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Wynn Macau, Limited  
永利澳門有限公司\*

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1128 and Debt Stock Code: 5983)**

## **INSIDE INFORMATION**

# **UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017 OF OUR CONTROLLING SHAREHOLDER, WYNN RESORTS, LIMITED**

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

Our controlling shareholder, Wynn Resorts, Limited has, on or about 4 May 2017 (5:08 a.m., Las Vegas time), released its unaudited results for the first quarter ended 31 March 2017.

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

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

Reference is made to our announcement on 26 April 2017 (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 2017. 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 4 May 2017, 5:08 a.m., Las Vegas time, released its quarterly report with unaudited financial results for the first quarter ended 31 March 2017. (“**WRL Quarterly Report**”). If you wish to review the WRL Quarterly Report prepared by Wynn Resorts, Limited and as filed with the U.S. Securities and Exchange Commission, please visit <https://www.sec.gov/Archives/edgar/data/1174922/000117492217000098/0001174922-17-000098-index.htm>. The WRL Quarterly Report contains segment financial information about Wynn Resorts, Limited’s Macau operations, which are owned by our Company. The WRL Quarterly Report is also available in the public domain.

The financial results of Wynn Resorts, Limited, including those contained in the WRL Quarterly Report, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“**U.S. GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we use to prepare and present our financial information. As such, the financial information in the WRL Quarterly Report is not directly comparable to the financial results our Company discloses. 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 U.S. GAAP, which include associated promotional allowances within room revenues. Under U.S. 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 2017 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 2017 prepared in accordance with IFRS.

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

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

**For the quarterly period ended March 31, 2017**

***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***

*Restricted Cash*

*The Company’s restricted cash consists of cash held in trust in accordance with WML’s share award plan and additionally as of December 31, 2016, collateral associated with borrowings under a revolving credit facility.*

*Derivative Financial Instruments*

*Derivative financial instruments are used to manage interest rate and foreign currency exposures. These derivative financial instruments include interest rate swaps and foreign currency forward contracts. The fair value of derivative financial instruments is recognized as an asset or liability at each balance sheet date, with changes in fair value affecting net income as the Company’s derivative financial instruments do not qualify for hedge accounting.*

## Note 9 — Long-Term Debt

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

	March 31, 2017	December 31, 2016
<b>Macau Related:</b>		
<b>Wynn Macau Credit Facilities:</b>		
Senior Term Loan Facility, due September 2021; interest at LIBOR or HIBOR plus 1.50%–2.25% (2.62% as of March 31, 2017 and 2.76% as of December 31, 2016), net of debt issuance costs and original issue discount of \$26,283 as of March 31, 2017 and \$28,091 as of December 31, 2016	\$2,278,350	\$2,278,682
Senior Revolving Credit Facility, due September 2020; interest at LIBOR or HIBOR plus 1.50%–2.25% (2.62% as of March 31, 2017 and 2.75% as of December 31, 2016)	200,314	340,846
5 ¼% Senior Notes, due October 15, 2021, net of debt issuance costs and original issue premium of \$6,402 as of March 31, 2017 and \$6,709 as of December 31, 2016	1,343,598	1,343,291
WML Finance Revolving Credit Facility, due July 2018; interest at 1.50%	—	189,651

### Wynn Macau Credit Facilities

The Company's credit facilities include a \$2.30 billion equivalent fully funded senior secured term loan facility (the "Wynn Macau Senior Term Loan Facility") and a \$750 million equivalent senior secured revolving credit facility (the "Wynn Macau Senior Revolving Credit Facility" collectively, the "Wynn Macau Credit Facilities"). The borrower is Wynn Resorts (Macau) S.A. ("Wynn Macau SA"). As of March 31, 2017, the Company had \$549.7 million of available borrowing capacity under the Wynn Macau Senior Revolving Credit Facility.

