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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

ANNUAL REPORT FOR THE FISCAL YEAR 2016 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 24 February 2017 (6:07 a.m., Las Vegas time), released its Annual Report for the fiscal year 2016.

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 27 January 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 fourth quarter and year end of the fiscal year 2016. 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 24 February 2017, 6:07 a.m., Las Vegas time, released its audited Annual Report for the fiscal year 2016 (“**WRL Annual Report**”). If you wish to review the WRL Annual 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/1174922/000117492217000027/0001174922-17-000027-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 (“**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 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 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 fourth quarter and year end of the fiscal year 2016 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 ended 31 December 2016 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), some of which may constitute material inside information of the Company:

“Item 1. Business

Our Resorts

Macau Operations

We opened Wynn Macau on September 6, 2006, Encore, an expansion of Wynn Macau, on April 21, 2010, and Wynn Palace on August 22, 2016. We refer to Wynn Macau and Wynn Palace as our “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 February 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 957 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 space;*
- Approximately 31,000 square feet of meeting and convention space;*
- Recreation and leisure facilities, including two health clubs, spas, a salon and a pool; and*
- A rotunda show featuring a Chinese zodiac-inspired ceiling along with gold “prosperity tree” and “dragon of fortune” attractions.*

Wynn Palace features the following as of February 15, 2017:

- Approximately 420,000 square feet of casino space, offering 24-hour gaming and a full range of games with 304 table games and 996 slot machines, 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 space;*
- 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.

Our Strategy

Our integrated resorts are conceptualized, designed, built and operated in major metropolitan markets to service all customers with an emphasis on providing superior levels of premium customer service. In Las Vegas and Macau, we have been successful in attracting not only a wide range of domestic guests, but also extending our customer market areas into international markets. We leverage our international marketing team across branch offices located in five countries (Hong Kong SAR, Singapore, Japan, Taiwan and Canada) to attract international customers.

Reflecting our commitment to customer service globally, the Company has received the following recognition:

- *Collectively, Wynn Resorts earned more Five-Star awards than any other independent hotel company in the world in the official 2017 Forbes Travel Guide Star Rating list.*
- *Wynn Macau continues to be the only resort in the world with eight Forbes Travel Guide Five-Star awards.*

Market and Competition

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

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 on the conduct of gaming operations by conducting a competitive process that resulted in the issuance of gaming concessions to three concessionaires (including Wynn Resorts (Macau) S.A., (“Wynn Macau SA”)) 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 and subconcessionaires. In addition to Wynn Macau SA, each of Sociedade de Jogos de Macau

(“SJM”) and Galaxy Entertainment Group Limited are primary concessionaires with Sands China Ltd., Melco Crown and MGM China Holdings Limited operating under subconcessions. There is no limit to the number of casinos each concessionaire or subconcessionaire is permitted to operate, but each facility is subject to government approval. Currently, there are 38 casinos operating in Macau.

We believe that the Macau region hosts one of the world’s largest concentrations of potential gaming customers. Since the introduction of new casinos starting in 2004, the Macau market has experienced a significant increase in annual gaming revenue and has become the largest gaming market in the world. According to Macau Statistical Information, annual gaming revenues have grown from \$2.9 billion in 2002 to \$27.9 billion in 2016.

Macau’s gaming market is primarily dependent on tourists. Gaming customers traveling to Macau typically come from nearby destinations in Asia. According to the Macau Statistics and Census Service Monthly Bulletin of Statistics, approximately 90% of the tourists who visited Macau in 2016 came from Hong Kong, mainland China or Taiwan. Travel to Macau by citizens of mainland China requires a visa.

In 2014, the Macau gaming market experienced its first year-over-year decline in annual gaming revenues since its liberalization in 2002, influenced by a downward trend in tourist arrivals. Government statistics show a slight increase in tourist arrivals in 2016 over 2015 of 0.8%, to 31.0 million tourists in 2016. Despite the slight increase in tourist arrivals in Macau, the decline in tourists’ gaming activities has contributed to a further reduction in annual gaming revenues in Macau during 2016, as compared to 2015.

The Macau market has experienced tremendous growth in capacity since the opening of Wynn Macau in 2006. As of December 31, 2016, there were 36,300 hotel rooms, 6,287 table games and 13,826 slot machines in Macau, compared to 12,978 hotel rooms, 2,762 table games and 6,546 slot machines as of December 31, 2006. During 2016, we contributed to the new capacity in the market, with the opening of Wynn Palace in the Cotai area. Several of the current concessionaires and subconcessionaires also opened additional facilities during 2016 in the Cotai area or will open additional facilities during 2017 and 2018, which will further increase other gaming and non-gaming offerings in the Macau market.

