MACAU

Wynn Macau, Limited
永利澳門有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1128)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012, FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board of Directors of Wynn Macau, Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2012 as follows.

FINANCIAL HIGHLIGHTS

	Group **For the year ended 31 December**	
	2012	**2011**
	HK$	*HK$*
	(in thousands, except per share amounts or otherwise stated)	
Casino revenues	**26,706,712**	27,755,965
Other revenues	**1,745,512**	1,742,127
EBITDA	**7,737,793**	7,951,286
Profit attributable to owners	**6,439,693**	5,921,013
Earnings per Share — basic and diluted (HK$)	**1.24**	1.14

DIVIDEND

The Board has recommended the payment of a final dividend of HK$1.24 per Share (2011: final dividend nil; special dividend HK$1.20 per Share) for the year ended 31 December 2012, which is subject to Shareholders' approval at the forthcoming annual general meeting of the Company.

* *For identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group For the year ended 31 December 2012 HK$ (in thousands)	2011 HK$
Operating revenues			
Casino		**26,706,712**	27,755,965
Rooms		**143,061**	140,464
Food and beverage		**185,109**	188,157
Retail and other		**1,417,342**	1,413,506
		28,452,224	29,498,092
Operating costs and expenses			
Gaming taxes and premiums		**13,762,982**	14,364,403
Staff costs		**2,238,726**	2,089,199
Other operating expenses	*3*	**4,785,009**	5,179,925
Depreciation and amortization		**918,929**	1,016,421
Property charges and other	*4*	**49,071**	865,853
		21,754,717	23,515,801
Operating profit		**6,697,507**	5,982,291
Finance revenues	*5*	**83,762**	49,066
Finance costs		**(294,313)**	(259,386)
Net foreign currency differences		**29,223**	41,908
Changes in fair value of interest rate swaps		**(9,802)**	80,366
Loss on extinguishment of debt		**(51,635)**	—
		(242,765)	(88,046)
Profit before tax		**6,454,742**	5,894,245
Income tax (expense) benefit	*6*	**(15,049)**	26,768
Net profit attributable to owners of the Company		**6,439,693**	5,921,013
Other comprehensive income (loss)			
Available-for-sale investments:			
Changes in fair value		**11,946**	(14,341)
Reclassification adjustments for losses on disposals included in profit before tax		**21**	—
Other comprehensive income (loss) for the year		**11,967**	(14,341)
Total comprehensive income attributable to owners of the Company		**6,451,660**	5,906,672
Basic and diluted earnings per Share (HK$)	*7*	**1.24**	1.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group As at 31 December	
		2012	2011
		HK$	*HK$*
	Notes	*(in thousands)*	
Non-current assets			
Property and equipment and construction in progress		**7,999,213**	7,692,859
Leasehold interests in land		**2,167,307**	2,244,085
Goodwill		**398,345**	398,345
Available-for-sale investments	*8*	**36,334**	404,754
Deposits for acquisition of property and equipment		**13,192**	32,323
Other non-current assets		**281,100**	285,750
Total non-current assets		**10,895,491**	11,058,116
Current assets			
Available-for-sale investments	*8*	**385,498**	104,066
Inventories		**167,196**	179,940
Trade and other receivables	*9*	**582,949**	749,639
Prepayments and other current assets		**47,611**	53,809
Amounts due from related companies	*14*	**293,200**	57,654
Restricted cash and cash equivalents		**768,654**	—
Cash and cash equivalents		**10,475,370**	5,156,725
Total current assets		**12,720,478**	6,301,833
Current liabilities			
Accounts payable	*10*	**968,737**	1,050,345
Land premium payable		**216,549**	104,329
Other payables and accruals	*11*	**4,902,238**	5,657,107
Interest-bearing bank loans	*12*	**—**	2,302,714
Amounts due to related companies	*14*	**230,930**	158,188
Interest rate swaps		**—**	20,752
Income tax payable		**15,049**	15,049
Other current liabilities		**21,753**	16,938
Total current liabilities		**6,355,256**	9,325,422
Net current assets (liabilities)		**6,365,222**	(3,023,589)
Total assets less current liabilities		**17,260,713**	8,034,527

		Group	
		As at 31 December	
		2012	2011
		HK$	*HK$*
	Notes	*(in thousands)*	
Non-current liabilities			
Interest-bearing bank loans	*12*	**5,493,770**	2,500,752
Land premium payable		**590,555**	807,104
Interest rate swaps		**30,528**	—
Other payables and accruals	*11*	**538,510**	579,770
Other long-term liabilities		**106,680**	118,458
Total non-current liabilities		**6,760,043**	4,006,084
Net assets		**10,500,670**	4,028,443
Equity			
Equity attributable to owners of the Company			
Issued capital		**5,188**	5,188
Share premium account		**153,436**	153,436
Reserves		**3,909,484**	3,869,819
Proposed final dividend	*13*	**6,432,562**	—
Total equity		**10,500,670**	4,028,443

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards which comprise standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"), IFRS Interpretations Committee interpretations approved by the IFRS Interpretations Committee and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules. The financial statements have been prepared on a historical cost basis, except for the revaluation of available-for-sale investments and derivative financial instruments which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Wynn Macau, Limited and its subsidiaries for the year ended 31 December 2012. The subsidiaries are fully consolidated from the date on which control is transferred to the Group, and will continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Inter-company transactions, balances and unrealized gains on transactions between group companies and dividends are eliminated on consolidation in full. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Application of new and revised IFRSs

The Group has adopted the following new and revised IFRSs for the first time for the current year financial statements:

IFRS 1 Amendment	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures — Transfer of Financial Assets*
IAS 12 Amendments	Amendments to IAS 12 *Income taxes — Deferred Tax: Recovery of Underlying Assets*

The adoption of these new and revised IFRSs and interpretations has had no significant financial effects on the financial statements and there have been no significant changes to the accounting policies applied in the financial statements.

The Group has not early adopted the new and revised IFRSs that have been issued, but are not yet effective.

2. SEGMENT REPORTING

The Group currently operates in one business segment, namely, the management of its casino and hotel resort. A single management team reports to the chief operating decision-maker who comprehensively manages the entire business. Accordingly, the Group does not have separate reportable segments.

3. OTHER OPERATING EXPENSES

	Group For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Gaming promoter commissions	**1,882,433**	2,013,590
Royalty fees	**1,141,170**	1,186,900
Cost of sales	**593,975**	705,513
Advertising and promotions	**244,164**	205,564
Utilities and fuel	**194,881**	178,205
Corporate support services and other	**177,033**	179,414
Operating supplies and equipment	**141,721**	148,718
Repairs and maintenance expenses	**109,423**	109,059
Other support services	**39,300**	108,175
Operating rental expenses	**27,294**	21,452
Auditors' remuneration	**4,630**	3,510
(Reversal of provision) provision for doubtful accounts, net*	**(1,546)**	104,621
Other	**230,531**	215,204
	4,785,009	5,179,925

* During the year ended 31 December 2012, the Group evaluated its reserve estimates based on the results of historical collection patterns and current collection trends. As a result, the Group revised its estimates and recorded HK$165 million credit against its provision for doubtful accounts, which decreased the provision for doubtful accounts for the year to a net HK$1.5 million credit.

4. PROPERTY CHARGES AND OTHER

	Group For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Donation to the University of Macau Development Foundation	**—**	831,128
Loss on disposals and abandonment of assets	**49,071**	34,725
	49,071	865,853

"Property charges and other" for the year ended 31 December 2012 relates primarily to asset abandonment losses of property and equipment as a result of renovating certain assets of Wynn Macau in response to customer preferences and changes in market demand. For the year ended 31 December 2011, it included a donation made by the Group to the University of Macau Development Foundation (the "**Foundation**"). In May 2011, the Group entered into an agreement with the Foundation to donate a certain amount to the Foundation with the primary purpose of supporting the creation, promotion, operation and other activities related to the Asia-Pacific Academy of Economics and Management created by the University of Macau. Under such agreement, the Group donated MOP200.0 million (approximately HK$194.2 million) in May 2011 and for each of the years from 2012 through 2022 the Group will donate MOP80.0 million (approximately HK$77.7 million). As a result of the above arrangement, the Group recognized approximately HK$831.1 million representing the present value of the donation as an expense for the year ended 31 December 2011.

5. FINANCE REVENUES

	Group For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Interest income from:		
Available-for-sale investments		
— listed	**9,922**	4,028
— unlisted	**2,578**	1,088
Held-to-maturity investments		
— listed	**—**	1,260
— unlisted	**—**	105
Cash at banks	**71,262**	42,585
	83,762	49,066

6. INCOME TAX (EXPENSE) BENEFIT

The major components of the income tax (expense) benefit for the years ended 31 December 2012 and 2011 were:

	Group For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Income tax (expense) benefit:		
Current — overseas	**(15,049)**	26,768

No provision for Hong Kong profits tax for the year ended 31 December 2012 has been made as there was no assessable profit generated in Hong Kong (2011: nil). Taxation for overseas jurisdictions is charged at the appropriate prevailing rates ruling in the respective jurisdictions and the maximum rate is 12% (2011: 12%).

The tax charge for the year ended 31 December 2012 and the tax benefit for the year ended 31 December 2011 reconciles to profit before tax as follows:

	Group For the year ended 31 December			
	2012		2011	
	HK$	***%***	*HK$*	*%*
	(in thousands, except for percentages)			
Profit before tax	**6,454,742**		5,894,245	
Tax at the applicable income tax rate	**(774,569)**	**(12.0)**	(707,309)	(12.0)
Income not subject to tax	**908,195**	**14.1**	844,186	14.3
Macau dividend tax	**(15,049)**	**(0.2)**	(15,049)	(0.3)
Deferred tax not recognized	**(129,625)**	**(2.0)**	(130,118)	(2.2)
Others	**(4,001)**	**(0.1)**	35,058	0.7
Effective tax (expense) benefit for the year	**(15,049)**	**(0.2)**	26,768	0.5

The Group incurred Macau tax losses of approximately HK$582.6 million, HK$551.4 million and HK$695.1 million during the tax years ended 31 December 2012, 2011, and 2010, respectively. These tax losses will expire in 2015, 2014, and 2013, respectively. As at 31 December 2012, the Group's deferred tax assets relating to the University of Macau Development Foundation contribution, interest rate swaps, executive compensation, fixed assets and tax loss carryforwards amounting to HK$342.0 million (2011: HK$277.7 million) were not recognized as the Group determined it was not probable that future taxable profits will be available against which the deferred tax asset could be utilized.

