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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**

# **UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015 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 8 May 2015 (1:09 p.m., Las Vegas time), released its unaudited results for the first quarter ended 31 March 2015.

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 29 April 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 first quarter ended 31 March 2015. 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 8 May 2015, 1:09 p.m., Las Vegas time, released its quarterly report with unaudited financial results for the first quarter ended 31 March 2015 (the “**WRL Quarterly Report**”). If you wish to review the WRL Quarterly Report prepared by Wynn Resorts, Limited and as filed with the SEC, please visit <https://www.sec.gov/Archives/edgar/data/1174922/000117492215000044/0001174922-15-000044-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 (“**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 Quarterly 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 Quarterly 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 first quarter ended 31 March 2015 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 first quarter ended 31 March 2015 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 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 about our Company:

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

**For the quarterly period ended March 31, 2015**

***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***

*Accounts Receivable and Credit Risk*

*The Company advances commissions to its games promoters in Macau. These were previously supported primarily by held checks and recognized as cash and cash equivalents (\$153.4 million as of December 31, 2014). Market conditions in Macau and other regional economic factors have impacted the liquidity of certain games promoters. As a result, the Company’s advanced commissions to games promoters now are supported primarily with signed promissory notes. The advanced commissions are on terms requiring settlement within five business days of the month following the advance. The Company recognized advanced commissions of \$139.3 million as casino receivables in the accompanying Condensed Consolidated Balance Sheet as of March 31, 2015 and assesses these advanced commissions in connection with the Company’s evaluation of its bad debt reserve for casino receivables. Additionally, the amount presented in the accompanying Condensed Consolidated Balance Sheet has been offset by related commissions payable to games promoters of \$51.7 million as of March 31, 2015.*

## Note 8 — Long-Term Debt

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

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Wynn Macau Credit Facilities:		
Senior Term Loan Facilities, due July 31, 2017 and July 31, 2018; interest at LIBOR or HIBOR plus 1.75%–2.50%, net of original issue discount of \$3,563 at March 31, 2015 and \$3,830 at December 31, 2014	\$949,338	\$948,823
Senior Revolving Credit Facility, due July 31, 2017, interest at LIBOR or HIBOR plus 1.75%–2.50%	393,657	132,524
5 1/4% Senior Notes, due October 15, 2021, including original issue premium of \$4,982 at March 31, 2015 and \$5,141 at December 31, 2014	1,354,982	1,355,141

### Wynn Macau Credit Facilities

The Company's credit facilities include a \$950 million equivalent fully funded senior secured term loan facility (the "Wynn Macau Senior Term Loan") and a \$1.55 billion equivalent senior secured revolving credit facility (the "Wynn Macau Senior Revolving Credit Facility" and together with the Wynn Macau Senior Term Loan, the "Wynn Macau Credit Facilities"). As of March 31, 2015, the Company had \$1.16 billion of available borrowing capacity under the Wynn Macau Senior Revolving Credit Facility.

## Note 9 — Interest Rate Swaps

As of March 31, 2015 and December 31, 2014, the interest rate swaps were recorded as an asset of \$1.3 million and \$5.9 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 Wynn Macau Senior Term Loan. 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 Wynn Macau Senior Term Loan 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 Wynn Macau Senior Term Loan 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 for the three months ended March 31, 2015 and 2014 were \$2.5 million and \$9.9 million, respectively. During the three months ended March 31, 2015, property charges and other primarily consisted of miscellaneous renovations and abandonments at the Company's resorts. During the three months ended March 31, 2014, the Company incurred property charges primarily associated with the renovation of approximately 27,000 square feet of our casino space at Wynn Macau into new VIP gaming rooms. These new VIP gaming rooms opened in February 2015.*

### ***Note 12 — Noncontrolling Interest***

*On March 31, 2015, Wynn Macau, Limited paid a dividend of HK\$1.05 per share for a total of \$702.6 million.*

