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Wynn Macau, Limited
永利澳門有限公司*

(incorporated in the Cayman Islands with limited liability)

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

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019 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 9 May 2019 (2:23 p.m., Las Vegas time), released its unaudited results for the first quarter ended 31 March 2019.

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 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 10 May 2019 (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 2019. 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 9 May 2019, 2:23 p.m., Las Vegas time, released its quarterly report with unaudited financial results for the first quarter ended 31 March 2019 (“**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/1174922/000117492219000065/0001174922-19-000065-index.htm>. The WRL Quarterly Report contains segment financial information about Wynn Resorts, Limited’s Macau operations, which are owned by our Company. The WRL Quarterly Report is also available in the public domain.

The financial results of Wynn Resorts, Limited, including those contained in the WRL Quarterly Report, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“**U.S. GAAP**”), which are different from the International Financial Reporting Standards (“**IFRS**”) that we use to prepare and present our financial information. As such, the financial information in the WRL Quarterly Report is not directly comparable to the financial results our Company discloses. Consequently, we offer no indication or assurance that the financial results of our Group for the first quarter ended 31 March 2019 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 2019 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, 2019

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

Note 2 — Basis of Presentation and Significant Accounting Policies

Leases

Lessee Arrangements

The Company is the lessee under non-cancelable real estate and equipment leases. Beginning on January 1, 2019 (the date of the Company’s adoption of Topic 842, as defined and discussed further in “Recently Adopted Accounting Standards”), operating lease assets and liabilities are measured and recorded upon lease commencement at the present value of the future minimum lease payments. The Company combines lease and nonlease components in its determination of minimum lease payments, except for certain asset classes that have significant nonlease components. As the interest rate implicit in its leases is not readily determinable, the Company uses its incremental borrowing rate to determine the present value of lease payments. The Company does not record an asset or liability for operating leases with a term of less than one year. Variable lease costs generally arise from changes in an index, such as the consumer price index. Variable lease costs are expensed as incurred and are not included in the determination of lease assets or liabilities. Prior to the adoption of Topic 842 on January 1, 2019, the Company did not record an asset or liability for any of its operating leases.

Lessor Arrangements

The Company is the lessor under non-cancelable operating leases for retail and food and beverage outlet space at its integrated resorts, which represents approximately 99,000, 58,000, and 142,000 square feet of space at Wynn Palace, Wynn Macau, and Wynn Las Vegas, respectively. The lease arrangements generally include minimum base rent and contingent rental clauses based on a percentage of net sales. Generally, the terms of the leases range between five and 10 years. The Company records revenue on a straight-line basis over the term of the lease, and recognizes revenue for contingent rentals when the contingency has been resolved. The Company has elected to combine lease and nonlease components for the purpose of measuring lease revenue. Revenue is recorded in entertainment, retail and other revenue on the Condensed Consolidated Statements of Operations.

Recently Adopted Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, Leases (“Topic 842”), which requires recognition of lease assets and liabilities on the balance sheet and disclosure of additional information about leasing activities. The Company adopted this standard using a modified retrospective transition approach with an initial application date of January 1, 2019. As a result, prior periods were not retrospectively adjusted and are not comparable to current periods. The Company elected the practical expedient permitting lessees to carry forward historical lease classifications for existing arrangements. The following is a summary of the significant impacts on the Company’s balance sheet as of January 1, 2019:

- The Company recognized operating lease assets and liabilities of \$154.1 million, which represented the discounted future minimum lease payments of all existing leases on the initial application date.*
- The net carrying amount of a definite-lived intangible asset, which related to a leasehold interest in land and totaled \$88.1 million, was reclassified to operating lease assets.*
- Leasehold interests in land, net, which totaled \$206.9 million, were reclassified to operating lease assets from property and equipment, net.*
- Certain other initial direct cost assets, prepaid lease assets, and deferred rent accrued liabilities were reclassified to operating lease assets.*

As the Company elected to carry forward historical lease classifications, an arrangement concluded to contain a capital lease under the previous standard was deemed a finance lease under Topic 842, with no resultant change in accounting other than the reclassification of associated initial direct costs from other assets to property and equipment, net. There was no impact on the Company’s operating income, net income or cash flows as a result of adopting Topic 842.