### WML Finance Revolving Credit Facility

The Company's credit facilities include a HK\$3.87 billion (approximately \$498.1 million) cash-collateralized revolving credit facility ("WML Finance Credit Facility") under which WML Finance I, Limited, an indirect subsidiary of WML, is the borrower. The WML Finance Credit Facility bears interest initially at 1.50% per annum, such rate calculated as the interest rate paid by the lender as the deposit bank for the cash collateral deposited and pledged with the lender plus a margin of 0.40%. As of March 31, 2017, the Company had no borrowings under the WML Finance Credit Facility.

## **Note 12 — Income Taxes**

*Wynn Macau SA has received a five-year exemption from complementary tax on profits generated by gaming operations through December 31, 2020. For the three months ended March 31, 2017 and 2016, the Company was exempt from the payment of such taxes totaling \$12.7 million and \$11.3 million, respectively.*

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

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

### *Litigation*

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

### *Litigation Commenced by Kazuo Okada*

#### *Macau Action:*

*On July 3, 2015, WML announced that the Okada Parties filed a complaint in the Court of First Instance of Macau ("Macau Court") against Wynn Macau SA and certain individuals who are or were directors of Wynn Macau SA and or WML (collectively, the "Wynn Macau Parties"). The principal allegations in the lawsuit are that the redemption of the Okada Parties' shares in Wynn Resorts was improper and undervalued, that the previously disclosed payment by Wynn Macau SA to an unrelated third party in consideration of relinquishment by that party of certain rights in and to any future development on the land in Cotai where Wynn Palace is located was unlawful and that the previously disclosed donation by Wynn Resorts to the University of Macau Development Foundation was unlawful. The plaintiffs seek dissolution of Wynn Macau SA and compensatory damages. The Macau Court has served the complaint on the defendants and the Wynn Macau Parties filed their response on May 17, 2016.*

*The Company believes these actions commenced by the Okada Parties discussed above are without merit and will vigorously defend the Wynn Macau Parties against them. Management has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of these actions or the range of reasonably possible loss, if any.*

## Note 14 — Segment Information

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

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

	<b>Three Months Ended March 31,</b>	
	<b>2017</b>	<b>2016</b>
<b>Net revenues</b>		
<i>Macau Operations:</i>		
Wynn Macau	\$587,031	\$608,243
Wynn Palace	475,774	—
<i>Total Macau Operations</i>	<u>1,062,805</u>	<u>608,243</u>
<b>Adjusted Property EBITDA<sup>(1)</sup></b>		
<i>Macau Operations:</i>		
Wynn Macau	\$181,106	\$191,245
Wynn Palace	111,856	—
<i>Total Macau Operations</i>	<u>292,962</u>	<u>191,245</u>

(1) “Adjusted Property EBITDA” is net income before interest, taxes, depreciation and amortization, pre-opening expenses, property charges and other, management and license fees, corporate expenses and other (including intercompany golf course and water rights leases), stock-based compensation, change in interest rate swap fair value, change in Redemption Note fair value, loss on extinguishment of debt 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, as well as a basis for determining certain incentive compensation. 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 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 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.

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
<b>Assets</b>		
<i>Macau Operations:</i>		
Wynn Macau	\$1,177,900	\$1,161,670
Wynn Palace	4,199,859	4,317,458
Other Macau	28,025	28,927
<i>Total Macau Operations</i>	<u>5,405,784</u>	<u>5,508,055</u>

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

### ***Overview***

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

### *Macau Operations*

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

*Wynn Macau features the following as of April 15, 2017:*

- Approximately 284,000 square feet of casino space, offering 24-hour gaming and a full range of games with 303 table games and 934 slot machines, private gaming salons, sky casinos and a poker pit;*
- Two luxury hotel towers with a total of 1,008 guest rooms and suites;*
- Eight food and beverage outlets;*
- Approximately 57,000 square feet of high-end, brand-name retail shopping;*
- Approximately 31,000 square feet of meeting and convention space;*
- Recreation and leisure facilities, including two health clubs, spas, a salon and a pool; and*
- A rotunda show featuring a Chinese zodiac-inspired ceiling along with gold “prosperity tree” and “dragon of fortune” attractions.*