Effective 6 September 2006, WRM received a 5-year exemption from Macau's 12% Complementary Tax on casino gaming profits (the "**Tax Holiday**"). On 30 November 2010, WRM received an additional 5-year exemption effective from 1 January 2011 through 31 December 2015. Accordingly, the Group was exempted from the payment of approximately HK$693.5 million in such tax for the year ended 31 December 2012 (2011: HK$641.4 million). The Group'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.

In June 2009, WRM entered into an agreement, effective retroactively to 2006, with the Macau Special Administrative Region that provided for annual payments of MOP7.2 million (approximately HK$7.0 million) to the Macau Special Administrative Region in lieu of Complementary Tax on dividend distributions to its shareholders from gaming profits. The term of this agreement was five years, which coincided with the Tax Holiday which began in 2006. In November 2010, WRM applied for a 5-year extension of this agreement. In August 2011, the 5-year extension was granted with an annual payment of MOP15.5 million (approximately HK$15.0 million) due to the Macau Special Administration Region for each of the years 2011 through 2015.

The Group is exempted from income tax in the Isle of Man and the Cayman Islands. The Group's subsidiaries file income tax returns in Macau and various foreign jurisdictions as required by law. The Group's income tax returns are subject to examination by tax authorities in the locations where it operates. The Group's 2008 to 2011 Macau Complementary Tax returns remain subject to examination by the Macau Finance Bureau. In 2011, WRM received the results of the Macau Finance Bureau's examination of its 2006 and 2007 Macau Complementary Tax returns. WRM paid an additional tax payment of MOP8.8 million (approximately HK$8.5 million). In July 2012, the Macau Finance Bureau commenced an examination of the 2008 Macau Complementary Tax return of WRM. In November 2012, WRM received the results of the Macau Finance Bureau's examination of its 2008 Macau Complementary Tax returns and WRM did not need to make any additional tax payment. In March 2013, the Macau Finance Bureau commenced an examination of the 2009, 2010 and 2011 Macau Complementary Tax returns for WRM.

In January 2013, the Macau Finance Bureau examined the 2009 and 2010 Macau Complementary Tax returns of Palo. The examination resulted in no change to the tax returns.

Quarterly, the Group undertakes reviews for any potentially unfavorable tax outcomes and when an unfavorable outcome is identified as being probable and can be reasonably estimated, the Group then establishes a tax reserve for such possible unfavorable outcome. Estimating potential tax outcomes for any uncertain tax issues is highly judgmental and may not be indicative of the ultimate settlement with the tax authorities. The period of assessment for the Group's Macau Complementary Tax returns for the years ended 31 December 2007 and before has closed. Accordingly, as of 31 December 2011, the Group reversed a reserve of HK$41.9 million previously established for these years. As of 31 December 2012, the Group has unrecognized tax losses and the Group believes that these unrecognized tax losses are adequate to offset any adjustments that might be proposed by the Macau tax authorities. The Group believes that it has adequately provided reasonable reserves for prudent and foreseeable outcomes related to uncertain tax matters.

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per Share amount for the year ended 31 December 2012 is based on the consolidated net profit attributable to owners of the Company and on the weighted average number of Shares of 5,187,550,000 in issue during the year (2011: 5,187,529,315).

The diluted earnings per Share amount for the year ended 31 December 2012 is calculated based on the consolidated net profit attributable to owners of the Company and on the weighted average number of 5,187,943,909 (2011: 5,187,972,450) Shares including Shares of 5,187,550,000 in issue during the year (2011: 5,187,529,315) plus 393,909 potential Shares (2011: 443,135) arising from exercise of share options.

8. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Listed debt securities, at fair value:		
Hong Kong	**62,581**	59,685
Elsewhere	**205,491**	195,950
	268,072	255,635
Unlisted debt securities, at fair value:	**153,760**	253,185
	421,832	508,820
Portion classified as non-current	**(36,334)**	(404,754)
Current portion	**385,498**	104,066

During the year, the gross gain in respect of the Group's available-for-sale investments recognized in other comprehensive income amounted to HK$11.95 million (2011: loss of HK$14.3 million), and gross loss of HK$0.02 million (2011: nil) was reclassified from other comprehensive income to profit before tax for the year.

The investments are all denominated in Offshore RMB and have fixed interest rates ranging from 1.35% to 4.63% and will mature between one and two years.

Originally, the Group's investments were classified as held-to-maturity because the Group had the positive intent and ability to hold them to maturity. However, during the third quarter of 2011, due to the economic uncertainty in the global financial markets, the Group has reassessed the intention to hold the investments to maturity and changed the classification of its entire investments with a carrying value amounting to Offshore RMB427.9 million (approximately HK$524.5 million) from held-to-maturity to available-for-sale.

9. TRADE AND OTHER RECEIVABLES

	Group As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Casino	**657,120**	976,686
Hotel	**10,177**	8,176
Retail leases and other	**209,677**	178,121
	876,974	1,162,983
Less: allowance for doubtful accounts	**(294,025)**	(413,344)
Total trade and other receivables, net	**582,949**	749,639

An aged analysis of trade and other receivables is as follows:

	Group As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Within 30 days	**295,776**	351,162
31 to 60 days	**94,243**	227,670
61 to 90 days	**93,763**	212,975
Over 90 days	**393,192**	371,176
	876,974	1,162,983
Less: allowance for doubtful accounts	**(294,025)**	(413,344)
Net of allowance for doubtful accounts	**582,949**	749,639

Substantially all of the trade and other receivables as at 31 December 2012 and 2011 were repayable within 14 days.

As at 31 December 2012, trade and other receivables with a gross value of HK$876.9 million (2011: HK$1,162.9 million) were partially impaired and provided for. Movements in the provision for impairment of receivables of the Group, which were collectively impaired, are as follows:

	HK$ *(in thousands)*
At 1 January 2011	334,760
Charge for the year	104,621
Amounts written off	(26,037)
At 31 December 2011 and 1 January 2012	413,344
Reversal for the year, net	(1,546)
Amounts written off	(117,773)
At 31 December 2012	**294,025**

10. ACCOUNTS PAYABLE

During 2012 and 2011, the Group normally received credit terms of 30 days. An aged analysis of accounts payable as at 31 December 2012 and 2011, based on invoice dates, is as follows:

	Group As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Within 30 days	**895,481**	999,791
31 to 60 days	**41,181**	9,078
61 to 90 days	**1,286**	4,328
Over 90 days	**30,789**	37,148
	968,737	1,050,345

11. OTHER PAYABLES AND ACCRUALS

Other payables and accruals consist of the following as at 31 December 2012 and 2011:

	Group As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Current:		
Gaming taxes payable	**1,155,504**	1,291,075
Outstanding chip liabilities	**2,572,680**	2,829,369
Customer deposits	**803,735**	820,247
Donation payable	**77,670**	77,670
Other liabilities	**292,649**	638,746
	4,902,238	5,657,107
Non-current:		
Donation payable	**533,774**	579,770
Other liabilities	**4,736**	—
	538,510	579,770
Total	**5,440,748**	6,236,877

As of 31 December 2011, "other liabilities" includes an accrual made by Palo to an unrelated third party company incorporated in Macau that is not a connected person of the Group amounting to US$50 million (approximately HK$389 million) in consideration of its relinquishment of certain rights in and to any future development of the Cotai Land. This balance was settled during 2012.

12. INTEREST-BEARING BANK LOANS

The Amended Wynn Macau Credit Facilities were used for refinancing WRM's existing indebtedness, whereas future borrowings under it will be used for construction and development commitments or for other uses. The Amended Wynn Macau Credit Facilities are and the previous Wynn Macau Credit Facilities were repayable as follows:

	Group	
	As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
On demand or within one year	**—**	2,302,714
In the second year	**—**	1,114,441
In the third year	**—**	1,460,664
In the fourth year	**—**	—
In the fifth year	**2,919,083**	—
After the fifth year	**2,919,084**	—
	5,838,167	4,877,819
Less: debt financing costs, net	**(344,397)**	(74,353)
	5,493,770	4,803,466
Portion classified as non-current	**(5,493,770)**	(2,500,752)
Current portion	**—**	2,302,714

As amended on 27 June 2007, the previous Wynn Macau Credit Facilities totaled US$1.55 billion (approximately HK$12.1 billion), in a combination of Hong Kong and U.S. dollars, including a US$550 million (approximately HK$4.3 billion) fully-funded senior term loan (known as the "**Previous WRM Term Loan**"), and a US$1 billion (approximately HK$7.8 billion) revolving credit facility (known as the "**Previous WRM Revolver**"). The Previous WRM Term Loan, which had June 2014 maturities, was fully paid off in July 2012, whereas the Previous WRM Revolver matured in June 2012. Borrowings under the previous Wynn Macau Credit Facilities bore interest at LIBOR or HIBOR plus a margin between 1.25% to 2.00% based on the Group's leverage ratio.

On 31 July 2012, WRM entered into the Amended Wynn Macau Credit Facilities and appointed Bank of China Limited, Macau Branch as facilities agent, intercreditor agent and security agent. The Amended Wynn Macau Credit Facilities and related agreements took effect on 31 July 2012 and expand availability under WRM's senior bank facility to US$2.3 billion equivalent (approximately HK$17.9 billion), consisting of a US$750 million equivalent (approximately HK$5.8 billion) fully funded senior term loan facility and a US$1.55 billion equivalent (approximately HK$12.1 billion) senior revolving credit facility. There is also an option to upsize the total senior secured facilities by an additional US$200 million (approximately HK$1.6 billion) under the Amended Wynn Macau Credit Facilities.

13. DIVIDENDS

	Group	
	For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Special dividend declared and paid of nil per Share (2011: HK$1.20 per Share)	**—**	6,225,060
Proposed final dividend of HK$1.24 (2011: nil) per Share	**6,432,562**	—
	6,432,562	6,225,060

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

14. RELATED PARTY DISCLOSURES

As at 31 December 2012 and 2011, the outstanding balances between the Group and the related companies were as follows:

Name of Related Companies	Relation to the Companies	Group As at 31 December 2012 HK$ (in thousands)	2011 HK$ (in thousands)
Due from related companies — current			
WIML	Subsidiary of Wynn Resorts, Limited	**292,754**	56,754
Wynn Hotel Sales & Marketing, LLC	Subsidiary of Wynn Resorts, Limited	**3**	3
Wynn Manpower Limited	Subsidiary of Wynn Resorts, Limited	**292**	292
Cotai Land Development Company, Limited	Subsidiary of Wynn Resorts, Limited	**151**	137
Las Vegas Jet, LLC	Subsidiary of Wynn Resorts, Limited	**—**	468
		293,200	57,654
Due to related companies — current			
Wynn Las Vegas, LLC	Subsidiary of Wynn Resorts, Limited	**69,143**	17,236
Wynn Design & Development	Subsidiary of Wynn Resorts, Limited	**7,007**	6,817
Wynn Resorts, Limited	Ultimate parent company	**110,739**	133,080
Worldwide Wynn	Subsidiary of Wynn Resorts, Limited	**44,041**	1,055
		230,930	158,188

The amounts disclosed in the above table are unsecured, interest-free and repayable on demand.