Note 3 — Cash, Cash Equivalents and Restricted Cash

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Restricted cash ⁽³⁾	3,902	4,322

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

Note 6 — Long-Term Debt

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Macau Related:		
Wynn Macau Credit Facilities:		
Senior Term Loan Facility, due 2022 ⁽¹⁾	\$2,294,680	\$2,296,999
Senior Revolving Credit Facility, due 2022 ⁽²⁾	124,659	623,921
4 7/8% Senior Notes, due 2024	600,000	600,000
5 1/2% Senior Notes, due 2027	750,000	750,000

(1) Approximately \$1.3 billion and \$990 million of the Wynn Macau Senior Term Loan Facility bears interest at a rate of LIBOR plus 1.75% per year and HIBOR plus 1.75% per year, respectively. As of March 31, 2019, the weighted average interest rate was approximately 3.93%.

(2) Approximately \$71.3 million and \$53.4 million of the Wynn Macau Senior Revolving Credit Facility bears interest at a rate of LIBOR plus 1.75% per year and HIBOR plus 1.75% per year, respectively. As of March 31, 2019, the weighted average interest rate was approximately 3.93%, and the available borrowing capacity was \$622.3 million.

Note 9 — Revenue

Disaggregation of Revenues

The Company operates integrated resorts in Macau and Las Vegas and generates revenues at its properties by providing the following types of services and products: casino, rooms, food and beverage and entertainment, retail and other.

Revenues disaggregated by type of revenue and geographic location are as follows (in thousands):

Three months ended March 31, 2019	Macau Operations
Casino	\$1,073,417
Rooms	72,181
Food and beverage	49,600
Entertainment, retail and other ⁽¹⁾	55,315
Total operating revenues	\$1,250,513
Three months ended March 31, 2018	
Casino	\$1,107,495
Rooms	68,853
Food and beverage	46,385
Entertainment, retail and other ⁽¹⁾	61,354
Total operating revenues	\$1,284,087

(1) Includes lease revenue accounted for under lease accounting guidance. For more information on leases, see Note 13, "Leases".

Note 11 — Income Taxes

Wynn Macau SA received a five-year exemption from Macau's 12% Complementary Tax on casino gaming profits through December 31, 2020. Accordingly, for the three months ended March 31, 2019 and 2018, the Company was exempt from the payment of such taxes totaling \$22.8 million and \$26.9 million, respectively. The Company's non-gaming profits remain subject to the Macau Complementary Tax and its casino winnings remain subject to the Macau special gaming tax and other levies in accordance with its concession agreement.

Note 13 — Leases

Ground Leases

Macau Land Concessions

Wynn Palace and Wynn Macau were built on land that is leased under Macau land concession contracts each with terms of 25 years from May 2012 and August 2004, respectively, which may be renewed with government approval for successive 10-year periods in accordance with Macau legislation. The land concession payments are expected to be \$1.6 million per year through 2023 and total payments of \$17.0 million thereafter through 2037. At March 31, 2019, the total liability associated with these leases was \$16.9 million.

At March 31, 2019, operating lease assets included \$200.5 million of leasehold interests in land related to the Wynn Palace and Wynn Macau land concessions. The Company expects that the amortization associated with these leasehold interests will be approximately \$12.5 million per year from 2020 through 2028 and approximately \$9.1 million thereafter through 2037.

Note 14 — Commitments and Contingencies

Litigation

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

Aruze and Affiliates Litigation

On February 18, 2012, the Board of Directors of Wynn Resorts determined that Kazuo Okada, Universal Entertainment Corp. and Aruze and related parties (the "Okada Parties") were "unsuitable persons" under Article VII of the Company's articles and redeemed and canceled Aruze's 24,549,222 shares of Wynn Resorts' common stock, and, pursuant to its articles of incorporation, Wynn Resorts issued the Redemption Note to Aruze in redemption of the shares. The next day, Wynn Resorts filed an action alleging breaches of fiduciary duty and related claims (the "Redemption Action"). The Okada Parties denied the claims and asserted counterclaims.