Our Macau Operations face competition primarily from the 36 other casinos located throughout Macau in addition to casinos located throughout the world, including Singapore, Philippines, Malaysia, Australia, Las Vegas, cruise ships in Asia that offer gaming, and other casinos throughout Asia. If current efforts to legalize gaming in other Asian countries, such as Japan, are successful, our Macau Operations will face additional competition.

Employees

As of December 31, 2016, we had approximately 24,600 employees (including approximately 12,600 in Macau and 12,000 in the United States).

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 our Macau Operations come from mainland China. Continued economic disruption, contraction and uncertainty in China could further impact the number of patrons visiting our Macau Operations 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 influenced 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, certain types of guidelines on cash withdrawals, which has disrupted, and may impact, the number of visitors and the amount of money they bring from mainland China to Macau. The overall effect of the campaign and monetary transfer restrictions may impact visitation and may continue to negatively affect our revenues and results of operations.

Risks Associated with our Macau Operations

The Macau government has established a maximum number of gaming tables that can be operated in Macau and has limited the number of new gaming tables at new gaming areas in Macau.

Prior to the opening of Wynn Palace, the DICJ 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 transfer table games between Wynn Macau and Wynn Palace, subject to the aggregate cap, to optimize our casino operations. As of February 15, 2017, we had a total of 303 table games at Wynn Macau and 304 at Wynn Palace.

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 additional smoking control legislation, which prohibited 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. Prior public announcements by the Macau government indicated that the Macau

government intended to pursue a full smoking ban within all Macau casinos, but in February 2017, Macau's Health Bureau proposed not pursuing a full ban and permitting casinos to have smoking lounges constructed in accordance with certain stringent technical standards still to be determined. 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.

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

We may lose the clientele of our gaming promoters, who generate a significant portion of our gaming revenue. There is intense competition among casino operators in Macau for services provided by gaming promoters, which has intensified as additional casinos open in Macau. If we are unable to maintain, or develop additional, successful relationships with reputable gaming promoters, or lose a significant number of our gaming 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 gaming promoters are unable to develop or maintain relationships with our VIP customers, our ability to maintain or grow our gaming revenues will be hampered.

The financial resources of our gaming promoters may be insufficient to allow them to continue doing business in Macau which could adversely affect our business and financial condition. Our gaming promoters may experience difficulty in attracting patrons.

Given present market conditions in Macau and certain economic and other factors occurring in the region, gaming promoters are encountering difficulties in attracting patrons to come to Macau. Further, gaming promoters are experiencing decreased liquidity, limiting their

ability to grant credit to their patrons, resulting in decreased gaming volume in Macau and at our Macau Operations. Credit already extended by our gaming promoters to their patrons has become difficult for them to collect. The inability to attract sufficient patrons, grant credit and collect amounts due in a timely manner are negatively affecting our gaming promoters' operations, causing gaming promoters to wind up or liquidate their operations or resulting in some of our gaming promoters leaving Macau. Current and any future difficulties could have an adverse impact on our results of operations.

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

Certain gaming promoters have significant leverage and bargaining strength in negotiating operational agreements with casino operators. This leverage could result in gaming 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 gaming promoters. If we need to increase our commission rates or otherwise change our practices with respect to gaming promoters due to competitive forces, our results of operations could be adversely affected.

Failure by the gaming 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 gaming 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 gaming promoters' compliance with these high standards of probity and integrity, and our gaming 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 gaming promoter whose probity is in doubt, this may be considered by regulators or investors to reflect negatively on our own probity. If our gaming 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 gaming promoters violate the Macau gaming laws while on our premises, the Macau government may, in its discretion, take enforcement action against us, the gaming promoter, or each concurrently, and we may be sanctioned and our reputation could be harmed.

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. Please see Item 8 — “Financial Statements and Supplementary Data,” Note 17 “Commitments and Contingencies — Litigation” in this Annual Report on Form 10-K, which is incorporated herein by reference. For additional information, please see Item 8 — “Financial Statements and Supplementary Data” as well as Item 1A — “Risk Factors” in this Annual Report on Form 10-K.

CCAC Information Request

In July 2014, Wynn Macau SA 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.

Item 6. Selected Financial Data

December 31,				
2016⁽¹⁾	2015	2014	2013	2012⁽²⁾
<i>(in thousands, except per share amounts)</i>				

Consolidated Balance

Sheets Data:

Total assets ⁽³⁾	11,953,557	10,459,159	9,001,919	8,332,133	7,234,832
Total long-term obligations ⁽³⁾⁽⁴⁾	10,248,676	9,327,143	7,482,510	6,748,283	6,002,701

(1) On August 22, 2016, we opened Wynn Palace.

(3) For fiscal years 2015 and prior, the total assets and total long-term obligations have been reclassified to conform to the presentation from the retrospective application of deferred financing costs accounting guidance we adopted on January 1, 2016. See Item 8 — “Financial Statements and Supplementary Data,” Note 2 “Summary of Significant Accounting Policies — Recently Issued and Adopted Accounting Standards.”