The Group had the following material transactions with related companies during the year:

Name of Related Companies	Relation to the Companies	Primary Nature of Transactions	Group For the year ended 31 December 2012 HK$ (in thousands)	2011 HK$
Wynn Resorts, Limited	Ultimate parent company	Royalty fees (i)	**1,141,170**	1,186,900
Wynn Resorts, Limited	Ultimate parent company	Corporate support services (ii)	**165,076**	165,355
WIML	Subsidiary of Wynn Resorts, Limited	International marketing expenses (iii)	**31,320**	106,202
Wynn Resorts, Limited	Ultimate parent company	Share-based payment expenses	**17,723**	47,098
Worldwide Wynn	Subsidiary of Wynn Resorts, Limited	Staff secondment payroll charges (iv)	**137,014**	41,437
Wynn Design & Development	Subsidiary of Wynn Resorts, Limited	Design/development Payroll (v)	**70,637**	31,579
Las Vegas Jet, LLC	Subsidiary of Wynn Resorts, Limited	Airplane usage charges (ii)	**19,211**	16,204

All of the above transactions are noted as continuing related party transactions.

Notes:

(i) Royalty fees

Prior to Listing, WRM had an arrangement with Wynn Resorts, Limited and Wynn Resorts Holdings, LLC (together, the "**Licensors**") under which the Licensors licensed to WRM certain trademarks and service marks, other marks and works, domain names, and hotel casino design, development and management know-how (collectively, the "**Intellectual Property Rights**"). On 19 September 2009, each of the Company and WRM entered into an intellectual property license agreement with the Licensors (together, the "**IP License Arrangement**"), which has a perpetual term. Pursuant to the IP License Arrangement, the Licensors licensed to each of the Company and WRM the right to use the Intellectual Property Rights using the same pricing basis as described below. The IP License Arrangement is also subject to restrictions in the agreements between Wynn Resorts Holdings, LLC or Wynn Resorts, Limited and any third parties, including Mr. Stephen A. Wynn, in respect of a third party's intellectual property, including any applicable limitations on the scope of the license, limitations on sub-licensing, termination (including change of control) under certain circumstances and other standard provisions.

The license fee payable to Wynn Resorts Holdings, LLC equal the greater of (1) 3% of the IP gross monthly revenues, or (2) US$1.5 million (approximately HK$11.6 million) per month. For the purposes of each intellectual property license agreement, the term "IP gross revenues" refers to the licensee's total operating revenues as adjusted by adding back (1) commissions and discounts which were netted against operating revenues, and (2) promotional allowances, and the term "IP gross monthly revenues" refers to the licensee's IP gross revenues accrued at the end of each calendar month. The calculation of each licensee's operating revenues, promotional allowances, and commissions and discounts in connection with the IP gross revenues stated in the intellectual property license agreements shall always be consistent with the Group's accounting policies and prepared in accordance with IFRSs as in effect from 31 December 2008. If any other subsidiary of the Company (other than WRM) acquires the Intellectual Property Rights under the intellectual property license agreement between the Company and the Licensors, "IP gross revenues" and "IP monthly gross revenues" will be interpreted to include the gross revenues of such relevant subsidiary.

The following table presents a reconciliation of total operating revenues (as reported in these financial statements) to WRM's IP gross revenues as used for the purposes of the IP License Arrangement between WRM and the Licensors.

	Group For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Total operating revenues	**28,452,224**	29,498,092
Commissions and discounts included in operating revenues	**8,195,406**	8,714,464
Promotional allowances	**1,392,688**	1,351,977
IP gross revenues	**38,040,318**	39,564,533

(ii) Corporate support services

Wynn Resorts, Limited provides corporate support services to the Group. These services consist of a limited number of executives in relevant areas assisting the Group on certain matters. The assistance includes guidance on certain issues and ensuring that, from a regulatory standpoint, Wynn Resorts, Limited's standard operating procedures are followed and maintained by the Group. The annual fee for the services provided by Wynn Resorts, Limited is based on an allocation of the actual proportion of Wynn Resorts, Limited's annual corporate departments' costs (including salaries and benefits for such employees during the period in which such services are rendered) and overhead expense related to the provision of such services and, in any event, such annual fee shall not exceed 50% of the aggregate annual corporate departments' costs and overhead expenses incurred by Wynn Resorts, Limited during any financial year.

Similarly, WML and WRM had reciprocal arrangements to allow Wynn Resorts, Limited or its subsidiaries (other than the Group) to have access to the services of any of the Group's employees provided that such services do not materially interfere with such employees' obligations to, and responsibilities with, the Group. For services provided by the Group's employees, Wynn Resorts, Limited shall pay for the services based on an actual cost (including salaries and benefits for such employees during the period when such services are being rendered) and expense on a reimbursement basis.

Wynn Resorts, Limited allows WRM and its employees to use aircraft assets owned by Wynn Resorts, Limited and its subsidiaries (other than the Group) at hourly rates set by Las Vegas Jet, LLC, a subsidiary of Wynn Resorts, Limited. Similarly, WRM has reciprocal arrangements to allow Wynn Resorts, Limited or its subsidiaries (other than the Group) to use any aircraft assets that the Group could own in the future.

(iii) International marketing expenses

WIML, a subsidiary of Wynn Resorts, Limited, (i) provides administrative, promotional, and marketing services as well as a limited number of marketing executives to attract and introduce customers to WRM, and (ii) employs certain non-Macau residents based in or to be based in Macau ("**Foreign Resident Staff**") on the Company's behalf and seconds the Foreign Resident Staff to the Group.

These administrative, promotional and marketing services are provided through branch offices located in various cities around the world under the direction and supervision provided by WIML. For the services provided under this arrangement, WIML charges a service fee equal to the total costs it incurs in rendering the services plus 5%.

(iv) Staff secondment payroll charges

Worldwide Wynn, a subsidiary of Wynn Resorts, Limited, is responsible for supplying management personnel to WRM for pre-determined lengths of time through secondment arrangements. During the secondment period, employees are expected to devote their efforts and all of their business time and attention to the operations and functions of WRM. The seconded employees live and work in Macau for the duration of the secondment periods. Worldwide Wynn was compensated for these services with a service fee equal to its aggregate costs plus 5% to Worldwide Wynn of the seconded employees during the periods of secondment to WRM, including:

- Wages-regular and overtime;
- Bonuses and commissions;
- Vacation pay and sick leave;
- Employee benefit plans, including health insurance, life insurance, and other insurance or 401k plans;
- Employer-paid federal, state or local taxes or workers' compensation costs and unemployment taxes; and
- Employer-paid business expenses and employee international allowances.

(v) Design/development payroll

Wynn Design and Development provides design and development services to the Group in connection with the Group's project in Cotai. Service fees are charged at the cost incurred by Wynn Design and Development to the Group for the services provided.

The above transactions were carried out on terms mutually agreed between the Group and the related companies. There were no significant charges from the Group to the related companies during the twelve months ended 31 December 2012 and 2011. In the opinion of the Directors, the related party transactions were conducted in the ordinary and usual course of the Group's business.

All such outstanding balances between the Group and the related companies are deemed to be trade in nature.

Home Purchase

In May 2010, Worldwide Wynn entered into a new employment agreement with Ms. Linda Chen, who is also a director of Wynn Macau, Limited. Under the terms of the employment agreement, Worldwide Wynn caused WRM to purchase a house in Macau for use by Ms. Chen. As at 31 December 2012, the net carrying amount of the house together with improvements and its land lease right was HK$66.9 million (2011: HK$58.6 million).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Wynn Macau opened to the public on 6 September 2006 at the center of casino activities on the urban Macau peninsula. In December 2007 and November 2009, Wynn Macau completed expansions, adding more gaming space and additional food and beverage and retail amenities. Encore at Wynn Macau, a further expansion of Wynn Macau that added a fully integrated resort hotel, opened in April 2010.

Our Macau resort complex features:

- Approximately 275,000 square feet of casino space, offering 24-hour gaming and a full range of games, including private gaming salons, sky casinos and a poker pit;

- Two luxury hotel towers with a total of 1,008 spacious rooms and suites;

- Casual and fine dining in eight restaurants;

- Approximately 55,000 square feet of high-end, brand-name retail shopping, including stores and boutiques such as Bvlgari, Cartier, Chanel, Dior, Dunhill, Ermenegildo Zegna, Ferrari, Giorgio Armani, Graff, Gucci, Hermes, Hugo Boss, Jaeger LeCoultre, Louis Vuitton, Miu Miu, Piaget, Prada, Roger Dubuis, Rolex, Tiffany, Tudor, Vacheron Constantin, Van Cleef & Arpels, Versace, Vertu, and others;

- Recreation and leisure facilities, including two health clubs and spas, a salon, a pool; and

- Lounges and meeting facilities.

The following table presents the number of casino games available at our Macau Operations:

	As at 31 December	
	2012	2011
VIP table games	**289**	295
Mass market table games	**205**	195
Slot machines	**988**	930
Poker tables	**10**	11

In response to on-going evaluation of our operations and feedback from our guests, we have been, and will continue to make enhancements and refinements to our resort complex.

Cotai Development

In September 2011, the Group formally accepted the terms and conditions of a draft land concession contract from the Macau Government for approximately 51 acres of land in the Cotai area of Macau (the "**Cotai Land**"). On 2 May 2012, the land concession contract was gazetted by the government of Macau evidencing the final step in the granting of the land concession for the Cotai Land. The Group is constructing a full scale integrated resort containing a casino, luxury hotel, convention, retail, entertainment and food and beverage offerings on the Cotai Land. The Group estimates the project budget to be in the range of approximately HK$27.2 billion to HK$31.0 billion. The Group expects to set a guaranteed maximum price for the project construction costs in the first half of 2013. The Group expects to open the resort in Cotai during the first half of 2016.

The initial term of the land concession contract is 25 years from 2 May 2012, and it may be renewed with government approval for successive periods. The total land premium payable, including interest as required by the land concession contract, is MOP1,547.4 million (approximately HK$1,502.4 million). An initial payment of MOP500 million (approximately HK$485.4 million) was paid in December 2011. The Group will make eight additional semi-annual payments of approximately MOP130.9 million (approximately HK$127.1 million) each (including required interest at 5%). The first payment was made in November 2012. The land concession contract also requires that WRM, as a gaming concessionaire operate and manage gaming operations on the Cotai Land.

