8 — “Financial Statements and Supplementary Data”, Note 18 “Segment Information.” That footnote also presents a reconciliation of Adjusted Property EBITDA to net income.

	<i>Years Ended December 31,</i>		
	<i>2014</i>	<i>2013</i>	<i>2012</i>
<i>Macau Operations</i>	\$1,258,082	\$1,324,119	\$1,167,340

Adjusted Property EBITDA at our Macau Operations decreased year-over-year by 5.0% for the year ended December 31, 2014 due to decline in VIP turnover, partially offset by an increase in table games win from our mass market gaming operations.

Liquidity and Capital Resources

Investing Activities

Net cash used in investing activities for the year ended December 31, 2014 was \$1,114.4 million compared to net cash used in investing activities of \$677.6 million for the same period in 2013. During the year ended December 31, 2014, we had \$1,127.0 million in capital expenditures, net of construction payables and retention, primarily for Wynn Palace construction. Net cash used in investing activities for the year ended December 31, 2014 was partially offset by proceeds of \$198.9 million provided by restricted cash that we applied to repayment of certain Wynn Palace related construction and development costs.

Financing Activities

Net cash flows used in financing activities was \$235.6 million for the year ended December 31, 2014, mainly due to the payment of dividends of \$942.9 million and payments on our long-term debt, primarily offset by proceeds of \$755.6 million from the issuance of senior notes and \$132.6 million from borrowings, net of repayments, under our Wynn Macau revolving credit facility.

Capital Resources

At December 31, 2014, we had approximately \$2,182.2 million of cash and cash equivalents and \$250.3 million of available-for-sale investments in domestic debt securities. Cash and cash equivalents include cash in bank and fixed deposits, investments in money market funds, domestic and foreign bank time deposits and commercial paper, all with maturities of less than 90 days. Of these amounts, Wynn Macau, Limited and its subsidiaries held \$1,391.0 million in cash, of which we own 72%.

*The Wynn Macau credit facilities consist of a \$950 million equivalent fully funded senior secured term loan facility and a \$1.55 billion equivalent senior secured revolving credit facility (together, the “**Wynn Macau Credit Facilities**”). Borrowings under the Wynn Macau Credit Facilities, which consist of both Hong Kong and United States dollar tranches, will be used to fund the design, development, construction and pre-opening expenses of Wynn Palace, and for general corporate purposes. As of December 31, 2014, the Company had \$1.42 billion of available borrowing capacity under the senior secured revolving credit facility.*

Macau Related Debt

Our Macau related debt consists of senior notes and the Wynn Macau Credit Facilities.

*On March 20, 2014, Wynn Macau, Limited (“WML”), an indirect subsidiary of Wynn Resorts, Limited, issued \$750 million aggregate principal amount of 5 1/4% Senior Notes due 2021 (the “**Additional 2021 Notes**”), which were consolidated and form a single series with the \$600 million aggregate principal amount of 5 1/4% Senior Notes due 2021 issued by WML on October 16, 2013 (the “**Original 2021 Notes**” and together with the “Additional 2021 Notes”, the “**2021 Notes**”). WML received net proceeds of approximately \$748.8 million after adding the original issue premium and deducting commissions and expenses of the offering. WML will use the net proceeds for working capital requirements and general corporate purposes.*

*The Additional 2021 Notes have the same terms and conditions as those of the Original 2021 Notes. The 2021 Notes will bear interest at the rate of 5 1/4% per annum and will mature on October 15, 2021. Interest on the 2021 Notes is payable semiannually in arrears on April 15 and October 15 of each year, beginning on April 15, 2014. At any time on or before October 14, 2016, WML may redeem the 2021 Notes, in whole or in part, at a redemption price equal to the greater of (a) 100% of the aggregate principal amount of the 2021 Notes or (b) a “make-whole” amount as determined by an independent investment banker in accordance with the terms of the indenture for the 2021 Notes, dated as of October 16, 2013 (the “**WML Indenture**”). In either case, the redemption price would include accrued and unpaid interest. In addition, on or after October 15, 2016, WML may redeem the 2021 Notes, in whole or in part, at a premium decreasing annually from 103.94% of the principal amount to zero, plus accrued and unpaid interest. If WML undergoes a Change of Control (as defined in the WML Indenture), it must offer to repurchase the 2021 Notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest. In addition, the Company may redeem the 2021 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest, in response to any change in or amendment to certain tax laws or tax positions. Further, if a holder or beneficial owner of the 2021 Notes*

fails to meet certain requirements imposed by any Gaming Authority (as defined in the WML Indenture), WML may require the holder or beneficial owner to dispose of or redeem its 2021 Notes.