On March 8, 2018, the Company entered into a settlement agreement (the “Settlement Agreement”) by and between the Company and its individual directors and officers (the “Wynn Parties”), and Universal Entertainment Corp. and Aruze (collectively, with Universal Entertainment Corp., the “Universal Parties”). The Settlement Agreement resolved legal proceedings pending between the settling parties in the Redemption Action. The Universal Parties further released any claims against the Wynn Parties and their affiliates in any other jurisdiction, including but not limited to a proceeding pending in Macau against Wynn Resorts (Macau) S.A. (“Wynn Macau SA”) and certain related individuals (“Macau Litigation”). As a result of the Settlement Agreement, the parties to the agreement dismissed all litigation between the Universal Parties and the Company and its then-directors and executives with respect to the redemption, including the Redemption Action and the Macau Litigation, but did not release Kazuo Okada. Subsequently the Company voluntarily dismissed its claim for breach of fiduciary duty against Kazuo Okada, which was the last and only remaining claim between Wynn Resorts, Kazuo Okada, and the Universal Parties in the Redemption Action.

On July 3, 2015, Wynn Macau, Limited 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 or WML (collectively, the “Wynn Macau Parties”). The principal allegations in the lawsuit were 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 sought dissolution of Wynn Macau SA and compensatory damages. On July 11, 2017, the Macau Court dismissed all claims by the Okada Parties as unfounded, fined the Okada Parties, and ordered the Okada Parties to pay for court costs and the Wynn Macau Parties’ attorney’s fees. On or about October 16, 2017, the Okada Parties filed formal appeal papers in Macau, which Wynn Macau SA received on November 21, 2017. Wynn Macau SA filed its response on December 21, 2017. In March 2018, pursuant to the Settlement Agreement, the Universal Parties voluntarily withdrew from the Macau Litigation, leaving Mr. Okada as the sole claimant. On February 21, 2019, the Macau Appellate Panel dismissed Mr. Okada’s appeal and no appeal was lodged by Mr. Okada within the prescribed time, resulting in the final resolution of the lawsuit in favor of the Wynn Macau Parties.

Note 16 — Segment Information

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

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

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

	Three Months Ended March 31,	
	2019	2018
Operating revenues		
Macau Operations:		
Wynn Palace	\$726,622	\$665,846
Wynn Macau	523,891	618,241
Total Macau Operations	1,250,513	1,284,087
Adjusted Property EBITDA⁽¹⁾		
Macau Operations:		
Wynn Palace	\$222,586	\$211,911
Wynn Macau	163,889	209,822
Total Macau Operations	386,475	421,733

(1) “Adjusted Property EBITDA” is net income (loss) before interest, income taxes, depreciation and amortization, litigation settlement expense, pre-opening expenses, property charges and other, management and license fees, corporate expenses and other, stock-based compensation, gain on extinguishment of debt, change in derivatives fair value, change in Redemption Note fair value and other non-operating income and expenses. Adjusted Property EBITDA is presented exclusively as a supplemental disclosure because management believes that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. Management uses Adjusted Property EBITDA as a measure of the operating performance of its segments and to compare the operating performance of its properties with those of its competitors, as well as a basis for determining certain incentive compensation. 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 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 (loss) as an indicator of the Company’s performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted Property EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, income 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>2019</u>	<u>December 31,</u> <u>2018</u>
Assets		
<i>Macau Operations:</i>		
Wynn Palace	\$3,847,889	\$3,858,904
Wynn Macau	1,588,194	1,903,921
Other Macau	67,983	68,487
Total Macau Operations	<u>5,504,066</u>	<u>5,831,312</u>

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

Overview

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

We present the operating results of our three resorts in the following segments: Wynn Palace, Wynn Macau, and Las Vegas Operations.