*Wynn Palace features the following as of April 15, 2017:*

- *Approximately 420,000 square feet of casino space, offering 24-hour gaming and a full range of games with 299 table games and 932 slot machines, including private gaming salons, sky casinos and a poker pit;*
- *A luxury hotel with a total of 1,706 guest rooms, suites and villas;*
- *10 food and beverage outlets;*
- *Approximately 105,000 square feet of high-end, brand-name retail shopping;*
- *Approximately 40,000 square feet of meeting and convention space;*
- *Recreation and leisure facilities, including a gondola ride, health club, spa, salon and pool; and*
- *Public attractions including a performance lake and floral art displays.*

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

### ***Key Operating Measures***

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

- *Table drop for our Macau Operations is the amount of cash that is deposited in a gaming table's drop box plus cash chips purchased at the casino cage.*
- *Table drop for our Las Vegas Operations is the amount of cash and net markers issued that are deposited in a gaming table's drop box.*
- *Rolling chips are non-negotiable identifiable chips that are used to track turnover for purposes of calculating incentives.*
- *Turnover is the sum of all losing rolling chip wagers within our Macau Operations' VIP program.*
- *Table games win is the amount of table drop or turnover that is retained and recorded as casino revenues.*
- *Slot win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenues.*

- *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 percentages at our resorts.*

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

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

## **Results of Operations**

### *Summary first quarter 2017 results*

*During the three months ended March 31, 2017, our net income attributable to Wynn Resorts, Limited was \$100.8 million, an increase of \$25.6 million, or 34.0% over \$75.2 million for the same period of 2016, resulting in diluted earnings per share of \$0.99. The increase in net income attributable to Wynn Resorts, Limited was primarily due to income from Wynn Palace, which opened in the third quarter of 2016, and from increased income from our Las Vegas Operations, partially offset by increased interest expense.*

*Adjusted Property EBITDA increased 42.4%, or \$127.3 million, to \$427.5 million for the three months ended March 31, 2017, from \$300.3 million for the same period of 2016, primarily due to \$111.9 million from Wynn Palace and an increase of \$25.6 million from our Las Vegas Operations, partially offset by a decrease of \$10.1 million from Wynn Macau.*

**Financial results for the three months ended March 31, 2017 compared to the three months ended March 31, 2016.**

*Net revenues*

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

	<b>Three Months Ended</b>		<b>Percent Change</b>
	<b>March 31,</b>		
	<u>2017</u>	<u>2016</u>	
<b>Net revenues</b>			
<i>Macau Operations:</i>			
Wynn Macau	\$587,031	\$608,243	(3.5)
Wynn Palace <sup>(1)</sup>	475,774	—	—
<b>Total Macau Operations</b>	<u>1,062,805</u>	<u>608,243</u>	74.7

(1) Wynn Palace opened on August 22, 2016.

The increase was primarily due to \$475.8 million from Wynn Palace and an increase of \$23.4 million from our Las Vegas Operations, partially offset by a decrease of \$21.2 million from Wynn Macau.

*Casino revenues*

Casino revenues increased 57.1%, or \$418.5 million, to \$1.15 billion for the three months ended March 31, 2017, from \$732.7 million for the same period of 2016. The increase was primarily due to casino revenues of \$430.0 million from Wynn Palace and an increase of \$5.4 million from our Las Vegas Operations, partially offset by a decrease of \$16.8 million from Wynn Macau. The decline in casino revenues from Wynn Macau was primarily due to a reduction in business volumes driven by recent resort openings in the Cotai area of Macau, including Wynn Palace.

Prior to the opening of Wynn Palace, the Gaming Inspection and Coordination Bureau of Macau authorized 100 new table games for operation at Wynn Palace with 25 additional table games authorized for operation on January 1, 2017, and a further 25 new table games for operation on January 1, 2018, for a total of 150 new table games in the aggregate. In addition, we have and will continue to share table games between Wynn Macau and Wynn Palace, subject to the aggregate cap, to optimize our casino operations. As of April 15, 2017, we had a total of 303 table games at Wynn Macau and 299 at Wynn Palace.