(4) Includes long-term debt, long-term portion of the contract premium payments under our land concession contract at Wynn Macau, other long-term liabilities and deferred income taxes, net.

Item 7. 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 Macau, we own approximately 72% of WML and we operate the Wynn Macau and Wynn Palace resorts, which we refer to as our Macau Operations.

Macau Operations

Wynn Macau features two luxury hotel towers with a total of 1,008 guest rooms and suites, approximately 284,000 square feet of casino space, eight food and beverage outlets, approximately 31,000 square feet of meeting and convention space, approximately 57,000 square feet of retail space, a rotunda show and recreation and leisure facilities.

On August 22, 2016, we opened Wynn Palace, an integrated resort in the Cotai area of Macau. Wynn Palace features a luxury hotel tower with 1,706 guest rooms, suites and villas, approximately 420,000 square feet of casino space, 10 food and beverage outlets, approximately 40,000 square feet of meeting and convention space, approximately 105,000 square feet of retail space, public attractions, including a performance lake and floral art displays, and recreation and leisure facilities.

Results of Operations

Financial results for the year ended December 31, 2016 compared to the year ended December 31, 2015.

Net revenues

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

	<u>Years Ended December 31,</u>		<u>Percent Change</u>
	<u>2016</u>	<u>2015</u>	
Net revenues			
<i>Macau Operations:</i>			
Wynn Macau	\$2,264,087	\$2,463,092	(8.1)
Wynn Palace ⁽¹⁾	583,336	—	—
	<u>2,847,423</u>	<u>2,463,092</u>	15.6

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

Net revenues increased 9.6%, or \$390.4 million, for the year ended December 31, 2016, compared to the same period of 2015. The increase was primarily due to \$583.3 million from Wynn Palace and an increase of \$6.1 million from our Las Vegas Operations, partially offset by a decrease of \$199.0 million from Wynn Macau.

Casino revenues

Casino revenues increased 11.4%, or \$335.7 million, for the year ended December 31, 2016, compared to the same period in 2015. The increase was primarily due to casino revenues of \$519.9 million from Wynn Palace, partially offset by a \$177.7 million decrease from Wynn Macau. The decline in casino revenues from Wynn Macau was driven by a decrease in business volumes from both our VIP and mass market operations, with decreases in VIP turnover of 18.8%, table drop of 5.6% and slot handle of 14.5%. The business volume decrease for Wynn Macau was primarily driven by the continued impact from the current economic and political conditions in Macau and China, as well as impact from recent resort openings in the Cotai area of Macau, including Wynn Palace. We experienced a VIP win as a percentage of turnover of 3.29% for the year ended December 31, 2016, compared to 2.87% for the same period of 2015, which partially offset the business volume decrease in our VIP operations.

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 transfer table games between Wynn Macau and Wynn Palace, subject to the aggregate cap, to optimize our casino operations. As of February 15, 2017, we had a total of 303 table games at Wynn Macau and 304 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).

	<u>Years Ended December 31,</u>		<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
	<u>2016</u>	<u>2015</u>		
Macau Operations:				
Wynn Macau:				
Total casino revenues	\$2,135,193	\$2,312,925	\$(177,732)	(7.7)
VIP:				
Average number of table games	149	230	(81)	(35.2)
VIP turnover	\$47,048,754	\$57,917,060	\$(10,868,306)	(18.8)
Table games win	\$1,547,261	\$1,659,683	\$(112,422)	(6.8)
VIP win as a % of turnover	3.29%	2.87%	0.42	
Table games win per unit per day	\$28,332	\$19,785	\$8,547	43.2
Mass market:				
Average number of table games	216	228	(12)	(5.3)
Table drop	\$4,585,476	\$4,857,804	\$(272,328)	(5.6)
Table games win	\$881,797	\$951,458	\$(69,661)	(7.3)
Table games win %	19.2%	19.6%	(0.4)	

	<u>Years Ended December 31,</u>		<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
	<u>2016</u>	<u>2015</u>		
<i>Table games win per unit per day</i>	\$11,131	\$11,431	\$(300)	(2.6)
<i>Average number of slot machines</i>	802	708	94	13.3
<i>Slot machine handle</i>	\$3,386,973	\$3,961,115	\$(574,142)	(14.5)
<i>Slot machine win</i>	\$145,680	\$191,164	\$(45,484)	(23.8)
<i>Slot machine win per unit per day</i>	\$497	\$740	\$(243)	(32.8)
<i>Wynn Palace⁽¹⁾:</i>				
<i>Total casino revenues</i>	\$519,877	\$—	\$519,877	—
<i>VIP:</i>				
<i>Average number of table games</i>	81	—	81	—
<i>VIP turnover</i>	\$14,480,023	\$—	\$14,480,023	—
<i>Table games win</i>	\$396,954	\$—	\$396,954	—
<i>VIP win as a % of turnover</i>	2.74%	—%	2.74	—
<i>Table games win per unit per day</i>	\$37,009	\$—	\$37,009	—
<i>Mass market:</i>				
<i>Average number of table games</i>	245	—	245	—
<i>Table drop</i>	\$1,000,881	\$—	\$1,000,881	—
<i>Table games win</i>	\$211,146	\$—	\$211,146	—
<i>Table games win %</i>	21.1%	—%	21.1	—
<i>Table games win per unit per day</i>	\$6,527	\$—	\$6,527	—
<i>Average number of slot machines</i>	962	—	962	—
<i>Slot machine handle</i>	\$738,907	\$—	\$738,907	—
<i>Slot machine win</i>	\$40,664	\$—	\$40,664	—
<i>Slot machine win per unit per day</i>	\$320	\$—	\$320	—