Macau Operations

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

Wynn Palace features the following as of March 31, 2019:

- Approximately 424,000 square feet of casino space, offering 24-hour gaming and a full range of games with 326 table games and 1,135 slot machines, private gaming salons and sky casinos;*
- A luxury hotel with a total of 1,706 guest rooms, suites and villas;*
- 14 food and beverage outlets;*
- Approximately 106,000 square feet of high-end, brand-name retail space;*
- Approximately 37,000 square feet of meeting and convention space;*
- Recreation and leisure facilities, including a gondola ride, health club, spa, salon and pool; and*
- Public attractions including a performance lake, floral art displays and fine art displays.*

Wynn Macau features the following as of March 31, 2019:

- *Approximately 272,000 square feet of casino space, offering 24-hour gaming and a full range of games with 328 table games and 865 slot machines, private gaming salons, sky casinos and a poker pit;*
- *Two luxury hotel towers with a total of 1,008 guest rooms and suites;*
- *12 food and beverage outlets;*
- *Approximately 59,000 square feet of high-end, brand-name retail space;*
- *Approximately 31,000 square feet of meeting and convention space;*
- *Recreation and leisure facilities, including two health clubs, spas, a salon and a pool; and*
- *A rotunda show featuring a Chinese zodiac-inspired ceiling along with gold “prosperity tree” and “dragon of fortune” attractions.*

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

Construction and Development Opportunities

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

Key Operating Measures

Certain key operating measures specific to the gaming industry are included in our discussion of our operational performance for the periods for which the Consolidated Statements of Operations are presented. These key operating measures are defined below:

- *Table drop in mass market for our Macau Operations is the amount of cash that is deposited in a gaming table’s drop box plus cash chips purchased at the casino cage.*
- *Rolling chips are non-negotiable identifiable chips that are used to track turnover for purposes of calculating incentives within our Macau Operations’ VIP program.*
- *Turnover is the sum of all losing rolling chip wagers within our Macau Operations’ VIP program.*

- *Table games win is the amount of table drop or turnover that is retained and recorded as casino revenues. Table games win is before discounts, commissions and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis.*
- *Slot machine win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenues. Slot machine win is after adjustment for progressive accruals and free play, but before discounts and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis.*
- *Average daily rate (“ADR”) is calculated by dividing total room revenues, including complimentary (less service charges, if any), by total rooms occupied.*
- *Revenue per available room (“REVPAR”) is calculated by dividing total room revenues, including complimentary (less service charges, if any), by total rooms available.*
- *Occupancy is calculated by dividing total occupied rooms, including complimentary rooms, by the total rooms available.*

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

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

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

Results of Operations

Financial results for the three months ended March 31, 2019 compared to the three months ended March 31, 2018.

The decrease in operating revenues was driven by decreases of \$94.4 million and \$30.5 million from Wynn Macau and our Las Vegas Operations, respectively, partially offset by an increase of \$60.8 million from Wynn Palace.

The decrease in Adjusted Property EBITDA was driven by decreases of \$45.9 million, and \$34.3 million from Wynn Macau and our Las Vegas Operations, respectively, partially offset by an increase of \$10.7 million from Wynn Palace.

Operating revenues

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

	Three Months Ended March 31,		Increase/ (Decrease)	Percent Change
	2019	2018		
Operating revenues				
<i>Macau Operations:</i>				
Wynn Palace	\$726,622	\$665,846	\$60,776	9.1
Wynn Macau	523,891	618,241	(94,350)	(15.3)
Total Macau Operations	1,250,513	1,284,087	(33,574)	(2.6)

Casino revenues

Casino revenues decreased primarily due to decreased VIP turnover at Wynn Palace and Wynn Macau and decreased table drop at our Las Vegas Operations, partially offset by increased VIP win as a percentage of turnover 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):