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

	<b>Three Months Ended</b>		<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
	<b>March 31,</b>			
	<b>2017</b>	<b>2016</b>		
<b>Macau Operations:</b>				
<i>Wynn Macau:</i>				
<i>Total casino revenues</i>	\$554,927	\$571,770	\$(16,843)	(2.9)
<b>VIP:</b>				
<i>Average number of table games</i>	87	189	(102)	(54.0)
<i>VIP turnover</i>	\$13,284,764	\$13,469,939	\$(185,175)	(1.4)
<i>Table games win</i>	\$438,912	\$378,652	\$60,260	15.9
<i>VIP win as a % of turnover</i>	3.30%	2.81%	0.49	
<i>Table games win per unit per day</i>	\$56,041	\$21,967	\$34,074	155.1
<b>Mass market:</b>				
<i>Average number of table games</i>	204	245	(41)	(16.7)
<i>Table drop</i>	\$1,136,896	\$1,210,100	\$(73,204)	(6.0)
<i>Table games win</i>	\$212,905	\$247,500	\$ (34,595)	(14.0)
<i>Table games win %</i>	18.7%	20.5%	(1.8)	
<i>Table games win per unit per day</i>	\$11,604	\$11,092	\$512	4.6
<i>Average number of slot machines</i>	886	781	105	13.4
<i>Slot machine handle</i>	\$856,683	\$1,096,337	\$(239,654)	(21.9)
<i>Slot machine win</i>	\$38,554	\$50,440	\$(11,886)	(23.6)
<i>Slot machine win per unit per day</i>	\$484	\$710	\$(226)	(31.8)

	<i>Three Months Ended</i>		<i>Increase/ (Decrease)</i>	<i>Percent Change</i>
	<i>March 31,</i>			
	<i>2017</i>	<i>2016</i>		
<i>Wynn Palace<sup>(1)</sup>:</i>				
<i>Total casino revenues</i>	\$429,971	\$—	\$429,971	—
<b>VIP:</b>				
<i>Average number of table games</i>	91	—	91	—
<i>VIP turnover</i>	\$11,041,682	\$—	\$11,041,682	—
<i>Table games win</i>	\$334,742	\$—	\$334,742	—
<i>VIP win as a % of turnover</i>	3.03%	—%	3.03	—
<i>Table games win per unit per day</i>	\$40,797	\$—	\$40,797	—
<b>Mass market:</b>				
<i>Average number of table games</i>	211	—	211	—
<i>Table drop</i>	\$770,018	\$—	\$770,018	—
<i>Table games win</i>	\$167,627	\$—	\$167,627	—
<i>Table games win %</i>	21.8%	—%	21.8	—
<i>Table games win per unit per day</i>	\$8,840	\$—	\$8,840	—
<i>Average number of slot machines</i>	997	—	997	—
<i>Slot machine handle</i>	\$657,579	\$—	\$657,579	—
<i>Slot machine win</i>	\$33,933	\$—	\$33,933	—
<i>Slot machine win per unit per day</i>	\$378	\$—	\$378	—

(1) Wynn Palace opened on August 22, 2016.

#### *Non-casino revenues*

*Non-casino revenues increased 22.5%, or \$59.5 million, to \$324.5 million for the three months ended March 31, 2017, from \$264.9 million for the same period of 2016, primarily due to non-casino revenues of \$45.8 million from Wynn Palace and an increase of \$18.1 million from our Las Vegas Operations, partially offset by a decrease of \$4.4 million from Wynn Macau.*