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

Non-casino revenues

Non-casino revenues increased 4.8%, or \$54.7 million, to \$1.20 billion for the year ended December 31, 2016, from \$1.14 billion for the same period of 2015, primarily due to the opening of Wynn Palace during the third quarter of 2016 and an increase of 5.7% in room revenues from our Las Vegas Operations, partially offset by a 14.4% decline in non-casino revenues at Wynn Macau.

Room revenues increased 12.0%, or \$64.8 million, to \$603.3 million for the year ended December 31, 2016, from \$538.5 million in the same period of 2015, primarily attributable to \$54.8 million from Wynn Palace and an increase of \$23.5 million from our Las Vegas Operations, partially offset by a decrease of \$13.5 million from Wynn Macau. The increase experienced by our Las Vegas Operations was driven by an ADR increase of 3.9% while the decrease from Wynn Macau was a result of an ADR decline of 9.3% and a 2.1 percentage point decrease in occupancy.

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

	<u>Years Ended December 31,</u>		<u>Percent Change⁽¹⁾</u>
	<u>2016</u>	<u>2015</u>	
Macau Operations:			
Wynn Macau:			
Total room revenues (dollars in thousands)	\$111,817	\$125,348	(10.8)
Occupancy	94.4%	96.5%	(2.1)
ADR	\$293	\$323	(9.3)
REVPAR	\$277	\$312	(11.2)
Wynn Palace ⁽²⁾ :			
Total room revenues (dollars in thousands)	\$54,843	\$—	—
Occupancy	83.2%	—%	—
ADR	\$276	\$—	—
REVPAR	\$230	\$—	—

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

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

Food and beverage revenues increased slightly by 0.7%, or \$4.4 million, to \$601.5 million for the year ended December 31, 2016, from \$597.1 million for the same period of 2015, primarily due to \$27.1 million from Wynn Palace, partially offset by decreases of \$12.0 million and \$10.7 million from our Las Vegas Operations and Wynn Macau, respectively. Our Las Vegas Operations decreased primarily due to a decline in revenues at our nightclubs and the decrease from Wynn Macau was mainly from a decline in revenues at our restaurants.

Entertainment, retail and other increased 3.7%, or \$12.8 million, to \$363.4 million for the year ended December 31, 2016, from \$350.6 million for the same period of 2015. The increase was primarily due to \$38.0 million from Wynn Palace, partially offset by a \$19.3 million decrease in revenue from retail shops at Wynn Macau.

Operating costs and expenses

Operating costs and expenses increased 15.4%, or \$527.6 million, to \$3.94 billion for the year ended December 31, 2016, from \$3.42 billion for the same period of 2015, driven primarily by increases in casino expenses of \$217.1 million, general and administrative expenses of \$83.3 million, depreciation and amortization of \$82.1 million and pre-opening costs of \$77.1 million, all mainly due to the opening of Wynn Palace.

Room expenses increased 6.0%, or \$8.9 million, to \$157.9 million for the year ended December 31, 2016, from \$149.0 million for the same period of 2015. The increase was primarily due to \$16.4 million from Wynn Palace and a \$4.3 million increase from our Las Vegas Operations, partially offset by an \$11.6 million decrease from Wynn Macau.

Food and beverage expenses increased 3.9%, or \$14.0 million, to \$375.2 million for the year ended December 31, 2016, from \$361.2 million for the same period of 2015, primarily related to Wynn Palace.

Entertainment, retail and other expenses increased 2.4%, or \$3.7 million, to \$161.1 million for the year ended December 31, 2016, from \$157.4 million for the same period of 2015. The increase was primarily due to \$8.9 million from Wynn Palace, partially offset by a decrease of \$4.8 million from Wynn Macau.

General and administrative expenses increased 17.9%, or \$83.3 million, to \$548.1 million for the year ended December 31, 2016, from \$464.8 million for the same period of 2015. The increase was primarily due to \$73.9 million from Wynn Palace, as well as increases in general and administrative expenses from our Las Vegas Operations and corporate related expenses.