*The 2021 Notes are WML's general unsecured obligations and rank pari passu in right of payment with all of WML's existing and future senior unsecured indebtedness; will rank senior to all of WML's future subordinated indebtedness, if any; will be effectively subordinated to all of WML's future secured indebtedness to the extent of the value of the assets securing such debt; and will be structurally subordinated to all existing and future obligations of WML's subsidiaries, including Wynn Macau Credit Facilities' existing credit facilities. The 2021 Notes are not registered under the Securities Act of 1933, as amended (the "**Securities Act**"), and the 2021 Notes are subject to restrictions on transferability and resale.*

The WML Indenture contains covenants limiting WML's (and certain of its subsidiaries') ability to, among other things: merge or consolidate with another company; transfer or sell all or substantially all of its properties or assets; and lease all or substantially all of its properties or assets. The terms of the WML Indenture contain customary events of default, including, but not limited to: default for 30 days in the payment when due of interest on the 2021 Notes; default in the payment when due of the principal of, or premium, if any, on the 2021 Notes; failure to comply with any payment obligations relating to the repurchase by WML of the 2021 Notes upon a change of control; failure to comply with certain covenants in the WML Indenture; certain defaults on certain other indebtedness; failure to pay judgments against WML or certain subsidiaries that, in the aggregate, exceed \$50 million; and certain events of bankruptcy or insolvency. In the case of an event of default arising from certain events of bankruptcy or insolvency, all 2021 Notes then outstanding will become due and payable immediately without further action or notice.

Under the Wynn Macau Credit Facilities, the revolving credit facility matures in July 2017 and the term loan facility matures in July 2018. The principal amount of the term loan is required to be repaid in two equal installments in July 2017 and July 2018. The Wynn Macau Credit Facilities bear interest for the first six months after closing at LIBOR or HIBOR plus a margin of 2.50% and thereafter is subject to LIBOR or HIBOR plus a margin of between 1.75% to 2.50% based on Wynn Macau SA's leverage ratio. The annual fee required to pay for unborrowed amounts, if any, is 0.61% per annum, payable quarterly in arrears, calculated based on the daily average of the unborrowed amounts under such credit facilities.

Borrowings under the Wynn Macau Credit Facilities are guaranteed by Palo, a subsidiary of Wynn Macau SA, and by certain subsidiaries of the Company that own equity interests in Wynn Macau SA, and are secured by substantially all of the assets of Wynn Macau SA, the equity interests in Wynn Macau SA and substantially all of the assets of Palo.

The Wynn Macau Credit Facilities contain a requirement that Wynn Macau SA must make mandatory repayments of indebtedness from specified percentages of excess cash flow. If Wynn Macau SA meets a Consolidated Leverage Ratio, as defined in the Wynn Macau Credit Facilities, of greater than 4.0 to 1, such repayment is defined as 50% of Excess Cash Flow, as defined in the Wynn Macau Credit Facilities. If the Consolidated Leverage Ratio is equal or less than 4.0 to 1, then no repayment is required.

The Wynn Macau Credit Facilities contain customary covenants restricting certain activities including, but not limited to: the incurrence of additional indebtedness, the incurrence or creation of liens on any of its property, sale and leaseback transactions, the ability to dispose of assets, and making loans or other investments. In addition, Wynn Macau SA was required by the financial covenants to maintain a Leverage Ratio, as defined in the Wynn Macau Credit Facilities, of not greater than 4.5 to 1 as of December 31, 2014, and an Interest Coverage Ratio, as defined in the Wynn Macau Credit Facilities, of not less than 2.00 to 1.