### ***Note 14 — Commitments and Contingencies***

#### *Cotai Development and Land Concession Contract*

*On July 29, 2013, Wynn Macau SA and Palo, each an indirect subsidiary of Wynn Macau, Limited, finalized and 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 Wynn Palace project. The general contractor is obligated to substantially complete the project in the first half of 2016 for a guaranteed maximum price of HK \$20.0 billion (approximately \$2.6 billion). The general contractor has notified the Company that it will not achieve the early completion milestone on January 25, 2016. However, the general contractor stated it is on schedule to complete the project on or before the substantial completion date. The Company continues 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.*

*As of March 31, 2015, the Company has incurred approximately \$2.2 billion of the approximately \$4.1 billion in total project budget costs. The total project budget includes all construction costs, capitalized interest, pre-opening expenses, land costs and financing fees.*



## **Note 15 — Income Taxes**

Wynn Macau SA has received a 5-year exemption from Macau's Complementary Tax on casino gaming profits through December 31, 2015. Accordingly, the Company was exempted from the payment of \$13.8 million and \$31.6 million in such taxes during each of the three months ended March 31, 2015 and 2014, respectively. The Company's 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 its concession agreement.

## **Note 16 — 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").

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):

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Net revenues</b>		
Macau Operations	\$705,357	\$1,132,698
<b>Adjusted Property EBITDA (1)</b>		
Macau Operations	\$212,342	\$384,328

(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 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 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 measures of 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 nonrecurring 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.

**Assets**

**Macau Operations**

Wynn Macau	\$1,414,179	\$1,520,098
Wynn Palace	2,219,439	1,854,521
Other Macau	267,891	974,170

Total Macau	3,901,509	4,348,789
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**Item 2. 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 Wynn Macau, Limited 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 developing Wynn Palace, an integrated casino resort in the Cotai area of Macau.*

**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 approximately 16 acres of land in downtown Macau's inner harbor where Wynn Macau | Encore is located.*

*Wynn Macau | Encore features the following as of April 15, 2015:*

- Approximately 284,000 square feet of casino space offering 24-hour gaming and a full range of games with 497 table games and 706 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 Wynn Macau | Encore. 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.*

### ***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 Statement of Operations is presented. Below are definitions of these key operating measures discussed:*

- *Drop is the amount of cash and net markers issued that are deposited in a gaming table’s drop box.*
- *Turnover is the sum of all losing rolling chip wagers within our Macau Operations’ VIP program.*
- *Table games win is the amount of drop or turnover that is retained and recorded as casino revenue.*
- *Rolling chips are identifiable chips that are used to track turnover for purposes of calculating incentives.*
- *Slot win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenue.*
- *Average daily rate (“ADR”) is calculated by dividing total room revenues including the retail value of promotional allowances (less service charges, if any) by total rooms occupied including complimentary rooms.*
- *Revenue per available room (“REVPAR”) is calculated by dividing total room revenues including the retail value of promotional allowances (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 percentage at our resorts.*

*In our VIP casino in Macau, customers primarily purchase non-negotiable chips, commonly referred to as rolling chips, from the casino cage and there is no deposit into a gaming table drop box from chips purchased from the cage. Non-negotiable chips can only be used to make wagers. Winning wagers are paid in cash chips. The loss of the non-negotiable chips in the VIP casino is recorded as turnover and provides a base for calculating VIP casino win percentage. It is customary in Macau to measure VIP casino play using this rolling chip method. We expect our win as a percentage of turnover in this segment to be within the range of 2.7% to 3.0%.*

*The measurement base used in the mass market casino in Macau is not the same as that used in the VIP casino. In our mass market casino in Macau, customers may purchase cash chips at either the gaming tables or at the casino cage. The cash used to purchase the cash chips at the gaming tables is deposited into the gaming table's drop box. This is the base of measurement that we use for calculating win percentage in our mass market casino. We do not report an expected range for the win percentage in our mass market casino as chips purchased at the casino cage are excluded from table games drop and distort our expected win percentage. Because of the large number of chip purchases occurring at the casino cage, we believe the relevant indicator of volumes in the mass market segment should be table games win.*