	Three Months Ended March 31,		Increase/ (Decrease)	Percent Change
	2019	2018		
Macau Operations:				
<i>Wynn Palace:</i>				
Total casino revenues	\$623,175	\$568,460	\$54,715	9.6
VIP:				
Average number of table games	111	115	(4)	(3.5)
VIP turnover	\$12,627,262	\$15,385,833	\$(2,758,571)	(17.9)
VIP table games win	\$493,184	\$399,891	\$93,293	23.3
VIP win as a % of turnover	3.91%	2.60%	1.31	
Table games win per unit per day	\$49,156	\$38,533	\$10,623	27.6
Mass market:				
Average number of table games	211	211	—	—
Table drop	\$1,303,924	\$1,217,201	\$86,723	7.1
Table games win	\$315,469	\$310,159	\$5,310	1.7
Table games win %	24.2%	25.5%	(1.3)	
Table games win per unit per day	\$16,646	\$16,341	\$305	1.9
Average number of slot machines	1,091	1,062	29	2.7
Slot machine handle	\$975,048	\$1,058,096	\$(83,048)	(7.8)
Slot machine win	\$51,401	\$55,785	\$(4,384)	(7.9)
Slot machine win per unit per day	\$524	\$584	\$(60)	(10.3)

**Three Months Ended
March 31,**

	2019	2018	Increase/ (Decrease)	Percent Change
Wynn Macau:				
<i>Total casino revenues</i>	\$450,242	\$539,035	\$(88,793)	(16.5)
VIP:				
<i>Average number of table games</i>	113	114	(1)	(0.9)
<i>VIP turnover</i>	\$10,194,031	\$17,087,455	\$(6,893,424)	(40.3)
<i>VIP table games win</i>	\$295,298	\$445,189	\$(149,891)	(33.7)
<i>VIP win as a % of turnover</i>	2.90%	2.61%	0.29	
<i>Table games win per unit per day</i>	\$29,099	\$43,531	\$(14,432)	(33.2)
Mass market:				
<i>Average number of table games</i>	206	203	3	1.5
<i>Table drop</i>	\$1,351,693	\$1,322,815	\$28,878	2.2
<i>Table games win</i>	\$264,542	\$256,481	\$8,061	3.1
<i>Table games win %</i>	19.6%	19.4%	0.2	
<i>Table games win per unit per day</i>	\$14,283	\$14,042	\$241	1.7
<i>Average number of slot machines</i>	826	939	(113)	(12.0)
<i>Slot machine handle</i>	\$794,367	\$1,002,819	\$(208,452)	(20.8)
<i>Slot machine win</i>	\$37,894	\$41,765	\$(3,871)	(9.3)
<i>Slot machine win per unit per day</i>	\$510	\$494	\$16	3.2

Non-casino revenues

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

	Three Months Ended March 31,		Increase/ (Decrease)	Percent Change
	2019	2018		
Macau Operations:				
<i>Wynn Palace:</i>				
Total room revenues (dollars in thousands)	\$43,314	\$40,441	\$2,873	7.1
Occupancy	97.2%	96.8%	0.4	
ADR	\$271	\$252	\$19	7.7
REVPAR	\$264	\$244	\$20	8.2
<i>Wynn Macau:</i>				
Total room revenues (dollars in thousands)	\$28,867	\$28,412	\$455	1.6
Occupancy	99.3%	99.0%	0.3	
ADR	\$290	\$291	\$(1)	(0.4)
REVPAR	\$288	\$288	\$—	—

Food and beverage revenues increased \$1.0 million, primarily driven by increased covers at our high-volume restaurants at our Macau Operations.

Entertainment, retail and other revenues decreased \$9.0 million, primarily due to decreased sales at owned retail outlets at Wynn Macau.

Operating expenses

Food and beverage expenses increased \$5.4 million, \$3.1 million, and \$2.6 million at Wynn Palace, Wynn Macau, and our Las Vegas Operations, respectively. The increases at Wynn Palace and Wynn Macau were driven by incremental costs associated with opening new food and beverage outlets at Wynn Palace and increased costs of goods sold.