As of 31 December 2012, with respect to the Cotai Land, the Group has recorded an obligation and related asset with HK$216.5 million included as a current liability and HK$590.6 million included as a long-term liability. The Group will also be required to make annual lease payments of MOP6.2 million (approximately HK$6.0 million) during the development period and annual payments of approximately MOP8.6 million (approximately HK$8.4 million) once development is completed.

Cotai Land Contract

On 10 May 2012, the Group made a US$50 million (approximately HK$389 million) payment to an unrelated third party in consideration of that party's relinquishment of certain rights in and to any future development on the Cotai Land. The Group had previously disclosed the requirement to make this payment. The Group accrued this US$50 million (approximately HK$389 million) obligation as a current liability included in other accrued liabilities as of 31 December 2011, when the Group accepted the draft land concession from the Macau Government.

Macau

Macau, which was a territory under Portuguese administration for approximately 450 years, was transferred from Portuguese to Chinese political control in December 1999. 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 40 years, consists principally of a peninsula on mainland China, and two neighboring islands, Taipa and Coloane. We believe that Macau is located in one of the world's largest concentrations of potential customers. According to Macau Statistical Information, casinos in Macau generated approximately HK$295.3 billion in gaming revenue during the year ended

31 December 2012, an increase of approximately 13.5% over the approximate HK$260.1 billion generated in the year ended 31 December 2011, making Macau the largest gaming market in the world.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Tourism

The levels of tourism and overall gaming activities in Macau are key drivers of our business. Both the Macau gaming market and visitation to Macau have grown significantly in the last few years except that tourist arrivals to Macau remained stable in 2012 as compared to 2011. We have benefited from the rise in visitation to Macau over the past several years.

Macau's gaming market is primarily dependent on tourists. Tourist arrivals of 28.0 million in 2012 were flat compared to 2011. The Macau market has experienced tremendous growth in capacity since the opening of Wynn Macau. As at 31 December 2012, there were 26,069 hotel rooms and 5,485 table games in Macau, compared to 12,978 hotel rooms and 2,762 table games as at 31 December 2006.

Gaming customers traveling to Macau typically come from nearby destinations in Asia including mainland China, Hong Kong, Taiwan, South Korea and Singapore. According to the Macau Statistics and Census Service Monthly Bulletin of Statistics, approximately 89% of visitors to Macau for the year ended 31 December 2012 were from mainland China, Hong Kong and Taiwan.

Tourism levels in Macau are affected by a number of factors, all of which are beyond our control. Key factors affecting tourism levels in Macau may include, among others:

- Prevailing economic conditions in mainland China and Asia;
- Various countries' policies on currency restrictions and the issuance of travel visas that may be in place from time to time could affect travel to Macau;
- Competition from other destinations which offer gaming and leisure activities;
- Occurrence of natural disasters and disruption of travel; and
- Possible outbreaks of infectious disease.

Economic and Operating Environment

Our operating environment remained stable in 2012. However, economic conditions can have a significant impact on our business. A number of factors, including a slowdown in the global economy, contracting credit markets, reduced consumer spending, various countries' policies that affect travel to Macau and any outbreak of infectious diseases can negatively impact the gaming industry in Macau and our business.

Competition

Since the liberalization of Macau's gaming industry in 2002, there has been a significant increase in the number of casino properties in Macau. Currently, there are six gaming operators in Macau, including WRM. The three concessionaires are WRM, SJM, and Galaxy which opened Galaxy Macau, a major resort in the Cotai area, in 2011. The three subconcessionaires are Melco Crown, MGM Macau, and Venetian Macau which opened Sands Cotai Central in 2012 in the Cotai area. As at 31 December 2012, there were approximately 35 casinos in Macau, including 20 operated by SJM. Each of the current six operators has operating casinos and expansion plans announced or underway.

Wynn Macau faces competition from casinos located in other areas of Asia, such as Resorts World Sentosa and Marina Bay Sands, respectively, in Singapore and Genting Highlands Resort located outside of Kuala Lumpur, Malaysia. Wynn Macau also faces competition from casinos in the Philippines where several major casino resorts are scheduled to open over the next few years. Wynn Macau encounters competition from other major gaming centers located around the world, including Australia and Las Vegas, cruise ships in Asia that offer gaming, and other casinos throughout Asia. Further, if current efforts to legalize gaming in other Asian countries are successful, Wynn Macau will face additional regional competition.

Gaming Promoters

A significant amount of our casino play is brought to us by gaming promoters. Gaming promoters have historically played a critical role in the Macau gaming market and are important to our casino business.

Gaming promoters introduce premium VIP players to Wynn Macau and often assist those clients with their travel and entertainment arrangements. In addition, gaming promoters often grant credit to their players. In exchange for their services, Wynn Macau generally pays the gaming promoters a commission which is a percentage of the gross gaming win generated by each gaming promoter. Approximately 80% of these commissions are netted against casino revenues, because such commissions approximate the amount of the commission returned to the VIP players by the gaming promoters, and approximately 20% of these commissions are included in other operating expenses, which approximate the amount of the commission ultimately retained by the gaming promoters as compensation. The total amount of commissions paid to promoters and netted against casino revenues was HK$7.5 billion and HK$8.1 billion for the years ended 31 December 2012 and 2011, respectively. Commissions decreased 6.5% for the year ended 31 December 2012 compared to the year ended 31 December 2011, due to decreased volumes of play generated by gaming promoters and a lower win percentage.

We typically advance commissions to gaming promoters at the beginning of each month to facilitate their working capital requirements. These advances are provided to a gaming promoter and are offset by the commissions earned by such gaming promoter during the applicable month. The aggregate amounts of exposure to our gaming promoters, which is the difference between commissions advanced to each individual gaming promoter, and the commissions payable to each such gaming promoter, were HK$646.5 million and HK$367.1 million as at 31 December 2012 and 2011, respectively. At the end of each month, any commissions outstanding are cleared no later than the fifth day of the succeeding month and prior to the advancement of any further funds to a gaming promoter. We believe we have developed strong relationships with our gaming promoters. Our commission percentages have remained stable throughout our operating history.

In addition to commissions, gaming promoters each receive a monthly complimentary allowance based on a percentage of the turnover their clients generate. The allowance is available for room, food and beverage and other products and services for discretionary use with the gaming promoter's clients.

Premium Credit Play

We selectively extend credit to our VIP players contingent upon our marketing team's knowledge of the players, their financial background and payment history. We follow a series of credit procedures and require from each credit recipient various signed documents that are intended to ensure among other things that, if permitted by applicable law, the debt can be legally enforced in the jurisdiction where the player resides. In the event the player does not reside in a jurisdiction where gaming debts are legally enforceable, we can attempt to assert jurisdiction over assets the player maintains in jurisdictions where gaming debts are recognized. In addition, we typically require a check in the amount of the applicable credit line from credit players, collateralizing the credit we grant to a player.

Number and Mix of Table Games and Slot Machines

The mix of VIP table games, mass table games and slot machines in operation at our resort changes from time to time as a result of marketing and operating strategies in response to changing market demand and industry competition. The shift in the mix of our games will affect casino profitability.

ADJUSTED EBITDA

Adjusted EBITDA is earnings before finance costs, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based payments, and other non-operating income and expenses. Adjusted EBITDA is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. Our Adjusted EBITDA presented herein also differs from the Adjusted EBITDA presented by Wynn Resorts, Limited for its Macau segment in its filings with the SEC, primarily due to the inclusion of royalty fees, adjustments for IFRS differences with U.S. GAAP, corporate support and other support services in arriving at operating profit.

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement, operating profit, for the years ended 31 December 2012 and 2011.

	For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Operating profit	**6,697,507**	5,982,291
Add		
Depreciation and amortization	**918,929**	1,016,421
Pre-opening costs	**3,610**	—
Property charges and other	**49,071**	865,853
Share-based payments	**20,567**	49,196
Wynn Macau, Limited corporate expenses	**48,109**	37,525
Adjusted EBITDA	**7,737,793**	7,951,286

REVIEW OF HISTORICAL OPERATING RESULTS

Summary Breakdown Table

The following table presents certain selected statement of comprehensive income line items and certain other data.

	For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands, except for averages, daily win figures and number of tables and slot machines)	
Total casino revenues[(1)]	**26,706,712**	27,755,965
Rooms[(2)]	**143,061**	140,464
Food and beverage[(2)]	**185,109**	188,157
Retail and other[(2)]	**1,417,342**	1,413,506
Total operating revenues	**28,452,224**	29,498,092
VIP table games turnover	**925,181,552**	958,373,801
VIP gross table games win[(1)]	**26,294,331**	28,055,558
Mass market table games drop	**21,448,092**	21,559,019
Mass market gross table games win[(1)]	**6,539,887**	6,132,171
Slot machine handle	**36,445,817**	42,044,263
Slot machine win[(1)]	**1,916,505**	2,157,439
Average number of gaming tables[(3)]	**489**	481
Daily gross win per gaming table[(4)]	**183,511**	194,862
Average number of slots[(3)]	**941**	999
Average daily win per slot[(4)]	**5,567**	5,916

Notes:

(1) Total casino revenues do not equal the sum of "VIP gross table games win," "mass market gross table games win" and "slot machine win" because casino revenues are reported net of the relevant commissions and discounts. The following table presents a reconciliation of the sum of "VIP gross table games win," "mass market gross table games win" and "slot machine win" to total casino revenues.

	For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
VIP gross table games win	**26,294,331**	28,055,558
Mass market gross table games win	**6,539,887**	6,132,171
Slot machine win	**1,916,505**	2,157,439
Poker revenues	**151,395**	125,260
Commissions and discounts	**(8,195,406)**	(8,714,463)
Total casino revenues	**26,706,712**	27,755,965

(2) Promotional allowances are excluded from revenues in the accompanying consolidated statement of comprehensive income prepared in accordance with IFRS. Management also evaluates non-casino revenues on an adjusted basis.

The following table presents a reconciliation of net non-casino revenues as reported in our consolidated statement of comprehensive income to gross non-casino revenues calculated on the adjusted basis. The adjusted non-casino revenues as presented below are used for management reporting purposes and are not representative of revenues as determined under IAS 18.

	For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Room revenues	**143,061**	140,464
Promotional allowances	**769,782**	778,438
Adjusted room revenues	**912,843**	918,902
Food and beverage revenues	**185,109**	188,157
Promotional allowances	**571,096**	536,053
Adjusted food and beverage revenues	**756,205**	724,210
Retail and other revenues	**1,417,342**	1,413,506
Promotional allowances	**51,810**	37,486
Adjusted retail and other revenues	**1,469,152**	1,450,992

(3) For purposes of this table, we calculate average number of gaming tables and average number of slots as the average number of gaming tables and slot machines in service on each day in the year.