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

## **Results of Operations**

*The reduction in net income (loss) attributable to Wynn Resorts, Limited was driven by a decrease in casino revenues from our Macau Operations and \$116.2 million in losses from the extinguishment of debt related to the purchase of first mortgage notes due 2020 pursuant to a cash tender offer.*

*Our results reflect continued weak VIP gaming operations performance, with reduction in turnover of 52.4% for three months ended March 31, 2015 compared to the same period in 2014. The VIP turnover reduction is a result of the current market conditions in Macau as well as regional economic factors on games promoters and our premium customers.*

***Financial results for the three months ended March 31, 2015 compared to the three months ended March 31, 2014.***

*Net Revenues*

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

	<b><i>Three Months Ended March 31,</i></b>		<b><i>Percent Change</i></b>
	<b><i>2015</i></b>	<b><i>2014</i></b>	
<b><i>Net revenues</i></b>			
<i>Macau Operations</i>	\$705,357	\$1,132,698	(37.7)

*The decline is primarily due to a \$406.5 million decrease in casino revenues from our Macau Operations.*

*Casino Revenues*

*The decline is primarily due to our Macau Operations, which experienced a year-over-year decrease in casino revenues of 38.0% from \$1,070.9 million to \$664.3 million. Our VIP gaming operations drove the Macau Operations casino revenue reduction, with \$17.1 billion in VIP turnover for the three months ended March 31, 2015 compared to \$36.0 billion for the same period of 2014.*

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).

	Three Months Ended March 31,			
	2015	2014	Increase/ (Decrease)	Percent Change
<b>Macau Operations:</b>				
Total casino revenues	\$664,320	\$1,070,854	\$(406,534)	(38.0)
Average number of table games	466	492	(26)	(5.3)
<b>VIP</b>				
VIP turnover	\$17,127,666	\$35,997,716	\$(18,870,050)	(52.4)
VIP win as a % of turnover	2.80%	2.79%	0.01	
<b>Mass market</b>				
Drop <sup>(1)</sup>	\$591,866	\$692,459	\$(100,593)	(14.5)
Table games win	\$279,560	\$300,709	\$(21,149)	(7.0)
Table games win % <sup>(1)</sup>	47.2%	43.4%	3.8	
Table games win per unit per day	\$14,517	\$15,695	\$(1,178)	(7.5)
Average number of slot machines	649	842	(193)	(22.9)
Slot machine handle	\$1,039,615	\$1,398,890	\$(359,275)	(25.7)
Slot machine win	\$47,777	\$69,437	\$(21,660)	(31.2)
Slot machine win per unit per day	\$818	\$917	\$(99)	(10.8)

<sup>(1)</sup> 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*

Room revenues decreased 3.2%, or \$4.4 million, to \$132.1 million for the three months ended March 31, 2015, from \$136.5 million in the same period of 2014. Our Las Vegas Operations accounted for \$3.4 million of the decrease, while Macau Operations accounted for \$1.0 million of the decrease.

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

	<i>Three Months Ended March 31,</i>		
	<i>2015</i>	<i>2014</i>	<i>Percent Change <sup>(a)</sup></i>
<i>Macau Operations:</i>			
<i>Total room revenues (in thousands)</i>	<i>\$32,415</i>	<i>\$33,404</i>	<i>(3.0)</i>
<i>Occupancy</i>	<i>97.5%</i>	<i>98.1%</i>	<i>(0.6)</i>
<i>ADR</i>	<i>\$331</i>	<i>\$338</i>	<i>(2.1)</i>
<i>REVPAR</i>	<i>\$323</i>	<i>\$331</i>	<i>(2.4)</i>

<sup>(a)</sup> Except occupancy, which is presented as a percentage point change.

Food and beverage revenues decreased 4.1%, or \$5.8 million, to \$136.0 million, for the three months ended March 31, 2015, from \$141.8 million for the same period of 2014 primarily as a result of a decrease in revenue from restaurants at our Macau Operations.