*Room revenues increased 32.9%, or \$44.7 million, to \$180.3 million for the three months ended March 31, 2017, from \$135.6 million for the same period of 2016, primarily due to \$39.8 million from Wynn Palace and an increase of \$9.8 million from our Las Vegas Operations, partially offset by a decrease of \$4.9 million from Wynn Macau. The increase experienced by our Las Vegas Operations was driven by an ADR increase of 5.7% and a 3.8 percentage point increase in occupancy while the decrease from Wynn Macau was a result of an ADR decline of 18.2%.*

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

	<b>Three Months Ended</b>		<b>Percent</b>
	<b>March 31,</b>		
	<b>2017</b>	<b>2016</b>	<b>Change<sup>(1)</sup></b>
<b>Macau Operations:</b>			
<i>Wynn Macau:</i>			
<i>Total room revenues</i>			
<i>(dollars in thousands)</i>	\$25,536	\$30,453	(16.1)
<i>Occupancy</i>	95.7%	94.8%	0.9
<i>ADR</i>	\$265	\$324	(18.2)
<i>REVPAR</i>	\$254	\$307	(17.3)
<i>Wynn Palace<sup>(2)</sup>:</i>			
<i>Total room revenues</i>			
<i>(dollars in thousands)</i>	\$39,768	\$—	—
<i>Occupancy</i>	95.6%	—%	—
<i>ADR</i>	\$258	\$—	—
<i>REVPAR</i>	\$246	\$—	—

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

(2) Wynn Palace opened on August 22, 2016.

Food and beverage revenues increased 17.2%, or \$22.4 million, to \$152.8 million for the three months ended March 31, 2017, from \$130.4 million for the same period of 2016, primarily due to \$20.2 million from Wynn Palace and an increase of \$6.5 million from our Las Vegas Operations, partially offset by a decrease of \$4.3 million from Wynn Macau. Our Las Vegas Operations increased primarily due to one of our nightclubs being closed for re-branding during the three months ended March 31, 2016 and the decrease from Wynn Macau was mainly from a decline in revenues at our restaurants.

Entertainment, retail and other revenues increased 25.5%, or \$20.9 million, to \$102.9 million for the three months ended March 31, 2017, from \$82.0 million for the same period of 2016. The increase was primarily due to \$25.7 million from Wynn Palace, partially offset by decreases of \$2.7 million and \$2.1 million from Wynn Macau and our Las Vegas Operations, respectively.

Promotional allowances increased 34.3%, or \$28.5 million, to \$111.6 million for the three months ended March 31, 2017, from \$83.1 million for the same period of 2016. The increase was primarily due to \$39.8 million from Wynn Palace, partially offset by decreases of \$7.5 million from Wynn Macau and \$3.9 million from Wynn Las Vegas. The decrease from Wynn Macau was due to less complimentary from business volume declines in casino operations and the decrease from Las Vegas Operations was primarily a result of a higher mix of cash paying guests in our rooms and food and beverage outlets.

## *Operating expenses*

*Operating expenses increased 46.0%, or \$386.4 million, to \$1.23 billion for the three months ended March 31, 2017, from \$839.4 million for the same period of 2016, primarily due to increases in casino expenses of \$287.7 million, depreciation and amortization of \$61.8 million and general and administrative expenses of \$42.5 million, all mainly related to the opening of Wynn Palace.*

*Casino expenses increased 63.6%, or \$287.7 million, to \$740.2 million for the three months ended March 31, 2017, from \$452.5 million for the same period of 2016, primarily due to \$299.9 million from Wynn Palace, partially offset by decreases in the cost of providing complimentary and other casino expenses at Wynn Macau and Wynn Las Vegas.*

*Room expenses increased 18.0%, or \$6.8 million, to \$44.5 million for the three months ended March 31, 2017, from \$37.7 million for the same period of 2016. The increase was primarily due to \$4.0 million from Wynn Palace and an increase of \$2.6 million from our Las Vegas Operations.*

*Entertainment, retail, and other expenses increased 12.8%, or 4.9 million, to \$43.2 million for the three months ended March 31, 2017, from \$38.3 million for the same period of 2016, primarily related to Wynn Palace.*