(4) Daily gross win per gaming table and daily win per slot are presented in this table on the basis of the average number of gaming tables and average number of slots, respectively, over the number of days Wynn Macau and Encore were open in the applicable year. In addition, the total table games win figures used herein do not correspond to casino revenues figures in our financial statements, because figures in our financial statements are calculated net of commissions and discounts and the total table games win herein is calculated before commissions and discounts.

Discussion of Results of Operations

Financial results for the year ended 31 December 2012 compared to financial results for the year ended 31 December 2011

Operating Revenues

Total operating revenues decreased by 3.5% from HK$29.5 billion in 2011 to HK$28.5 billion in 2012. This decrease was primarily due to lower overall gaming volumes and a lower win percentage in our VIP casino during 2012 compared to 2011.

Casino Revenues

Casino revenues decreased by 3.8%, from HK$27.8 billion (94.1% of total operating revenues) in 2011 to HK$26.7 billion (93.9% of total operating revenues) in 2012. The components and reasons are as follows:

VIP casino gaming operations. VIP gross table games win decreased by 6.3%, from HK$28.1 billion in 2011 to HK$26.3 billion in 2012. VIP table games turnover decreased by 3.5%, from HK$958.4 billion in 2011 to HK$925.2 billion in 2012. VIP gross table games win as a percentage of turnover (calculated before discounts and commissions) decreased from 2.93% in 2011 to 2.84% in 2012 (win percentages are within the expected range of 2.7% to 3.0%).

Mass market casino gaming operations. Mass market gross table games win increased by 6.6%, from HK$6.1 billion in 2011 to HK$6.5 billion in 2012. Mass market table games drop remained essentially flat from HK$21.6 billion in 2011 to HK$21.4 billion in 2012. The mass market gross table games win percentage (calculated before discounts) was 28.4% in 2011 compared to 30.5% in 2012, which was higher than the expected win percentage range of 28.0% to 30.0%. We have increased our expected mass market range to 28.0% to 30.0% based on our experience since the opening of Encore.

Slot machine gaming operations. Slot machine win decreased by 11.2% from HK$2.2 billion in 2011 to HK$1.9 billion in 2012. Slot machine handle decreased by 13.3%, from HK$42.0 billion in 2011 to HK$36.4 billion in 2012. Slot machine win per unit per day decreased by 5.9% from HK$5,916 in 2011 to HK$5,567 in 2012. Slot machine win, slot machine handle and slot machine win per unit per day decreased primarily due to increased competition in the premium slot segment.

Non-casino Revenues

Net non-casino revenues, which include room, food and beverage and retail revenues, remained essentially flat from HK$1,742.1 million (5.9% of total operating revenues) in 2011 to HK$1,745.5 million (6.1% of total operating revenues) in 2012.

Rooms. Our room revenues, which exclude promotional allowances in our consolidated statement of comprehensive income, increased by 1.8% from HK$140.5 million in 2011 to HK$143.1 million in 2012.

Management also evaluates room revenues on an adjusted basis which include promotional allowances. Adjusted room revenues including promotional allowances remained essentially flat from HK$918.9 million in 2011 to HK$912.8 million in 2012.

The following table presents additional information about our adjusted room revenues (which include promotional allowances):

Adjusted room revenues information

	For the year ended 31 December	
	2012	2011
Adjusted Average Daily Rate (includes promotional allowances of HK$2,071 in 2012 and HK$2,084 in 2011)	HK$2,447	HK$2,450
Occupancy	93.0%	91.8%
Adjusted REVPAR (includes promotional allowances of HK$1,925 in 2012 and HK$1,913 in 2011)	HK$2,275	HK$2,249

Food and beverage. Food and beverage revenues, which exclude promotional allowances in our consolidated statement of comprehensive income, totaled HK$185.1 million in 2012, a 1.6% decrease from 2011 revenues of HK$188.2 million. The decrease reflects lower business volumes.

Management also evaluates food and beverage revenues on an adjusted basis including promotional allowances. Food and beverage revenues in 2012 adjusted to include these promotional allowances were HK$756.2 million, a 4.4% increase from 2011 adjusted revenues of HK$724.2 million. The increase is due to a higher portion of our food and beverage services being provided on a complimentary basis in 2012 compared to 2011 to meet demand from our VIP clients and high limit mass market customers.

Retail and other. Our retail and other revenues, which exclude promotional allowances in our consolidated statement of comprehensive income, remained essentially flat from HK$1,413.5 million in 2011 to HK$1,417.3 million in 2012.

Management also evaluates retail and other revenues on an adjusted basis which includes promotional allowances. Adjusted retail and other revenues including promotional allowances increased by 1.3% from HK$1,451.0 million in 2011 to HK$1,469.2 million in 2012. The increase is due to a higher amount of complimentary goods and services provided to VIP clients and high limit mass market customers.

Operating Costs and Expenses

Gaming taxes and premiums. Gaming taxes and premiums decreased by 4.2%, from HK$14.4 billion in 2011 to HK$13.8 billion in 2012. This decrease was due to decreased gross gaming win in 2012 compared to 2011. Wynn Macau is subject to a 35% gaming tax on gross gaming win. In addition, Wynn Macau is also required to pay 4% of its gross gaming win as contributions for public development and social facilities.

Staff costs. Staff costs increased from HK$2.1 billion in 2011 to HK$2.2 billion in 2012. The increase was primarily due to the salary increases implemented in 2012.

Other operating expenses. Other operating expenses decreased by 7.6%, from HK$5.2 billion in 2011 to HK$4.8 billion in 2012. The decrease in other operating costs was primarily due to lower business volume related expenses such as gaming promoters' commissions, cost of sales and royalty fees. In addition, during 2012, the Group evaluated its reserve estimates based on the results of historical collection patterns and current collection trends. As a result, the Group revised its estimates and recorded a HK$165 million credit against its provision for doubtful accounts which decreased the provision for doubtful accounts for the year to a net HK$1.5 million credit.

Depreciation and amortization. Depreciation and amortization decreased by 9.6% from HK$1,016.4 million in 2011 to HK$918.9 million in 2012. This decrease was primarily due to assets with a 5-year life being fully depreciated as of September 2011.

Property charges and other. Property charges and other decreased from HK$865.9 million in 2011 to HK$49.1 million in 2012. Included in property charges and other for the year ended 31 December 2011 is a charge of HK$831.1 million reflecting the present value of a charitable contribution made by WRM to the University of Macau Development Foundation. This contribution consists of a MOP200.0 million (approximately HK$194.2 million) payment made in May 2011, and a commitment for additional donations of MOP80.0 million (approximately HK$77.7 million) each year for the calendar years 2012 through 2022 inclusive, for a total of MOP1,080.0 million (approximately HK$1,048.5 million). The amount reflected in our accompanying consolidated statement of comprehensive income has been discounted using our current estimated borrowing rate over the time period of the remaining committed payments. Other charges in each period represent gain/loss on the sale of equipment as well as costs related to assets retired or abandoned as a result of renovating certain assets of Wynn Macau in response to customer preferences and changes in market demand.

As a result of the foregoing, total operating costs and expenses decreased by 7.5%, from HK$23.5 billion in 2011 to HK$21.8 billion in 2012.

Finance Revenues

Finance revenues increased from HK$49.1 million in 2011 to HK$83.8 million in 2012. The increase is mainly due to higher cash balances during 2012. During 2012 and 2011, our short-term investment strategy has been to preserve capital while retaining sufficient liquidity. While we have recently invested in certain corporate debt securities which contributed to the increase in interest income, the majority of our short-term investments are primarily in fixed deposits with a maturity of three months or less.

Finance Costs

Finance costs increased by 13.5%, from HK$259.4 million in 2011 to HK$294.3 million in 2012. Finance costs increased in 2012 primarily due to the increase in amounts outstanding under the Amended Wynn Macau Credit Facility.

Interest Rate Swaps

As required under the terms of our various credit facilities, we have entered into agreements which swap a portion of the interest on our loans from floating to fixed rates. These transactions do not qualify for hedge accounting.

Changes in the fair value of our interest rate swaps are recorded as an increase or decrease in swap fair value during each year. We recorded a loss of HK$9.8 million for 2012 resulting from the decrease in the fair value of our interest rate swaps in 2012. We recorded a gain of HK$80.4 million in 2011 resulting from the increase in the fair value of our interest rate swaps in 2011.

Income Tax (Expense) Benefit

In 2012, our income tax expense was HK$15.0 million compared to an income tax benefit of HK$26.8 million in 2011. Our 2012 current income tax expense primarily relates to income tax expense of our subsidiaries owning WRM's shares under the WRM Shareholder Dividend Tax Agreement. Our current income tax benefit for 2011 primarily relates to the reversal of HK$41.8 million reserve previously established for potential tax assessments for years 2006 and before, which has closed and income tax expense of HK$15.0 million for our subsidiaries owning WRM's shares under the WRM Shareholder Dividend Tax Agreement.

Net Profit Attributable to Owners of the Company

As a result of the foregoing, net profit attributable to owners of the Company increased by 8.8%, from HK$5.9 billion in 2011 to HK$6.4 billion in 2012.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Since Wynn Macau opened in 2006, we have generally funded our working capital and recurring expenses as well as capital expenditures from cash flow from operations and cash on hand.

Our cash balances at 31 December 2012 were HK$10.5 billion. Such cash is available for operations, new development activities and enhancements to Wynn Macau and Encore. In addition, we have HK$768.7 million of restricted cash for Cotai related construction and development costs.

On 31 July 2012. WRM expanded its availability under its senior secured bank facility to US$2.3 billion (approximately HK$17.9 billion) equivalent consisting of a US$750 million (approximately HK$5.8 billion) equivalent fully funded senior secured term loan facility and a US$1.55 billion (approximately HK$12.1 billion) equivalent senior secured revolving credit facility. WRM also has the ability to upsize the total senior secured facilities by an additional US$200 million (approximately HK$1.6 billion) pursuant to the terms and provisions of the Amended Wynn Macau Credit Facilities. Borrowings under the Amended Wynn Macau Credit Facilities, specifically the fully funded term loan, were used to refinance WRM's existing indebtedness. Future borrowings under the Amended Wynn Macau Credit Facilities will be used to fund the design, development, construction and pre-opening expenses of Wynn Cotai and for general corporate purposes.

Investments

As at 31 December 2012, the Group had net investments in Offshore RMB denominated debt securities with maturities of up to two years that amounted to Offshore RMB338.7 million (approximately HK$421.8 million) compared to RMB415.6 million (approximately HK$508.8 million) as at 31 December 2011.

Gearing Ratio

The gearing ratio is a key indicator of our Group's capital structure. The gearing ratio is net debt divided by total capital plus net debt. The table below presents the calculation of our gearing ratio as at 31 December 2012 and 2011.