In connection with the initial financing of Wynn Macau SA, Wynn Macau SA entered into a Bank Guarantee Reimbursement Agreement with Banco Nacional Ultramarino, S.A. (“BNU”) for the benefit of the Macau government. This guarantee assures Wynn Macau SA’s performance under the casino concession agreement, including the payment of premiums, fines and indemnity for any material failure to perform under the terms of the concession agreement. As of December 31, 2014, the guarantee was in the amount of 300 million Macau patacas (approximately \$37 million) and will remain at such amount until 180 days after the end of the term of the concession agreement (2022). BNU, as issuer of the guarantee, is currently secured by a second priority security interest in the senior lender collateral package. From and after repayment of all indebtedness under the Wynn Macau Credit Facilities, Wynn Macau SA is obligated to promptly, upon demand by BNU, repay any claim made on the guarantee by the Macau government. BNU is paid an annual fee for the guarantee of approximately 2.3 million Macau patacas (approximately \$0.3 million).

Contractual Obligations and Commitments

The following table summarizes our scheduled contractual commitments at December 31, 2014 (in millions):

	<i>Payments Due By Period</i>				<i>Total</i>
	<i>Less Than 1 Year</i>	<i>1 to 3 Years</i>	<i>4 to 5 Years</i>	<i>After 5 Years</i>	
<i>Leasehold interest in land</i>	30.8	16.0	—	—	46.8

Critical Accounting Policies and Estimates

Development, Construction and Property and Equipment Estimates

Our leasehold interest in land in Macau under the land concession contracts entered into in August 2004 and May 2012 are being amortized over 25 years, to the initial term of the concession contract, which currently terminate in August 2029 and May 2037. Depreciation on a majority of the assets comprising Wynn Macau commenced in September of 2006, when Wynn Macau opened. The maximum useful life of assets at Wynn Macau is deemed to be the remaining life of the land concession which currently expires in August 2029, or the gaming concession which currently expires in June 2022. Consequently, depreciation related to Wynn Macau will generally be charged over shorter periods when compared to Wynn Las Vegas.

Allowance for Estimated Doubtful Accounts Receivable

The following table presents key statistics related to our casino accounts receivable (in thousands):

	<i>December 31,</i>	
	<i>2014</i>	<i>2013</i>
<i>Casino accounts receivable</i>	\$257,930	\$252,998

As of December 31, 2014 and 2013, approximately 28.2% and 24.8%, respectively, of our outstanding casino account receivable balance originated at our Macau Operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risks

Macau Operations

As of December 31, 2014 and 2013, the interest rate swaps were recorded as an asset of \$5.9 million and \$10.3 million, respectively, and included in deposits and other assets.

The fair value approximates the amount we would pay or receive if these contracts were settled at the respective valuation dates. Fair value is estimated based upon current, and predictions of future, interest rate levels along a yield curve, the remaining duration of the instruments and other market conditions, and therefore, is subject to significant estimation and a high degree of variability of fluctuation between periods. We adjust this amount by applying a non-performance valuation, considering our creditworthiness or the creditworthiness of our counterparties at each settlement date, as applicable.

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 6 — Property and Equipment, net

Property and equipment, net consisted of the following (in thousands):

	<i>As of December 31,</i>	
	<i>2014</i>	<i>2013</i>
<i>Construction in progress</i>	<i>1,666,326</i>	<i>558,624</i>

Construction in progress consists primarily of costs capitalized, including interest, for the construction of Wynn Palace.

Note 7 — Intangible Assets, net

Intangible assets, net consisted of the following (in thousands):

	<i>As of December 31,</i>	
	<i>2014</i>	<i>2013</i>
<i>Macau Gaming Concession</i>	<i>42,300</i>	<i>42,300</i>
<i>Less: accumulated amortization</i>	<i>(24,432)</i>	<i>(22,048)</i>

The Macau gaming concession is a finite-lived intangible asset and being amortized over the 20-year life of the concession. The Company expects that amortization of the Macau gaming concession will be \$2.4 million each year from 2015 through 2021, and \$1.2 million in 2022.