Entertainment, retail and other expenses decreased \$4.0 million, primarily due to a decrease in retail costs of sales commensurate with the decrease in sales at owned retail outlets at Wynn Macau.

General and administrative expenses increased \$2.7 million, \$4.5 million, and \$1.5 million, at Wynn Palace, Wynn Macau, and our Las Vegas Operations, respectively. These increases were primarily attributable to increased payroll costs and property taxes at our Macau Operations and increased advertising costs at our Las Vegas Operations.

The provision for doubtful accounts increased \$1.6 million and \$3.2 million at Wynn Macau and our Las Vegas Operations, respectively. The change was primarily due to the impact of historical collection patterns and current collection trends, as well as the specific review of customer accounts, on our estimated allowance for the respective periods.

Other non-operating income and expenses

We incurred foreign currency remeasurement losses of \$6.4 million and \$9.2 million for the three months ended March 31, 2019 and 2018, respectively. The losses were primarily due to the impact of the exchange rate fluctuation of the Macau pataca, in relation to the U.S. dollar, on the remeasurements of U.S. dollar denominated debt and other obligations from our Macau-related entities.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests was \$54.9 million for the three months ended March 31, 2019, compared to \$66.8 million for the same period of 2018. 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.

The following table summarizes Adjusted Property EBITDA (in thousands) for our Macau and Las Vegas Operations as reviewed by management and summarized in Item 1 — “Notes to Condensed Consolidated Financial Statements,” Note 16, “Segment Information.”

	Three Months Ended		Increase/ (Decrease)	Percent Change
	March 31,			
	2019	2018		
Wynn Palace	\$222,586	\$211,911	\$10,675	5.0
Wynn Macau	163,889	209,822	(45,933)	(21.9)

Adjusted Property EBITDA at Wynn Palace increased 5.0% primarily due to increases in VIP win as a percentage of turnover and table drop in our mass market operations, partially offset by an increase in food and beverage and general and administrative expenses.

Adjusted Property EBITDA at Wynn Macau decreased 21.9% primarily due to a decrease in VIP turnover.

Liquidity and Capital Resources

Operating Activities

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

Financing Activities

During the three months ended March 31, 2019, we repaid \$498.8 million on the Wynn Macau Senior Revolving Credit Facility, and borrowed an additional \$250.0 million term loan under the Wynn Resorts Credit Agreement (as defined below in “Capital Resources”).

Capital Resources

The following table summarizes our unrestricted cash and cash equivalents and available revolver borrowing capacity under the Company as of March 31, 2019 (in thousands):

	<i>Total Cash and Cash Equivalents</i>	<i>Revolver Borrowing Capacity</i>
<i>Wynn Macau, Limited</i>	\$899,760	\$622,298

Wynn Macau, Limited generates cash from our Macau Operations, which we expect to use to service our Wynn Macau Credit Facilities and WML Notes, pay dividends to shareholders of WML (of which we own approximately 72%), and fund working capital and capital expenditure requirements. The Wynn Macau Credit Facilities 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.

Other Factors Affecting Liquidity

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

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

Contractual Commitments

During the three months ended March 31, 2019, there have been no material changes to the contractual obligations previously reported in our Annual Report on Form 10-K for the year ended December 31, 2018, other than the \$250.0 million WRL Term Loan II, which matures on October 30, 2024, and a Wynn Macau Revolving Credit Facility repayment of \$498.8 million.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risks

We expect most of the revenues and expenses for any casino that we operate in Macau will be denominated in Hong Kong dollars or Macau patacas; however, a significant portion of our Wynn Macau, Limited debt is denominated in U.S. dollars. Fluctuations in the exchange rates resulting in weakening of the Macau pataca or the Hong Kong dollar in relation to the U.S. dollar could have materially adverse effects on our results, financial condition and ability to service debt. Based on our balances as of March 31, 2019, an assumed 1% change in the U.S. dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of \$27.0 million.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

CCAC Information Request

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

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

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

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

Hong Kong, 10 May 2019

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