	As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands except for percentages)	
Interest-bearing bank loans, net	**5,493,770**	4,803,466
Accounts payable	**968,737**	1,050,345
Land premium payable	**807,104**	911,433
Other payables and accruals	**5,440,748**	6,236,877
Amounts due to related companies	**230,930**	158,188
Other liabilities	**128,433**	135,396
Less: cash and cash equivalents	**(10,475,370)**	(5,156,725)
restricted cash and cash equivalents	**(768,654)**	—
Net debt	**1,825,698**	8,138,980
Equity	**10,500,670**	4,028,443
Total capital	**10,500,670**	4,028,443
Capital and net debt	**12,326,368**	12,167,423
Gearing ratio	**14.8%**	66.9%

Cash Flows

The following table presents a summary of the Group's cash flows for the years ended 31 December 2012 and 2011.

	For the year ended 31 December	
	2012	2011
	HK$	*HK$*
	(in millions)	
Net cash generated from operating activities	**7,081.7**	9,417.1
Net cash used in investing activities	**(2,078.7)**	(1,505.5)
Net cash from (used in) financing activities	**299.0**	(6,607.5)
Net increase in cash and cash equivalents	**5,302.0**	1,304.1
Cash and cash equivalents at beginning of year	**5,156.7**	3,819.1
Effect of foreign exchange rate changes, net	**16.7**	33.5
Cash and cash equivalents at end of year	**10,475.4**	5,156.7

Net cash generated from operating activities

Our net cash generated from operating activities is primarily affected by operating profit generated by our Macau Operations and changes in our working capital. Net cash from operating activities was HK$7.1 billion in 2012 compared to HK$9.4 billion in 2011.

Operating profit was HK$6.7 billion in 2012 compared to HK$6.0 billion in 2011.

Net cash used in investing activities

Net cash used in investing activities was HK$2.1 billion in 2012, compared to HK$1.5 billion in 2011. Major expenditures made in 2012 included capital expenditures of HK$1.1 billion related to Cotai Land improvement costs and renovations to enhance and refine the Macau Operations and a HK$389.0 million payment to an unrelated third party in consideration of that party's relinquishment of certain rights in and to any future development of the Cotai Land. Major expenditures made in 2011 included the purchase of debt securities denominated in offshore RMB amounting to HK$518.7 million, the down payment of HK$485.4 million made in December 2011 with respect to the Cotai Land premium and capital expenditures of HK$445.3 million related primarily to renovation projects to enhance and refine the Macau operations.

Net cash from (used in) financing activities

Net cash from financing activities was HK$299.0 million during 2012 compared to HK$6.6 billion net cash used in financing activities during 2011. The increase in cash from financing activities was due to the HK$1.0 billion net proceeds from the refinancing of the Wynn Macau Credit Facility in July 2012. In addition, no dividend was paid in 2012 compared to the HK$6.2 billion special dividend payment made in 2011.

Indebtedness

The following table presents a summary of our indebtedness as at 31 December 2012 and 2011.

Indebtedness information

	As at 31 December	
	2012	2011
	HK$	*HK$*
	(in thousands)	
Senior revolving credit facility	**—**	1,168,844
Senior term loan facility	**5,838,167**	3,708,975
Less: debt financing costs, net	**(344,397)**	(74,353)
Total interest-bearing bank loans, net	**5,493,770**	4,803,466

The Group had approximately HK$12.1 billion available to draw under the Amended Wynn Macau Credit Facilities as at 31 December 2012.

Wynn Macau Credit Facilities

Overview

As at 31 December 2012, WRM's credit facilities consisted of HK$17.9 billion in a combination of Hong Kong dollar and U.S. dollar facilities, including a HK$5.8 billion fully funded senior term loan facility and a HK$12.1 billion senior revolving credit facility. The facilities, specifically the fully funded term loan, were used to refinance WRM's existing indebtedness. Future borrowings under the facilities may be used for a variety of purposes, including investment in our Cotai project, further enhancements at our resort, and general corporate purposes.

As at 31 December 2012, the senior revolving credit facility was undrawn, and we had total bank borrowings under the senior term loan facility of HK$5.8 billion, of which HK$1.9 billion was denominated in U.S. dollars and HK$3.9 billion was denominated in Hong Kong dollars.

The term loans under the previous Wynn Macau Credit Facilities had June 2014 maturities, but were refinanced as part of the Amended Wynn Macau Credit Facilities. The revolving loans under the previous Wynn Macau Credit Facilities matured in June 2012.

On 31 July 2012, WRM entered into the Amended Wynn Macau Credit Facilities and appointed Bank of China Limited, Macau Branch as facilities agent, intercreditor agent and security agent. The Amended Wynn Macau Credit Facilities and related agreements took effect on 31 July 2012 and expanded availability under WRM's senior bank facility to US$2.3 billion equivalent (approximately HK$17.9 billion), consisting of a US$750 million equivalent (approximately HK$5.8 billion) fully funded senior term loan facility and a US$1.55 billion equivalent (approximately HK$12.1 billion) senior revolving credit facility. There is also an option to upsize the total senior secured facilities by an additional US$200 million (approximately HK$1.6 billion) under the Amended Wynn Macau Credit Facilities.

The term loan facility matures in July 2018 with the principal amount of the term loan to be repaid in two equal installments in July 2017 and July 2018. The final maturity for the revolving credit facility is July 2017, by which date any outstanding revolving loans must be repaid. The senior secured facilities will bear interest for the first six months after closing at LIBOR or HIBOR plus a margin of 2.50% and thereafter will be subject to LIBOR or HIBOR plus a margin of between 1.75% to 2.50 % based on WRM's leverage ratio. Customary fees and expenses were paid by WRM in connection with the Amended Wynn Macau Credit Facilities.

Security and Guarantees

Borrowings under the Amended Wynn Macau Credit Facilities are guaranteed by Palo and by certain subsidiaries of the Company that own equity interests in WRM, and are secured by substantially all of the assets of WRM, the equity interests in WRM and, substantially all of the assets of Palo. With respect to the Concession Agreement and WRM's land concession agreement, the WRM lenders have certain cure rights and consultation rights with the Macau government upon an enforcement by the lenders.

Second Ranking Lender

WRM is also party to a bank guarantee reimbursement agreement with Banco National Ultramarino S.A. to secure a guarantee in favor of the Macau government as required under the Concession Agreement. The amount of this guarantee is MOP300 million (approximately HK$291.3 million) and it lasts until 180 days after the end of the term of the Concession Agreement. The guarantee assures WRM's performance under the Concession Agreement, including the payment of certain premiums, fines and indemnities for breach. The guarantee is secured by a second priority security interest in the same collateral package securing the Amended Wynn Macau Credit Facilities.

Other terms

The Amended Wynn Macau Credit Facilities contain representations, warranties, covenants and events of default customary for casino development financings in Macau. The Directors confirm that there is no non-compliance with the financial covenants or general covenants contained in the Amended Wynn Macau Credit Facilities.

The Company is not a party to the credit facilities agreement and related agreements and has no rights or obligations thereunder.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and conditions, such as inflation, interest rates, and foreign currency exchange rates.

Foreign Exchange Risks

The financial statements of foreign operations are translated into Hong Kong dollars, the Company's functional and presentation currency, for incorporation into the consolidated financial statements. The majority of our assets and liabilities are denominated in U.S. dollars, Hong Kong dollars, Macau patacas and Offshore RMB, and there are no significant assets and liabilities denominated in other currencies. Assets and liabilities are translated at the prevailing foreign exchange rates in effect at the end of the reporting period. Income, expenditures and cash flow items are measured at the actual foreign exchange rates or average foreign exchange rates for the period. 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. The Macau pataca is pegged to the Hong Kong dollar, and in many cases the two currencies are used interchangeably in Macau. However, the exchange linkages of the Hong Kong dollar and the Macau pataca, and the Hong Kong dollar to the U.S. dollar, are subject to potential changes due to, among other things, changes in governmental policies and international economic and political developments. In particular, our Group is exposed to foreign exchange risk arising primarily with respect to the Offshore RMB, which does not have pegged exchange linkages to the U.S. dollar, Hong Kong dollar or Macau pataca.

Interest Rate Risks

One of our primary exposures to market risk is interest rate risk associated with our credit facilities, which bear interest based on floating rates. We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings supplemented by hedging activities as considered necessary. We cannot assure you that these risk management strategies will have the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

As at 31 December 2012, the Group had three interest rate swap agreements intended to manage a portion of the underlying interest rate risk on borrowings under the Amended Wynn Macau Credit Facilities. Under two swap agreements, the Group pays a fixed interest rate of 0.73% on borrowings of approximately HK$3.95 billion incurred under the Amended Wynn Macau Credit Facilities in exchange for receipts on the same amount at a variable interest rate based on the applicable HIBOR at the time of payment. These interest rate swaps fixes the all-in interest rate on approximately HK$3.95 billion of borrowings under the Amended Wynn Macau Credit Facilities at approximately 3.23%. These interest rate swap agreements mature in July 2017.

Under the third swap agreement, the Group pays a fixed interest rate of 0.6763% on borrowing of US$243.8 million (approximately HK$1.8 billion) incurred under the Amended Wynn Macau Credit Facilities in exchange for receipts on the same amount at a variable interest rate based on the applicable LIBOR at the time of payment. This interest rate swap fixes the all-in interest rate on US$243.8 million (approximately HK$1.8 billion) of borrowings under the Amended Wynn Macau Credit Facilities at approximately 3.18%. This interest rate swap agreement matures in July 2017.

The carrying value of these interest rate swaps on the consolidated statement of financial position approximates its fair value. The fair value approximates the amount the Group would 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 non-performance valuation, considering its creditworthiness or the creditworthiness of its counterparties at each settlement date, as applicable. These transactions do not qualify for hedge accounting. Accordingly, changes in the fair values during the years ended 31 December 2012 and 2011, were charged to the consolidated statement of comprehensive income.

To the extent there are any liabilities of Wynn Macau under the swap agreement, such liabilities are secured by the same collateral package securing the Amended Wynn Macau Credit Facilities.

OFF BALANCE SHEET ARRANGEMENTS

We have not entered into any transactions with special purpose entities nor do we engage in any transactions involving derivatives except for interest rate swaps. We do not have any retained or contingent interest in assets transferred to an unconsolidated entity.

OTHER LIQUIDITY MATTERS

We expect to fund our operations and capital expenditure requirements from operating cash flows, cash on hand and funds available under the Amended Wynn Macau Credit Facilities. However, we cannot be sure that operating cash flows will be sufficient for those purposes. We may refinance all or a portion of our indebtedness on or before maturity. We cannot be sure that we will be able to refinance any of the indebtedness on acceptable terms or at all.

New business developments (including our development of a project in Cotai) or other unforeseen events may occur, resulting in the need to raise additional funds. There can be no assurances regarding the business prospects with respect to any other opportunity. Any other development would require us to obtain additional financing.