Note 8 — Long-Term Debt

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

	<i>December 31,</i>	
	<i>2014</i>	<i>2013</i>
Macau Related:		
<i>Wynn Macau Credit Facilities:</i>		
<i>Senior Term Loan, due July 31, 2017 and July 31, 2018; interest at LIBOR or HIBOR plus 1.75%–2.50%, net of original issue discount of \$3,830 at December 31, 2014 and \$4,900 at December 31, 2013</i>	<i>\$948,823</i>	<i>\$948,028</i>
<i>Senior Revolving Credit Facility, due July 31, 2017, interest at LIBOR or HIBOR plus 1.75%–2.50%</i>	<i>132,524</i>	<i>—</i>
<i>5 1/4% Senior Notes, due October 15, 2021, including original issue premium of \$5,141 at December 31, 2014 and none at December 31, 2013</i>	<i>1,355,141</i>	<i>600,000</i>

Macau Related Debt

Wynn Macau Credit Facilities

On July 31, 2012, Wynn Resorts (Macau) S.A. (“**Wynn Macau SA**”), an indirect subsidiary of Wynn Resorts, Limited, amended and restated its credit facilities from September 2004 (as amended and restated, the “**Wynn Macau Credit Facilities**”). The Wynn Macau Credit Facilities and related agreements expanded availability under Wynn Macau SA’s senior secured bank facility to \$2.5 billion (or equivalent in Hong Kong dollars), consisting of a \$1.55 billion equivalent senior secured revolving credit facility and a \$950 million equivalent fully funded senior secured term loan facility. The \$950 million equivalent senior term loan facility includes an increase of \$200 million equivalent from the exercise of an option by Wynn Macau SA on July 30, 2013. The exercise of Wynn Macau SA’s option to increase the senior term loan facility was pursuant to the terms and provisions of the Wynn Macau Credit Facilities. Borrowings under the Wynn Macau Credit Facilities, which consist of both Hong Kong Dollar and United States Dollar tranches, were used to refinance Wynn Macau SA’s existing indebtedness, and will be used to fund the design, development, construction and pre-opening expenses of Wynn Palace and for general corporate purposes.

The revolving credit facility matures in July 2017 and the term loan facility matures in July 2018. The principal amount of the term loan is required to be repaid in two equal installments in July 2017 and July 2018. The Wynn Macau Credit Facilities bear interest for the first six months after closing at LIBOR or HIBOR plus a margin of 2.50% and thereafter will be subject to LIBOR or HIBOR plus a margin of between 1.75% to 2.50% based on Wynn Macau SA’s leverage ratio. The annual fee required to pay for unborrowed amounts, if any, is 0.61% per annum, payable quarterly in arrears, calculated based on the daily average of the unborrowed amounts under such credit facilities.

Borrowings under the Wynn Macau Credit Facilities are guaranteed by Palo Real Estate Company Limited (“Palo”), a subsidiary of Wynn Macau SA, and by certain subsidiaries of the Company that own equity interests in Wynn Macau SA, and are secured by substantially all of the assets of Wynn Macau SA, the equity interests in Wynn Macau SA and substantially all of the assets of Palo.

The Wynn Macau Credit Facilities contain a requirement that Wynn Macau SA must make mandatory repayments of indebtedness from specified percentages of excess cash flow. If Wynn Macau SA meets a Consolidated Leverage Ratio, as defined in the Wynn Macau Credit Facilities, of greater than 4.0 to 1, such repayment is defined as 50% of Excess Cash Flow, as defined in the Wynn Macau Credit Facilities. If the Consolidated Leverage Ratio is equal or less than 4.0 to 1, then no repayment is required.

The Wynn Macau Credit Facilities contain customary covenants restricting certain activities including, but not limited to: the incurrence of additional indebtedness, the incurrence or creation of liens on any of its property, sale and leaseback transactions, the ability to dispose of assets, and making loans or other investments. In addition, Wynn Macau SA was required by the financial covenants to maintain a Leverage Ratio, as defined in the Wynn Macau Credit Facilities, of not greater than 4.50 to 1 as of December 31, 2014, and an Interest Coverage Ratio, as defined in the Wynn Macau Credit Facilities, of not less than 2.00 to 1.