Provision for doubtful accounts decreased \$2.9 million, or 26.2%, to \$8.2 million for the year ended December 31, 2016, from \$11.1 million for the same period of 2015. The change in the provision was primarily due to increased collections of casino accounts receivable at Wynn Macau.

Pre-opening costs were \$154.7 million for the year ended December 31, 2016, compared to \$77.6 million for the same period of 2015. During the year ended December 31, 2016, we incurred \$129.8 million related to Wynn Palace, \$22.7 million related to Wynn Boston Harbor, and \$2.3 million related to our Las Vegas Operations. During the year ended December 31, 2015 we incurred pre-opening costs of \$55.1 million and \$22.6 million related to Wynn Palace and Wynn Boston Harbor, respectively.

Depreciation and amortization increased 25.4%, or \$82.1 million, to \$404.7 million for the year ended December 31, 2016, from \$322.6 million for the same period of 2015. The increase was attributable to \$105.9 million from Wynn Palace, primarily from the opening and associated building and furniture, fixtures and equipment placed in service, partially offset by a decrease of \$14.1 million at Wynn Macau. The majority of the Wynn Macau decrease was due to a change in estimated useful lives of buildings and improvements, which was effective September 1, 2015, to more accurately reflect the estimated periods during which these assets are expected to remain in service.

Other non-operating income and expenses

In connection with the amendment of the Wynn Macau credit facilities, we expensed \$2.1 million of unamortized deferred financing costs. We incurred no loss on extinguishment of debt for the year ended December 31, 2016.

We incurred a gain of \$0.4 million and a loss of \$5.3 million from the change in the fair value of our interest rate swaps for the years ended December 31, 2016 and 2015, respectively.

Income Taxes

Wynn Macau SA has received a five-year exemption from the Macau Complementary Tax on casino gaming profits through December 31, 2020. For the years ended December 31, 2016 and 2015, we were exempt from the payment of \$27.3 million and \$41.6 million, respectively, in such taxes. 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 July 2011, Wynn Macau SA received an extension of its agreement with the Macau government that provides for an annual payment of 15.5 million Macau patacas (approximately \$1.9 million) as complementary tax due by shareholders on dividend distributions. This agreement on dividends was effective through December 31, 2015. In August 2016, Wynn Macau SA received an extension of the agreement for an additional five years applicable to tax years 2016 through 2020. The extension agreement provides for an annual payment of 12.8 million Macau patacas (approximately \$1.6 million).

In April 2016, the Financial Services Bureau commenced an examination of the 2011 and 2012 Macau income tax returns of Palo. In June 2016, the Financial Services Bureau concluded its examination with no changes.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests was \$60.5 million for the year ended December 31, 2016, compared to \$86.2 million for the year ended December 31, 2015. These amounts are 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. Adjusted Property EBITDA is net income before interest, taxes, depreciation and amortization, pre-opening costs, property charges and other, management and license fees, corporate expenses and other (including intercompany golf course and water rights leases), stock-based compensation, loss on extinguishment of debt, change in interest rate swap fair value, change in Redemption Note fair value 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, as well as a basis for determining certain incentive compensation. We also present Adjusted Property EBITDA because it is used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to 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 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. 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 attributable to Wynn Resorts, Limited.

	Years Ended December 31,		
	2016	2015	2014
Wynn Macau	\$681,509	\$708,623	\$1,258,082
Wynn Palace ⁽¹⁾	103,036	—	—

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

Adjusted Property EBITDA at Wynn Macau decreased year-over-year by 3.8% for the year ended December 31, 2016, primarily due to casino revenue performance driven by year-over-year declines in VIP turnover, table drop and slot machine handle.

Adjusted Property EBITDA at Wynn Palace was \$103.0 million since opening on August 22, 2016.

Liquidity and Capital Resources

Operating Activities

Net cash provided by operations for the year ended December 31, 2016 was \$970.5 million, compared to \$572.8 million for the same period of 2015. The increase was primarily due to the change in customer deposits and working capital accounts from our Macau Operations.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2016 was \$1.29 billion, which was primarily attributable to \$1.23 billion in capital expenditures, net of construction payables and retention. Capital expenditures, net of construction payables and retention, consisted primarily of \$838.3 million for Wynn Palace and \$212.2 million for Wynn Boston Harbor.

Capital Resources

As of December 31, 2016, we had approximately \$2.45 billion of cash and cash equivalents and \$301.5 million of available-for-sale investments in domestic and foreign debt securities and commercial paper. Cash and cash equivalents include cash on hand, cash in bank and fixed deposits, investments in money market funds, domestic and foreign bank time deposits and commercial paper, all with original maturities of less than 90 days. Of these amounts, WML and its subsidiaries (of which we own approximately 72%) held \$334.2 million in cash.