*General and administrative expenses increased 36.2%, or \$42.5 million, to \$160.0 million for the three months ended March 31, 2017, from \$117.4 million for the same period of 2016, primarily related to Wynn Palace.*

*During the three months ended March 31, 2016, we incurred pre-opening expenses of \$26.3 million related to Wynn Palace, \$6.8 million related to Wynn Boston Harbor and \$0.7 million at our Las Vegas Operations.*

*Depreciation and amortization increased 79.3%, or \$61.8 million, to \$139.8 million for the three months ended March 31, 2017, from \$78.0 million for the same period of 2016. The increase was primarily due to the opening of Wynn Palace with the associated building and furniture, fixtures and equipment being placed in service.*

## *Interest expense, net of amounts capitalized*

*Capitalized interest decreased \$45.9 million for the three months ended March 31, 2017, compared to the same period of 2016, primarily due to a \$25.6 million out-of-period adjustment recorded in the first quarter of 2016 and the completion of Wynn Palace construction activities in August 2016.*

## *Other non-operating income and expenses*

*We incurred losses of \$6.1 million and \$0.5 million for the three months ended March 31, 2017 and 2016, respectively, from foreign currency remeasurements. The increased losses were primarily due to the impact of the exchange rate fluctuation in the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities.*

## *Net income attributable to noncontrolling interests*

*Net income attributable to noncontrolling interests was \$31.7 million for the three months ended March 31, 2017, compared to \$30.6 million for the same period of 2016. These amounts were primarily related to the noncontrolling interests' share of net income from WML.*

## ***Adjusted Property EBITDA***

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

*The following table summarizes Adjusted Property EBITDA (in thousands) for our Macau and Las Vegas Operations as reviewed by management and summarized in Item 1 — “Notes to Condensed Consolidated Financial Statements,” Note 14 “Segment Information.” That footnote also presents a reconciliation of Adjusted Property EBITDA to net income attributable to Wynn Resorts, Limited.*

	<b><i>Three Months Ended</i></b>	
	<b><i>March 31,</i></b>	
	<b><i>2017</i></b>	<b><i>2016</i></b>
<i>Wynn Macau</i>	<i>\$181,106</i>	<i>\$191,245</i>
<i>Wynn Palace</i>	<i>\$111,856</i>	<i>\$—</i>

*Adjusted Property EBITDA at Wynn Macau decreased 5.3% for the three months ended March 31, 2017 compared to the same period of 2016, primarily due to casino revenue performance driven by year-over-year declines in business volumes, partially offset by an increase in VIP win as a percentage of turnover.*

*Adjusted Property EBITDA at Wynn Palace was \$111.9 million for the three months ended March 31, 2017. Although the ramp up of Wynn Palace continues to be impacted by construction surrounding the property, Adjusted Property EBITDA increased by 44.4%, from \$77.5 million for the three months ended December 31, 2016 (the first full quarter of operations) to \$111.9 million for the three months ended March 31, 2017.*

## ***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 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 flows 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 receivable.*

*Net cash provided by operations for the three months ended March 31, 2017 was \$414.6 million, compared to \$115.4 million for the same period of 2016. The increase was primarily due to the operations of Wynn Palace and the change in ordinary working capital accounts.*

### ***Investing Activities***

*Net cash used in investing activities for the three months ended March 31, 2017 was \$122.5 million, compared to \$272.7 million for the same period of 2016 and was primarily attributable to capital expenditures, net of construction payables and retention. Capital expenditures, net of construction payables and retention, of \$145.6 million for the three months ended March 31, 2017, were primarily for Wynn Boston Harbor and capital expenditures, net of construction payables and retention, of \$273.2 million for the three months ended March 31, 2016, were primarily for Wynn Palace.*