In connection with the initial financing of Wynn Macau SA, Wynn Macau SA entered into a Bank Guarantee Reimbursement Agreement with Banco Nacional Ultramarino, S.A. (“BNU”) for the benefit of the Macau government. This guarantee assures Wynn Macau SA’s performance under the casino concession agreement, including the payment of premiums, fines and indemnity for any material failure to perform under the terms of the concession agreement. As of December 31, 2014, the guarantee was in the amount of 300 million Macau patacas (approximately \$37 million) and will remain at such amount until 180 days after the end of the term of the concession agreement (2022). BNU, as issuer of the guarantee, is currently secured by a second priority security interest in the senior lender collateral package. From and after repayment of all indebtedness under the Wynn Macau Credit Facilities, Wynn Macau SA is obligated to promptly, upon demand by BNU, repay any claim made on the guarantee by the Macau government. BNU is paid an annual fee for the guarantee of approximately 2.3 million Macau patacas (approximately \$0.3 million).

In connection with amending the Wynn Macau Credit Facilities, the Company expensed \$17.7 million and capitalized \$33.2 million of financing costs in the year ended December 31, 2012.

As of December 31, 2014, the Company had \$1.42 billion of available borrowing capacity under the senior secured revolving credit facility.

5 1/4% Senior Notes due 2021

*On March 20, 2014, Wynn Macau, Limited (“WML”), an indirect subsidiary of Wynn Resorts, Limited, issued \$750 million aggregate principal amount of 5 1/4% Senior Notes due 2021 (the “**Additional 2021 Notes**”), which were consolidated and form a single series with the \$600 million aggregate principal amount of 5 1/4% Senior Notes due 2021 issued by WML on*

October 16, 2013 (the “**Original 2021 Notes**” and together with the “**Additional 2021 Notes**”, the “**2021 Notes**”). WML received net proceeds of approximately \$748.8 million after adding the original issue premium and deducting commissions and expenses of the offering. WML will use the net proceeds for working capital requirements and general corporate purposes.

The Additional 2021 Notes have the same terms and conditions as those of the Original 2021 Notes. The 2021 Notes will bear interest at the rate of 5 1/4% per annum and will mature on October 15, 2021. Interest on the 2021 Notes is payable semiannually in arrears on April 15 and October 15 of each year, beginning on April 15, 2014. At any time on or before October 14, 2016, WML may redeem the 2021 Notes, in whole or in part, at a redemption price equal to the greater of (a) 100% of the aggregate principal amount of the 2021 Notes or (b) a “make-whole” amount as determined by an independent investment banker in accordance with the terms of the indenture for the 2021 Notes, dated as of October 16, 2013 (the “**WML Indenture**”). In either case, the redemption price would include accrued and unpaid interest. In addition, on or after October 15, 2016, WML may redeem the 2021 Notes, in whole or in part, at a premium decreasing annually from 103.94% of the principal amount to zero, plus accrued and unpaid interest. If WML undergoes a Change of Control (as defined in the WML Indenture), it must offer to repurchase the 2021 Notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest. In addition, the Company may redeem the 2021 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest, in response to any change in or amendment to certain tax laws or tax positions. Further, if a holder or beneficial owner of the 2021 Notes fails to meet certain requirements imposed by any Gaming Authority (as defined in the WML Indenture), WML may require the holder or beneficial owner to dispose of or redeem its 2021 Notes.

The 2021 Notes are WML’s general unsecured obligations and rank *pari passu* in right of payment with all of WML’s existing and future senior unsecured indebtedness; will rank senior to all of WML’s future subordinated indebtedness, if any; will be effectively subordinated to all of WML’s future secured indebtedness to the extent of the value of the assets securing such debt; and will be structurally subordinated to all existing and future obligations of WML’s subsidiaries, including Wynn Macau SA’s existing credit facilities. The 2021 Notes are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and the 2021 Notes are subject to restrictions on transferability and resale.