The Wynn Macau credit facilities consist of a \$2.30 billion equivalent fully funded senior secured term loan facility and a \$750.0 million equivalent senior secured revolving credit facility (together, 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 Macau SA’s existing indebtedness and fund the construction and development of Wynn Palace and will be used for general corporate purposes. As of December 31, 2016, we had \$409.2 million of available borrowing capacity under the senior secured revolving credit facility.

The WML Finance I, Limited credit facility consists of a HK\$1.55 billion (approximately \$199.7 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. On October 25, 2016, we amended the WML Finance Credit Facility to increase the principal amount up to HK\$3.87 billion (approximately \$499.0 million). As of December 31, 2016, the Company had \$309.4 million of available borrowing capacity under the WML Finance Credit Facility.

Macau Related Debt

Our Macau related debt consists of senior notes, the Wynn Macau Credit Facilities, and the WML Finance Credit Facility.

2021 Notes. On March 20, 2014, WML issued \$750.0 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 \$600.0 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”).

The 2021 Notes 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 semi-annually 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, we 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 \$50.0 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.

Wynn Macau Credit Facilities. On September 30, 2015, we amended our Wynn Macau Credit Facilities. The borrowing availability was increased to \$3.05 billion with the ability to upsize an additional \$1 billion in equivalent senior secured loans upon satisfaction of various conditions. The senior secured term loan facility is repayable in graduating installments of between 2.5% and 7.33% of the principal amount on a quarterly basis commencing December 2018, with a final installment of 50% of the principal amount repayable in September 2021 (extended from July 2018). Any outstanding borrowings from the senior secured revolving credit facility will mature in September 2020 (extended from July 2017) by which time any outstanding borrowings from the senior secured revolving credit facility must be repaid. The Wynn Macau Credit Facilities bear interest at LIBOR or HIBOR plus a margin of 1.50% to 2.25% per annum based on Wynn Macau SA's Leverage Ratio (as defined in the Wynn Macau Credit Facilities). The commitment fee required to be paid for unborrowed amounts under the senior secured revolving credit facility, if any, is between 0.52% to 0.79% per annum, based on Wynn Macau SA's Leverage Ratio. The annual commitment fee is payable quarterly in arrears and is calculated based on the daily average of the unborrowed amounts.

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's Leverage Ratio is greater than 4.5 to 1, then 25% of Excess Cash Flow (as defined in the Wynn Macau Credit Facilities) must be used for prepayment of indebtedness and cancellation of available borrowings under the Wynn Macau Credit Facilities. There is no mandatory prepayment in respect of Excess Cash Flow if Wynn Macau SA's Leverage Ratio is equal to or less than 4.5 to 1.

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 is required by the financial covenants to maintain a Leverage Ratio of not greater than 5.5 to 1 for the fiscal year ending December 31, 2016, and an Interest Coverage Ratio (as defined in the Wynn Macau Credit Facilities) of not less than 2.00 to 1 at any time.

Borrowings under the Wynn Macau Credit Facilities will continue to be guaranteed by Palo, 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 and Palo, and the equity interests in Wynn Macau SA. Borrowings under the Wynn Macau Credit Facilities are not guaranteed by the Company or WML.

In connection with the gaming concession contract of Wynn Macau SA, Wynn Macau SA entered into a Bank Guarantee Reimbursement Agreement with 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 and the payment of any gaming taxes. As of December 31, 2016, the guarantee was in the amount of MOP 300 million (approximately \$37.6 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 MOP 2.3 million (approximately \$0.3 million).

Borrowings under the WML Finance Credit Facility are in Hong Kong dollars and are used for working capital requirements and general corporate purposes. The WML Finance Credit Facility matures in July 2018, at which time any outstanding borrowings must be repaid. 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%. Under terms of the agreement, mandatory repayment is required upon a Change in Control or Material Adverse Effect, as defined in the agreement. The terms of the increased principal amount under the amendment are equivalent to the terms of the original credit agreement.

Critical Accounting Policies and Estimates

Allowance for Estimated Doubtful Accounts Receivable

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

	<i>December 31,</i>	
	<i>2016</i>	<i>2015</i>
<i>Casino accounts receivable</i>	<i>\$211,557</i>	<i>\$190,294</i>

As of December 31, 2016 and 2015, 49.2% and 38.7%, respectively, of our outstanding casino accounts receivable balance originated at our Macau Operations.

Derivative Financial Instruments

Derivative financial instruments, including interest rate swaps and foreign currency forward contracts, are used to manage interest rate and foreign currency exposures. 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.

We seek to manage our interest rate risk associated with variable-rate borrowings, through balancing fixed-rate and variable-rate borrowings with the use of interest rate swaps. We currently have three interest rate swap agreements that convert a portion of our variable rate borrowings under the Wynn Macau Senior Term Loan Facility to a fixed rate. Under the agreements, we pay a fixed interest rate on notional amounts corresponding to borrowings in exchange for receipts on the same amount at a variable interest rate based on the applicable LIBOR or HIBOR at the time of payment.