In the ordinary course of business, in response to market demands and client preferences, and in order to increase revenues, we have made and will continue to make enhancements and refinements to our resort. We have incurred and will continue to incur capital expenditures related to these enhancements and refinements.

Taking into consideration our financial resources, including our cash and cash equivalents, internally generated funds and availability under the Amended Wynn Macau Credit Facilities, we believe that we have sufficient liquid assets to meet our working capital and operating requirements for the following 12 months.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see note 14 to the Financial Statements. Our Directors confirm that all related party transactions are conducted on normal commercial terms, and that their terms are fair and reasonable.

DISCLOSURE OF FINANCIAL RESULTS IN MACAU

WRM, our subsidiary and the owner and operator of Wynn Macau, finalized its MFRS statutory financial statements at the end of February 2013 and anticipates filing its MFRS Consolidated Financial Statements with the Gaming Inspection and Coordination Bureau of Macau by 31 March 2013. This is a statutory filing requirement mandated by Macau law. In addition, WRM expects to publish its MFRS Condensed Consolidated Financial Statements in the Macau Official Gazette and local newspapers in Macau by the end of April 2013. The MFRS Consolidated Financial Statements and the MFRS Condensed Consolidated Financial Statements may not be directly comparable with our Company's financial results disclosed herein, which are prepared under IFRS.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2012.

CORPORATE GOVERNANCE REPORT

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and its Shareholders. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Code.

The Company has complied with the code provisions in the Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012, both dates inclusive, and the code provisions in the Corporate Governance Code and Corporate Governance Report during the period 1 April 2012 to 31 December 2012, both dates inclusive, except for the following deviation from provision A.2.1 of the Code.

Mr. Stephen A. Wynn as our Chairman and Chief Executive Officer

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not at present separate the roles of the chairman and chief executive officer.

Mr. Wynn, the founder of the Company and Wynn Macau, serves as the Chairman and Chief Executive Officer of the Company. The Board has determined that the combination of these roles held singularly by Mr. Wynn is in the best interest of the Company and all Shareholders. The Board believes that the issue of whether to combine or separate the offices of Chairman of the Board and Chief Executive Officer is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination whether to combine or separate the roles based upon the circumstances. The Board has given careful consideration to separating the roles of Chairman and Chief Executive Officer and has determined that the Company and its Shareholders are best served by the current structure. Mr. Wynn's combined role promotes unified leadership and direction for the Board and executive management and allows for a single, clear focus for the Company's operational and strategic efforts.

The combined role of Mr. Wynn as both Chairman and Chief Executive Officer is balanced by the Company's governance structure, policies and controls. All major decisions are made in consultation with members of the Board and the relevant Board committees. The Company has three Board committees, namely the Audit Committee, the Remuneration Committee, and the Nomination and Corporate Governance Committee. Each Board committee comprises non-executive Directors only and is chaired by an independent non-executive Director. In addition, there are three independent non-executive Directors on the Board offering independent perspectives. This structure encourages independent and effective oversight of the Company's operations and prudent management of risk. For the reasons stated above and as a result of the structure, policies and procedures outlined above, and in light of the historical success of Mr. Wynn's leadership, the Board has concluded that the current Board leadership structure is in the best interests of the Company and its Shareholders.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code on 16 September 2009 as its code of conduct for securities transactions by Directors. On 23 March 2010, the Company adopted its own code of conduct for securities transactions, the terms of such code being no less exacting than those set out in the Model Code. Having made specific enquiry of the Directors, all Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities dealings by directors as set out in the Model Code and the Company's own code of conduct for the year ended 31 December 2012.

On 23 February 2013, 50,000 shares in the common stock of Wynn Resorts, Limited vested in favor of Mr. Marc D. Schorr pursuant to an Amended Restricted Stock Agreement with Wynn Resorts, Limited of the same date. Further to an election by Mr. Schorr dated 26 February 2013 in accordance with an offer by Wynn Resorts, Limited to do so, Wynn Resorts, Limited withheld 20,975 of these shares and applied the value thereof (determined based on the market price of the shares of Wynn Resorts, Limited measured as of the vesting date) to make withholding tax payments arising from the vesting of the shares for the benefit of Mr. Schorr. These 20,975 shares were not granted to Mr. Schorr or made available on National Association of Securities Dealers Automated Quotations but were issued and bought by Wynn Resorts, Limited, becoming treasury stock. As a consequence, Mr. Schorr ceased to be interested in 20,975 shares of Wynn Resorts, Limited. The relevant notice to the Company and the Hong Kong Stock Exchange disclosing this event, which is available to the public, was filed on 27 February 2013. Because Mr. Schorr's election occurred during a blackout period under the Company's code of conduct for securities transactions, the election constituted a technical violation of that code. The Company reviewed and amended its code on 28 March 2013 in order to permit such transactions, which are common in the context of U.S. companies such as Wynn Resorts, Limited, at any time, so long as the grantee of the shares is not, at the time the election is made, in possession of "inside information," as such term is defined for purposes of Part XIVA of the Securities and Futures Ordinance about the Company or Wynn Resorts, Limited.

AUDIT COMMITTEE

An Audit Committee has been established by the Company to review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee comprises one non-executive Director and two independent non-executive Directors of the Company. The Audit Committee members have reviewed the Group's results for the year ended 31 December 2012.

ANNUAL REPORT

The Company's annual report for the year ended 31 December 2012 containing all the information required by Appendix 16 of the Listing Rules will be published on the Company's and the Hong Kong Stock Exchange's websites in due course.

LITIGATIONS

The Group did not have any material litigation outstanding as at 31 December 2012.

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

Determination of unsuitability and redemption of Aruze USA, Inc. and affiliates

On 18 February 2012, Wynn Resorts' Gaming Compliance Committee concluded an investigation after receiving an independent report by Freeh, Sporkin & Sullivan, LLP (the "**Freeh Report**") detailing a pattern of misconduct by Aruze USA, Inc., at the time a stockholder of Wynn Resorts, Universal Entertainment Corporation, Aruze USA, Inc.'s parent company, and Mr. Kazuo Okada, the majority shareholder of Universal Entertainment Corporation, who, until 21 February 2013, was also a member of Wynn Resorts' board of directors and was at the time a director of Wynn Macau, Limited. The factual record presented in the Freeh Report included evidence that Aruze USA, Inc., Universal Entertainment Corporation and Mr. Okada had provided valuable items to certain foreign gaming officials who were responsible for regulating gaming in a jurisdiction in which entities controlled by Mr. Okada were developing a gaming resort. Mr. Okada has denied the impropriety of such conduct to members of the board of directors of Wynn Resorts and Mr. Okada has refused to acknowledge or abide by Wynn Resorts' anti-bribery policies and has refused to participate in the training all other directors have received concerning these policies.

Based on the Freeh Report, the board of directors of Wynn Resorts determined that Aruze USA, Inc., Universal Entertainment Corporation and Mr. Okada are "unsuitable persons" under Article VII of Wynn Resorts' articles of incorporation. The board of directors of Wynn Resorts was unanimous (other than Mr. Okada) in its determination. The board of directors of Wynn Resorts also requested that Mr. Okada resign as a director of Wynn Resorts (under Nevada corporation law, a board of directors does not have the power to remove a director) and recommended that Mr. Okada be removed as a member of the Board of the Company. In addition, on 18 February 2012, Mr. Okada was removed from the board of directors of Wynn Las Vegas Capital Corp., an indirect wholly owned subsidiary of Wynn Resorts. On 24 February 2012, Mr. Okada was removed from the Board and on 22 February 2013, he was removed from the board of directors of Wynn Resorts by a stockholder vote in which 99.6% of the over 86 million shares voted were cast in favor of removal. Additionally, Mr. Okada resigned from the board of directors of Wynn Resorts on 21 February 2013.

Based on the board of directors of Wynn Resorts' finding of "unsuitability," on 18 February 2012, Wynn Resorts redeemed and cancelled Aruze USA, Inc.'s 24,549,222 shares of Wynn Resorts' common stock. Following a finding of "unsuitability," Article VII of Wynn Resorts' articles of incorporation authorizes redemption at "fair value" of the shares held by unsuitable persons. Wynn Resorts engaged an independent financial advisor to assist in the fair value calculation and concluded that a discount to the then current trading price was appropriate because of, among other things, restrictions on most of the shares held by Aruze USA, Inc. under the terms of the Stockholders Agreement (as defined below). Pursuant to the articles of incorporation, Wynn Resorts issued the redemption price promissory note (the "**Redemption Note**") to Aruze USA, Inc. in redemption of the shares. The Redemption Note has a principal amount of US$1.94 billion (approximately HK$15.1 billion), matures on 18 February 2022 and bears interest at the rate of 2% per annum, payable annually in arrears on each anniversary of the date of the Redemption Note. Wynn Resorts may, in its sole and absolute discretion, at any time and from time to time, and without penalty or premium, prepay the whole or any portion of the principal or interest due under the Redemption Note. In no instance shall any payment obligation under the Redemption Note be accelerated except in the sole and absolute discretion of Wynn Resorts or as specifically mandated by law. The indebtedness evidenced by the Redemption Note is and shall be subordinated in right of payment, to the extent and in the manner provided in the Redemption Note, to the prior payment in full of all existing and future obligations of Wynn Resorts or any of its affiliates in respect of indebtedness for borrowed money of any kind or nature.

After authorizing the redemption of the Aruze USA, Inc. shares, the board of directors of Wynn Resorts took certain actions to protect Wynn Resorts and its operations from any influence of an unsuitable person, including placing limitations on the provision of certain operating information to unsuitable persons, evaluating whether to seek the removal of Mr. Okada from the Wynn Resorts' board of directors, and the formation of an Executive Committee of Wynn Resorts' board of directors to manage the business and affairs of Wynn Resorts during the period between each annual meeting. The Charter of the Executive Committee provides that "Unsuitable Persons" are not permitted to serve on the Committee. All members of Wynn Resorts' board of directors, other than Mr. Okada, were appointed to the Executive Committee on 18 February 2012. On 24 February 2012, the Board of Directors of the Company removed Mr. Kazuo Okada from the board. On 3 January 2013, Wynn Resorts filed a definitive proxy statement on Schedule 14A ("**Proxy Statement**") for a special meeting of the stockholders to consider and vote upon a proposal to remove Mr. Okada as a director of Wynn Resorts ("**Removal Proposal**"). On 24 January 2013, Mr. Okada filed a complaint in the United States District Court, District of Nevada against Wynn Resorts, alleging that Proxy Statement was materially false and misleading in contravention of Section 14(a) of the Securities Exchange Act of 1934, as amended, and Securities and Exchange Commission Rule 14a-9 promulgated thereunder. Mr. Okada also filed a motion for a preliminary injunction on 28 January 2013, in which he sought an order preliminarily enjoining the special meeting of stockholders until such time as Wynn Resorts corrected certain alleged misstatements and omissions in its Proxy Statement. At the conclusion of a hearing held on 15 February 2013, the federal court denied Mr. Okada's motion.