The WML Indenture contains covenants limiting WML’s (and certain of its subsidiaries’) ability to, among other things: merge or consolidate with another company; transfer or sell all or substantially all of its properties or assets; and lease all or substantially all of its properties or assets. The terms of the WML Indenture contain customary events of default, including, but not limited to: default for 30 days in the payment when due of interest on the 2021 Notes; default in the payment when due of the principal of, or premium, if any, on the 2021 Notes; failure to comply with any payment obligations relating to the repurchase by WML of the 2021 Notes upon a change of control; failure to comply with certain covenants in the WML Indenture; certain defaults on certain other indebtedness; failure to pay judgments against WML or certain subsidiaries that, in the aggregate, exceed \$50 million; and certain events of bankruptcy or insolvency. In the case of an event of default arising from certain events of bankruptcy or insolvency, all 2021 Notes then outstanding will become due and payable immediately without further action or notice.

Note 9 — Interest Rate Swaps

As of December 31, 2014 and 2013, the interest rate swaps were recorded as an asset of \$5.9 million and \$10.3 million, respectively, and included in deposits and other assets.

The Company currently has three interest rate swap agreements intended to hedge a portion of the underlying interest rate risk on borrowings under the Amended Wynn Macau Credit Facilities. Under two of the swap agreements, the Company pays a fixed interest rate (excluding the applicable interest margin) of 0.73% on notional amounts corresponding to borrowings of HK\$3.95 billion (approximately \$509.4 million) incurred under the Amended Wynn Macau Credit Facilities in exchange for receipts on the same amount at a variable interest rate based on the applicable HIBOR at the time of payment. These interest rate swaps fix the all-in interest rate on such amounts at 2.48% to 3.23%. These interest rate swap agreements mature in July 2017.

Under the third swap agreement, the Company pays a fixed interest rate (excluding the applicable interest margin) of 0.68% on notional amounts corresponding to borrowings of \$243.8 million incurred under the Amended Wynn Macau Credit Facilities in exchange for receipts on the same amount at a variable rate based on the applicable LIBOR at the time of payment. This interest rate swap fixes the all-in interest rate on such amounts at 2.43% to 3.18%. This interest rate swap agreement matures in July 2017.

Note 11 — Property Charges and Other

Property charges and other consisted of the following (in thousands):

	Years Ended December 31,		
	2014	2013	2012
<i>Net loss on assets abandoned/retired for remodel or sold</i>	\$6,975	\$7,358	\$29,524
<i>Donation to University of Macau Foundation</i>	3,462	3,780	4,083
<i>Loss on contract termination</i>	—	6,000	315
<i>Loss on show cancellation</i>	—	—	6,056
	<u>\$10,437</u>	<u>\$17,138</u>	<u>\$39,978</u>

Property charges and other generally include costs related to the retirement of assets for remodels and asset abandonments. Property charges and other for the year ended December 31, 2014 include costs associated with the renovation of approximately 27,000 square feet of casino space at Wynn Macau for new VIP gaming rooms, partially offset for gain on sale of an aircraft. These new VIP gaming rooms opened in February 2015.

Note 15 — Stock-Based Compensation

Wynn Macau, Limited

The Company's majority owned subsidiary Wynn Macau, Limited has two stock-based compensation plans which provide awards based on shares of Wynn Macau, Limited's common stock. The shares available for issuance under these plans are separate and distinct from the common stock of Wynn Resorts, Limited's share plan and are not available for issuance for any awards under the Wynn Resorts, Limited share plan.

Share Option Plan

*Wynn Macau, Limited adopted a stock incentive plan effective September 16, 2009 for the grant of stock options to purchase shares of Wynn Macau, Limited to eligible directors and employees of its subsidiaries (the "**Share Option Plan**"). The Share Option Plan is administered by Wynn Macau, Limited's Board of Directors, which have the discretion on the vesting and service requirements, exercise price, performance targets to exercise if applicable and other conditions, subject to certain limits. A maximum of 518,750,000 shares have been reserved for issuance under the Share Option Plan.*