We measure the fair value of our interest rate swaps on a recurring basis. We categorize our interest rate swap contracts as Level 2 in the hierarchy as described above. The fair value approximates the amount we would receive (pay) 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 nonperformance valuation, considering our creditworthiness or the creditworthiness of our counterparties at each settlement date, as applicable.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risks

Interest Rate Swap Information

As of December 31, 2016, interest rate swaps of \$1.1 million were included in prepaid expenses and other in the accompanying Consolidated Balance Sheets. As of December 31, 2015, interest rate swaps of \$0.7 million were included in other assets and \$0.1 million were included in other long-term liabilities in the accompanying Consolidated Balance Sheets.

Foreign Currency Risks

The currency delineated in Wynn Macau SA's concession agreement with the government of Macau is the Macau pataca. The Macau pataca 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 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 December 31, 2016, an assumed 1% change in the US dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of approximately \$28.2 million.

Item 8. Financial Statements and Supplementary Data

WYNN RESORTS, LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 — Summary of Significant Accounting Policies

Restricted Cash

The Company's restricted cash consists of collateral associated with borrowings under a revolving credit facility and cash held in trust in accordance with the Company's majority owned subsidiary's share award plan.

Note 7 — Property and Equipment, net

As of December 31, 2015, construction in progress consisted primarily of costs capitalized, including interest, for the construction of Wynn Palace and Wynn Boston Harbor. On August 22, 2016, the Company opened Wynn Palace. Accordingly, amounts relating to Wynn Palace were transferred to the appropriate property and equipment categories.

Note 8 — Intangible Assets, net

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

	December 31,	
	2016	2015
<i>Finite-lived intangible assets:</i>		
<i>Macau Gaming Concession</i>	42,300	42,300
<i>Less: accumulated amortization</i>	(29,199)	(26,815)
	<u>13,101</u>	<u>15,485</u>

The Macau gaming concession is a finite-lived intangible asset that is 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 2017 through 2021, and \$1.2 million in 2022.

Note 9 — Long-Term Debt

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

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Macau Related:		
Wynn Macau Credit Facilities:		
Senior Term Loan Facility (as amended September 2015), due September 2021; interest at LIBOR or HIBOR plus 1.50%–2.25% (2.76% and 2.08% as of December 31, 2016 and 2015, respectively), net of debt issuance costs and original issue discount of \$28,091 and \$35,112 as of December 31, 2016 and 2015, respectively.	\$2,278,682	\$2,272,200
Senior Revolving Credit Facility (as amended September 2015), due September 2020; interest at LIBOR or HIBOR plus 1.50%–2.25% (2.75% and 2.07% as of December 31, 2016 and 2015, respectively)	340,846	431,172
5 1/4% Senior Notes, due October 15, 2021, net of debt issuance costs and original issue premium of \$6,709 and \$7,896 as of December 31, 2016 and 2015, respectively	1,343,291	1,342,104
WML Finance Revolving Credit Facility, due July 2018; interest at 1.50%	189,651	—

Macau Related Debt

WML Finance Revolving Credit Facility

On July 18, 2016, the Company entered into a HK\$1.55 billion (approximately \$199.7 million) cash-collateralized revolving credit facility (“WML Finance Credit Facility”) under which WML Finance I, Limited, an indirect subsidiary of WML, is the borrower. 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 December 31, 2016, the Company had \$309.4 million of available borrowing capacity under the WML Finance Credit Facility.

The WML Finance Credit Facility matures in July 2018, at which time any outstanding borrowings must be repaid. 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%. Under terms of the agreement, mandatory repayment is required upon a Change in Control or Material Adverse Effect, as defined in the agreement.

On October 25, 2016, the Company amended the WML Finance Credit Facility to increase the principal amount up to HK \$3.87 billion (approximately \$499.0 million). The terms of borrowing for the increased principal amount under the amendment are equivalent to the terms of the original credit agreement, including the requirement for cash collateral to be deposited and pledged with the lender, and interest borne at the same rate as described above.

Subsequent to December 31, 2016, the Company repaid the \$189.7 million outstanding borrowings under the WML Finance Credit Facility.

Note 10 — Derivative Financial Instruments

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 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 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 2.23% to 2.98%. 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 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 2.18% to 2.93%. This interest rate swap agreement matures in July 2017.

Note 14 — Benefit Plans

Defined contribution plans

During the years ended December 31, 2016, 2015 and 2014, the Company recorded matching contribution expenses of \$12.9 million, \$11.2 million and \$8.7 million, respectively.

Note 15 — Stock-Based Compensation

Wynn Macau, Limited

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

Share Option Plan

WML adopted a stock incentive plan, effective September 16, 2009, for the grant of stock options to purchase shares of WML to eligible directors and employees of its subsidiaries (the "Share Option Plan"). The Share Option Plan is administered by WML's Board of Directors, which has 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.