Entertainment, retail and other decreased 15.4%, or \$16.5 million, to \$90.4 million, for the three months ended March 31, 2015, from \$106.9 million for the same period of 2014. The decrease is primarily due to a decline in revenue from retail shops at our Macau Operations.

Promotional allowances decreased 5.5%, or \$5.4 million, to \$92.3 million for the three months ended March 31, 2015, from \$97.7 million for the same period of 2014. As a percentage of total casino revenues, promotional allowances were 11.2% for the three months ended March 31, 2015 compared to 8.0% for the same period of 2014. The increase in percentage of total casino revenues is primarily the result of a new customer loyalty program initiated at our Macau Operations in the second quarter of 2014.

#### *Operating costs and expenses*

Casino expenses decreased 33.1%, or \$259.7 million, to \$524.1 million for the three months ended March 31, 2015, from \$783.7 million for the same period of 2014, primarily due to lower gaming taxes with a 39.0% gross win tax incurred at our Macau Operations. The decline in gaming taxes was commensurate with the 38.0% decrease in casino revenues at our Macau Operations.

Entertainment, retail and other expenses decreased 9.5%, or \$4.2 million to \$40.3 million for the three months ended March 31, 2015, from \$44.5 million in the same period of 2014, mainly from a reduction in merchandise cost at Wynn Macau associated with the decline in retail shop revenues.

Provision for doubtful accounts increased \$8.8 million from a benefit of \$2.7 million for three months ended March 31, 2014 to a provision of \$6.1 million for the same period of 2015. We experienced a benefit during the three months ended March 31, 2014 due to increased casino accounts receivable collections from our Macau Operations.

Pre-opening costs were \$16.1 million for the three months ended March 31, 2015, compared to \$3.1 million for the same period of 2014 and were associated with the design and planning for our development projects. 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 and with development for the Wynn resort in Massachusetts.

Depreciation and amortization increased 8.1%, or \$6.2 million, to \$82.9 million for the three months ended March 31, 2015, from \$76.7 million for the same period of 2014. The increase is primarily due to additional depreciation associated with equipment additions at our Las Vegas nightclubs and building improvements, including our new VIP gaming rooms, at our Macau Operations.

#### *Interest expense, net of amounts capitalized*

In March 2014, we issued \$750 million of 5 1/4% senior notes due 2021. These financing activities increased the Company's long-term debt resulting in higher interest expense incurred during the three months ended March 31, 2015 compared to the same period of 2014. We expect that capitalized interest will continue to increase with the ongoing borrowings and construction costs related to Wynn Palace and the Wynn resort in Massachusetts.

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

Net income attributable to noncontrolling interests was \$30.7 million for the three months ended March 31, 2015, compared to \$76.1 million for the three months ended March 31, 2014. These amounts represent the noncontrolling interests' share of net income from Wynn Macau, Limited.

#### **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 16 "Segment Information." That footnote also presents a reconciliation of Adjusted Property EBITDA to net income (loss).

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Macau Operations	\$212,342	\$384,328

Adjusted Property EBITDA at our Macau Operations decreased year-over-year by 44.7% for the three months ended March 31, 2015 primarily due to the decline in VIP turnover.

## ***Liquidity and Capital Resources***

### ***Operating Activities***

*Our operating cash flows primarily consist of our operating income generated by our Macau and Las Vegas Operations (excluding depreciation and other non-cash charges), interest paid and earned, and changes in working capital accounts such as receivables, inventories, prepaid expenses, and payables. Our table games play both in Macau and Las Vegas is a mix of cash play 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 that 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 revenue is conducted primarily on a cash basis or as a trade receivable. Accordingly, operating cash flows will be impacted by changes in operating income and accounts receivables.*