Share Award Plan

*On June 30, 2014, the Company's majority-owned subsidiary Wynn Macau, Limited approved and adopted the Wynn Macau, Limited Employee Ownership Scheme (the "**Share Award Plan**"). The Share Award Plan allows for the grant of nonvested shares of Wynn Macau, Limited's common stock to eligible employees. The Share Award Plan is administered by Wynn Macau, Limited's Board of Directors and has been mandated under the plan to allot, issue and procedure the transfer of a maximum of 50,000,000 shares. The Board of Directors have discretion on the vesting and service requirements, exercise price and other conditions, subject to certain limits.*

Note 16 — Income Taxes

In July of 2011, Wynn Macau SA received an extension of its agreement with the Macau Special Administrative Region that provides for an annual payment of MOP \$15.5 million (approximately \$1.9 million U.S. dollars) as complementary tax otherwise due by shareholders of Wynn Macau SA on dividend distributions through 2015. As a result of the shareholder dividend tax agreements, income tax expense includes \$1.9 million for each of the years ended December 31, 2014, 2013 and 2012, respectively.

Note 18 — Segment Information

*The Company reviews the results of operations for each of its operating segments. Wynn Macau and Encore at Wynn Macau are managed as a single integrated resort and aggregated as one reportable segment ("**Macau Operations**"). Wynn Las Vegas and Encore at Wynn Las Vegas are managed as a single integrated resort and have been aggregated as one reportable segment ("**Las Vegas Operations**"). The Company identifies each integrated resort as a*

reportable segment considering operations within each integrated resort have similar economic characteristics, type of customers, types of services and products, the regulatory environment of the operations and the Company's organizational and management reporting structure. The Company also reviews construction and development activities for each of its projects under development, in addition to its reportable segments.

Other Macau primarily represents cash and investment securities held at the Company's Macau holding company.

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

	Years Ended December 31,		
	2014	2013	2012
<i>Net revenues</i>			
<i>Macau Operations</i>	\$3,796,750	\$4,040,526	\$3,667,454
<i>Adjusted Property EBITDA⁽¹⁾</i>			
<i>Macau Operations</i>	\$1,258,082	\$1,324,119	\$1,167,340

(1) "Adjusted Property EBITDA" is earnings before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, corporate expenses, intercompany golf course and water rights leases, stock-based compensation, and other non-operating income and expenses and includes equity in income from unconsolidated affiliates. 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. The Company also presents 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 financial measures in accordance with U.S. generally accepted accounting principles ("GAAP"). In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including Wynn Resorts, Limited, have historically excluded from their EBITDA calculations pre-opening expenses, property charges, corporate expenses and stock-based compensation, which 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 the Company's 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. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges,

which are not reflected in Adjusted Property EBITDA. Also, Wynn Resorts' calculation of Adjusted Property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

The Company has reclassified the prior periods to conform with the current presentation of segment information.

		<i>Years ended December 31,</i>	
		<i>2014</i>	<i>2013</i>
Capital expenditures			
Macau			
Macau Operations		\$89,039	\$60,488
Wynn Palace		937,501	381,786
Total Macau		1,026,540	442,274

		<i>As of December 31,</i>		
		<i>2014</i>	<i>2013</i>	<i>2012</i>
Assets				
Macau				
Macau Operations		\$1,520,098	\$2,510,444	\$2,439,886
Wynn Palace		1,854,521	755,452	320,158
Other Macau		974,170	652,267	244,614
Total Macau		4,348,789	3,918,163	3,004,658

		<i>As of December 31,</i>		
		<i>2014</i>	<i>2013</i>	<i>2012</i>
Long-lived assets				
Macau		\$2,799,781	\$1,732,485	\$1,343,381

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 Annual Report and to exercise caution in dealing in securities in our Company.

By order of the Board
Wynn Macau, Limited
Stephen A. Wynn
Chairman

Hong Kong, 3 March 2015

As at the date of this announcement, the Board comprises Stephen A. Wynn, Gamal Aziz, Ian Michael Coughlan and Linda Chen (as executive directors); Matthew O. Maddox (as non-executive director); and Allan Zeman, Nicholas Sallnow-Smith, Bruce Rockowitz and Jeffrey Kin-fung Lam (as independent non-executive directors).