The summary of stock option activity under the plan for the year ended December 31, 2016 is presented below:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
Outstanding as of January 1, 2016	4,358,000	\$2.63		
Granted	1,932,000	\$1.49		
Exercised	<u>—</u>	\$—		
Outstanding as of December 31, 2016	<u>6,290,000</u>	\$2.28	7.3	\$—
Fully vested and expected to vest as of December 31, 2016	<u>6,290,000</u>	\$2.28	7.3	\$—
Exercisable as of December 31, 2016	<u>2,485,200</u>	\$2.60	5.4	\$—

The following is provided for stock options from the Share Option Plan (in thousands, except weighted average grant date fair value):

	<u>Years Ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Weighted average grant date fair value	<u>\$0.31</u>	<u>\$0.47</u>	<u>\$0.94</u>
Intrinsic value of stock options exercised	<u>\$—</u>	<u>\$—</u>	<u>\$1,134</u>
Cash received from the exercise of stock options	<u>\$—</u>	<u>\$—</u>	<u>\$773</u>

As of December 31, 2016, there was a total of \$1.4 million of unamortized compensation related to stock options, which is expected to be recognized over a weighted average period of 3.2 years.

Share Award Plan

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

The summary of nonvested share activity under the Share Award Plan for the year ended December 31, 2016 is presented below:

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Nonvested as of January 1, 2016	8,446,838	\$3.54
Granted	6,599,024	\$1.38
Vested	—	\$—
Forfeited	<u>(1,036,728)</u>	\$2.41
Nonvested as of December 31, 2016	<u><u>14,009,134</u></u>	\$2.61

The weighted average grant date fair value was \$1.38, \$1.95 and \$3.81 for nonvested shares awarded during the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, no shares have vested under the Share Award Plan.

Note 16 — Income Taxes

As a result of the shareholder dividend tax agreements, income tax expense includes \$1.6 million for the year ended December 31, 2016 and \$1.9 million for each of the years ended December 31, 2015 and 2014.

On December 31, 2016, the statute of limitations for the 2011 Macau Complementary tax return expired. As a result of the exam settlement and the expiration of the statute of limitations for the Macau Complementary Tax return, the total amount of unrecognized tax benefits decreased by \$3.7 million.

Note 17 — Commitments and Contingencies

Leases

The Company is the lessee under leases for office space, warehouse facilities, certain office equipment and various parcels of land, including the land that Wynn Macau and Wynn Palace are built on.

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.

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 the Company 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 the Company 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 18 — 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. Wynn Las Vegas and Encore, an expansion 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 resort as a reportable segment considering operations within each 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 the Company's Macau holding company.

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

	Years Ended December 31,		
	2016	2015	2014
Net revenues			
<i>Macau Operations:</i>			
Wynn Macau	\$2,264,087	\$2,463,092	\$3,796,750
Wynn Palace	583,336	—	—
	<u>2,847,423</u>	<u>2,463,092</u>	<u>3,796,750</u>
<i>Total Macau Operations</i>	<u>2,847,423</u>	<u>2,463,092</u>	<u>3,796,750</u>
Adjusted Property EBITDA⁽¹⁾			
<i>Macau Operations:</i>			
Wynn Macau	\$681,509	\$708,623	\$1,258,082
Wynn Palace	103,036	—	—
	<u>784,545</u>	<u>708,623</u>	<u>1,258,082</u>
<i>Total Macau Operations</i>	<u>784,545</u>	<u>708,623</u>	<u>1,258,082</u>

(1) "Adjusted Property EBITDA" is net income before interest, taxes, depreciation and amortization, pre-opening costs, property charges and other, management and license fees, corporate expenses and other (including intercompany golf course and water rights leases), stock-based compensation, loss on extinguishment of debt, change in interest rate swap fair value, change in Redemption Note fair value 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 U.S. 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.

	<i>Years ended December 31,</i>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Capital expenditures			
<i>Macau Operations:</i>			
Wynn Macau	\$43,548	\$68,744	\$92,566
Wynn Palace	838,271	1,566,090	982,389
<i>Total Macau Operations</i>	<u>881,819</u>	<u>1,634,834</u>	<u>1,074,955</u>
	December 31,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets			
<i>Macau Operations:</i>			
Wynn Macau	\$1,161,670	\$1,331,312	\$1,519,339
Wynn Palace	4,317,458	3,439,041	1,854,521
Other Macau	28,927	570,959	960,008
<i>Total Macau Operations</i>	<u>5,508,055</u>	<u>5,341,312</u>	<u>4,333,868</u>
	December 31,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Long-lived assets			
<i>Macau</i>	\$4,973,854	\$4,324,743	\$2,799,781

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, 24 February 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 (as non-executive director); and Allan Zeman, Nicholas Sallnow-Smith, Bruce Rockowitz and Jeffrey Kin-fung Lam (as independent non-executive directors).