### ***Investing Activities***

*Net cash used in investing activities for the three months ended March 31, 2015 was \$521.6 million compared to net cash provided by investing activities of \$17.9 million for the same period in 2014. Capital expenditures, net of construction payables and retention, were \$495.7 million and \$178.1 million for the three months ended March 31, 2015 and 2014, respectively, with the increase primarily associated with Wynn Palace construction. During the three months ended March 31, 2014, we were provided \$199.8 million of proceeds from restricted cash which we applied to payment of certain Wynn Palace related construction and development costs.*

### ***Capital Resources***

*As of March 31, 2015, we had approximately \$1,641.9 million of cash and cash equivalents and \$251.3 million of available-for-sale investments in domestic debt securities.*

*Of these amounts, Wynn Macau, Limited and its subsidiaries held \$512.4 million in cash, of which we own 72%.*

*The Company's Wynn Macau credit facilities include 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 March 31, 2015, the Company had \$1.16 billion of available borrowing capacity under the senior secured revolving credit facility.*

### ***Other Factors Affecting Liquidity***

*Restrictions imposed by our Wynn Las Vegas, LLC, Wynn America, LLC and Wynn Resorts (Macau) S.A. debt instruments restrict our ability to pay dividends.*



*These restricted payments may not be made unless certain financial and non-financial criteria have been satisfied. The Wynn Macau Credit Facilities contain similar restrictions, including a specified leverage ratio, which must be met in order to pay dividends and Wynn Macau is presently able to pay dividends in accordance with the Wynn Macau Credit Facilities.*

*Similarly, we expect that our Macau Operations will fund Wynn Macau, Limited's debt service obligations with existing cash, operating cash flow 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.*

*We have in the past repurchased, and in the future, we may periodically consider repurchasing our outstanding notes for cash. The amount of any notes to be repurchased, as well as the timing of any repurchases, will be based on business, market and other conditions and factors, including price, contractual requirements or consents, and capital availability. Any repurchases might be made using a variety of methods, which may include open market purchases, privately negotiated transactions, or by any combination of those methods, in compliance with applicable securities laws and regulations.*

*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 or through subsidiaries separate from the Las Vegas or Macau-related entities.*

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

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

*The currency delineated in Wynn Macau'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.*

*Because many of Wynn Macau's payment and expenditure obligations are in Macau patacas, in the event of unfavorable Macau pataca or Hong Kong dollar rate changes, Wynn Macau's obligations, as denominated in U.S. dollars, would increase. In addition, because we expect that most of the revenues for any casino that Wynn Macau operates in Macau will be in Hong Kong dollars, we are subject to foreign exchange risk with respect to the exchange rate between the Hong Kong dollar and the U.S. dollar. Also, if any of our Macau-related entities incur U.S. dollar-denominated debt, 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 Wynn Macau's results of operations, financial condition, and ability to service its debt. To date, we have not engaged in hedging activities intended to protect against foreign currency risk. The amount of our cash balances that are denominated in foreign currencies, primarily the Hong Kong dollar, can change significantly, representing approximately 22% of our March 31, 2015 cash balances. Based on our balances at March 31, 2015, an assumed 1% change in the dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of approximately \$3.0 million.*

## **Part II. OTHER INFORMATION**

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

*In July 2014, Wynn Resorts (Macau) S.A. ("Wynn Macau SA"), an indirect subsidiary of Wynn Macau, Limited, 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 2. Unregistered Sales of Equity Securities and Use of Proceeds**

#### *Dividend Restrictions*

*These restricted payments may not be made unless certain financial and non-financial criteria have been satisfied. The Wynn Macau Credit Facilities contain similar restrictions, including a specified leverage ratio, which must be met in order to pay dividends and Wynn Macau is presently able to pay dividends in accordance with the Wynn Macau Credit Facilities.*

*On March 4, 2015, the Wynn Macau, Limited Board of Directors approved a dividend of HK\$1.05 per share that was paid on March 31, 2015."*

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 either the WML Results or Earnings Release and are reminded that the financial results presented herein have not been audited. Our shareholders and potential investors are advised to exercise caution in dealing in securities in our Company.

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

Hong Kong, 10 May 2015

*As at the date of this announcement, the board of directors 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).*