### ***Financing Activities***

*Net cash used in financing activities for the three months ended March 31, 2017 was \$201.0 million, compared to net cash provided by financing activities of \$184.8 million for the same the period of 2016. During the three months ended March 31, 2017, we used cash of \$51.3 million for the payment of dividends and \$331.2 million for the repayment of borrowings under our Wynn Macau Credit Facilities (defined below) and WML Finance Credit Facility (defined below). These uses of cash were partially offset by \$189.9 million of cash released from restriction as collateral associated with our WML Finance Credit Facility. During the three months ended March 31, 2016, our net cash provided by financing activities was mainly due to borrowings of \$250.7 million under the Wynn Macau Credit Facilities and WA Senior Term Loan Facility I (defined below), partially offset by dividends paid of \$50.6 million.*

### ***Capital Resources***

*As of March 31, 2017, we had \$2.54 billion of cash and cash equivalents and \$297.8 million of available-for-sale investments in domestic and foreign debt securities and commercial paper. Of these amounts, WML and its subsidiaries (of which we own approximately 72%) held \$344.7 million in cash.*

*The Wynn Macau credit facilities consist of a \$2.30 billion equivalent fully funded senior secured term loan facility and a \$750 million equivalent senior secured revolving credit facility (the “Wynn Macau Credit Facilities”). Borrowings under the Wynn Macau Credit Facilities consist of both United States dollar and Hong Kong dollar tranches and were used to refinance Wynn Resorts (Macau) S.A.’s (“Wynn Macau SA”) existing indebtedness and fund the construction and development of Wynn Palace and will be used for general corporate purposes. As of March 31, 2017, we had \$549.7 million of available borrowing capacity under the senior secured revolving credit facility.*

*The WML Finance I, Limited credit facility consists of a HK\$3.87 billion (approximately \$498.1 million) cash-collateralized revolving credit facility (“WML Finance Credit Facility”). Borrowings under the WML Finance Credit Facility are in Hong Kong dollars and are used for working capital requirements and general corporate purposes. As of March 31, 2017, we had no borrowings under the WML Finance Credit Facility.*

#### *Other Factors Affecting Liquidity*

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

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

*Legal proceedings in which we are involved also may impact our liquidity. No assurance can be provided as to the outcome of such proceedings.*

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

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

#### ***Interest Rate Risks***

##### *Interest Rate Swap Information*

*We currently have three interest rate swap agreements intended to hedge a portion of the underlying interest rate risk on borrowings under our Wynn Macau Credit Facilities. Under two of the swap agreements, we pay a fixed interest rate (excluding the applicable interest margin) of 0.73% on notional amounts corresponding to borrowings of HK\$3.95 billion (approximately \$508.3 million) 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 2.23% to 2.98% and mature in July 2017.*

*Under the third swap agreement, we pay a fixed interest rate (excluding the applicable interest margin) of 0.68% on notional amounts corresponding to borrowings of \$243.8 million 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 2.18% to 2.93% and matures in July 2017.*

*As of March 31, 2017, interest rate swaps of \$0.4 million were included in prepaid expenses and other and \$0.1 million was included in other accrued expenses. As of December 31, 2016, interest rate swaps of \$1.1 million were included in prepaid expenses and other in the accompanying Condensed Consolidated Balance Sheet.*

### *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.*

*We manage exposure to foreign currency risks associated with certain of our future scheduled interest payments through the use of foreign currency forward contracts. These contracts involve the exchange of one currency for a second currency at a future date and are with a counter-party, which is a major international financial institution.*

*We expect most of the revenues and expenses for any casino that we operate in Macau will be in Hong Kong dollars or Macau patacas. For any U.S. dollar-denominated debt or other obligations incurred by our Macau-related entities, fluctuations in the exchange rates of the Macau pataca or the Hong Kong dollar, in relation to the U.S. dollar, could have adverse effects on our results of operations, financial condition and ability to service debt. Based on our balances as of March 31, 2017, an assumed 1% change in the U.S. dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of \$28.0 million.*

## **Part II. OTHER INFORMATION**

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

#### *CCAC Information Request*

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

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

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

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

Hong Kong, 4 May 2017

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