On the afternoon of 21 February 2013, Mr. Okada resigned as a director of Wynn Resorts. On 22 February 2013, the special meeting of stockholders was held and the stockholders approved the Removal Proposal with an affirmative vote of 85.7% of the shares entitled to vote at the special meeting (99.6% of the shares that were voted at the special meeting of stockholders were voted in favor of the Removal Proposal).

Redemption action and counterclaim

On 19 February 2012, Wynn Resorts filed a complaint in the Eighth Judicial District Court, Clark County, Nevada against Mr. Okada, Aruze USA, Inc. and Universal Entertainment Corporation (companies controlled by Mr. Okada) (the "**Okada Parties**"), alleging breaches of fiduciary duty and related claims. Wynn Resorts is seeking compensatory and special damages as well as a declaration that it acted lawfully and in full compliance with its articles of incorporation, bylaws and other governing documents in redeeming and cancelling the shares of Aruze, USA, Inc.

On 12 March 2012, the Okada Parties removed the action to the United States District Court for the District of Nevada (the action was subsequently remanded to Nevada state court). On that same date, the Okada Parties filed an answer denying the claims and a counterclaim that purports to assert claims against Wynn Resorts, each of the members of the Wynn Resorts' board of directors (other than Mr. Okada) and Wynn Resorts' General Counsel (the "**Wynn Parties**"). As amended, the Okada Parties' counterclaim alleges, among other things: (1) that the shares of Wynn Resorts common stock owned by Aruze USA, Inc. were exempt from the redemption-for-unsuitability provisions in the Wynn Resorts articles of incorporation pursuant to certain agreements executed in 2002; (2) that the Wynn Resorts directors who authorized the redemption of Aruze USA, Inc.'s shares acted at the direction of Mr. Stephen A. Wynn and did not independently and objectively evaluate Mr. Okada's, Universal Entertainment Corporation's, and Aruze USA, Inc.'s suitability, and by so doing, breached their fiduciary duties; (3) that the Wynn Resorts directors violated the terms of the Wynn Resorts articles of incorporation by failing to pay Aruze USA, Inc. fair value for the redeemed shares; and (4) that the terms of the Redemption Note that Aruze USA, Inc. received in exchange for the redeemed shares, including the Redemption Note's principal amount, duration, interest rate, and subordinated status, were unconscionable. Among other relief, the amended counterclaim seeks a declaration that the redemption of Aruze USA, Inc.'s shares was void, an injunction restoring Aruze USA, Inc.'s share ownership, damages in an unspecified amount and rescission of the amended and restated stockholders agreement, dated as of 6 January 2010, by and among Aruze USA, Inc., Mr. Stephen A. Wynn and Ms. Elaine P. Wynn as amended from time to time. On 31 August 2012, Aruze USA, Inc. filed a motion for preliminary injunction with the

Nevada state court. The motion sought an order that would prohibit Wynn Resorts from barring or preventing Aruze USA, Inc. from exercising rights as a stockholder at the 2 November 2012 annual meeting of Wynn Resorts' stockholders. On 2 October 2012, the Nevada state court denied Aruze USA, Inc.'s motion for preliminary injunction. On 19 October 2012, Aruze USA, Inc. filed a notice of appeal with the Nevada Supreme Court. The appeal was assigned to the Nevada Supreme Court's mediation program, has not progressed, and is pending. Wynn Resorts intends to vigorously defend against the appeal and to argue that the Nevada Supreme Court should affirm the state court's decision denying Aruze USA, Inc.'s motion for a preliminary injunction.

Wynn Resorts' complaint, as amended, and the Okada Parties' counterclaim, as amended, were challenged at the pleading stage through motion practice. At a hearing held on 13 November 2012, the Nevada state court denied the Wynn Parties' motion to dismiss the Okada Parties' amended counterclaim, but dismissed the Okada Parties' claims under the Nevada Racketeer Influenced and Corrupt Organizations Act. At a hearing held on 15 January 2013, the court denied the Okada Parties' motion to dismiss Wynn Resorts' amended complaint.

On 13 February 2013, the Okada Parties filed a motion in the Nevada state court in which they asked the court to establish a "disputed ownership fund" as defined in a federal tax regulation. Specifically, the motion sought an order establishing an escrow account to hold the Redemption Note issued to Aruze USA, Inc. as compensation for the shares of Wynn Resorts common stock redeemed by the board of directors of Wynn Resorts in February 2012 in light of the board's determination of unsuitability, as well as the redeemed shares themselves (although those shares were previously cancelled in February 2012), pending a resolution of the state court action. On 22 March 2013, the court entered a preliminary order for the establishment of an escrow into which interest on the Redemption Note will be paid. The court expressly stated that it made no determination or finding with respect to any "disputed ownership" under Internal Revenue Service regulations.

Wynn Resorts is vigorously pursuing its claims against the Okada Parties, and Wynn Resorts and the other counter-defendants are vigorously defending against the counterclaims asserted against them. Wynn Resorts' claims and the Okada Parties' counterclaims are in a preliminary stage and the management of Wynn Resorts has determined that based on proceedings to date, it is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any. Any adverse judgments or settlements involving payment of a material sum of money could cause a material adverse effect on Wynn Resorts' financial condition and results of operations and could expose Wynn Resorts to additional claims by third parties, including current or former investors or regulators. Any adverse judgments or settlements would reduce Wynn Resorts' profits and could limit Wynn Resorts' ability to operate their business.

Related matters

Wynn Resorts provided the Freeh Report to appropriate regulators and law enforcement agencies and is cooperating with related investigations that such regulators and agencies have undertaken. The conduct of the Okada Parties and any resulting regulatory investigations could have adverse consequences to Wynn Resorts and its subsidiaries. A finding by regulatory authorities that Mr. Okada violated anti-corruption statutes and/or other laws or regulations applicable to persons affiliated with a gaming licensee on Wynn Resorts property and/or otherwise involved Wynn

Resorts in criminal or civil violations could result in actions by regulatory authorities against Wynn Resorts. Relatedly, as described below, the Salt Lake Regional Office of the SEC has commenced an informal inquiry into, and other regulators could pursue separate investigations into, Wynn Resorts' compliance with applicable laws arising from the allegations in the matters described above and in response to litigation filed by Mr. Okada suggesting improprieties in connection with Wynn Resorts' donation to the University of Macau. While Wynn Resorts believes that it is in full compliance with all applicable laws, any such investigations could result in actions by regulators against Wynn Resorts. In February 2013, the Nevada Gaming Control Board informed Wynn Resorts that it has completed its investigation of allegations made by Mr. Okada against Wynn Resorts regarding the activities of Mr. Wynn and related entities in Macau and found no violations of the Gaming Control Act or the Nevada Gaming Commission Regulations.

On 19 June 2012, Ms. Elaine P. Wynn responded to the Okada Parties' counterclaim and asserted a cross claim against Mr. Stephen A. Wynn and Mr. Kazuo Okada seeking a declaration that (1) any and all of Ms. Elaine P. Wynn's duties under the January 2010 Stockholders Agreement (the "**Stockholders Agreement**") by and among Aruze USA, Inc., Mr. Stephen A. Wynn, and Ms. Elaine P. Wynn be discharged; (2) the Stockholders Agreement is subject to rescission and is rescinded; (3) the Stockholders Agreement is an unreasonable restraint on alienation in violation of public policy; and/or (4) the restrictions on sale of shares shall be construed as inapplicable to Ms. Elaine P. Wynn. Mr. Wynn filed his answer to Ms. Elaine P. Wynn's cross claim on 24 September 2012. The indentures for the Wynn Las Vegas, LLC 2022 notes and Existing Notes (the "Indentures") provide that if Mr. Stephen A. Wynn, together with certain related parties, in the aggregate beneficially owns a lesser percentage of the outstanding common stock of Wynn Resorts than are beneficially owned by any other person, a change of control will have occurred. If Ms. Elaine P. Wynn prevails in her cross claim, Mr. Stephen A. Wynn would not beneficially own or control Ms. Elaine P. Wynn's shares and a change in control may result under Wynn Resorts' debt documents. Under the Indentures, the occurrence of a change of control requires that Wynn Resorts make an offer (unless the notes have been previously called for redemption) to each holder to repurchase all or any part of such holder's notes at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest on the notes purchased, if any, to the date of repurchase.

Litigation commenced by Kazuo Okada and related matters

Books and records action

On 11 January 2012, Mr. Okada, in his role as a Wynn Resorts' director, commenced a writ proceeding in the Eighth Judicial District Court, Clark County, Nevada, seeking to compel Wynn Resorts to produce certain books and records relating to a donation to the University of Macau, among other things.

In May 2011, WRM made a commitment to the University of Macau Development Foundation in support of the new Asia-Pacific Academy of Economics and Management. This contribution consists of a US$25 million (equivalent to HK$194.2 million) payment made in May 2011 and a commitment for additional donations of US$10 million (equivalent to HK$77.7 million) each year for the calendar years 2012 through 2022 inclusive. The pledge was consistent with Wynn Resorts' long-standing practice of providing philanthropic support for deserving institutions in the markets in which it operates. The pledge was made following an extensive analysis which concluded that the gift was made in accordance with all applicable laws. The pledge was considered by the boards of directors of both Wynn Resorts and the Company and approved by 15 of the 16 directors who served on those boards. The sole dissenting vote was cast by Mr. Okada whose stated objection was to the length of time over which the donation would occur, not its propriety.

At a hearing on 9 February 2012, the Nevada state court held that, as a director of Wynn Resorts, Mr. Okada had the right to make a reasonable inspection of Wynn Resorts' corporate books and records. Following the hearing, Wynn Resorts released certain documents to Mr. Okada for his inspection. At a subsequent hearing on 8 March 2012, the court considered Mr. Okada's request that Wynn Resorts' board of directors make additional documents available to him, and ruled that Mr. Okada was entitled to inspect two additional pages of documents. Wynn Resorts promptly complied with the court's ruling.

On 25 May 2012, Mr. Okada amended his petition to request inspection of additional records. Following a hearing held on 2 October 2012, the court ruled that Mr. Okada is entitled to review certain additional Wynn Resorts documents from the 2000 to 2002 time period. Wynn Resorts promptly complied with the court's ruling. On 2 November 2012, Mr. Okada filed a motion to compel the production of additional documents and to depose a witness designated by Wynn Resorts. At the conclusion of a hearing held on 8 November 2012, the court denied Mr. Okada's motion. Wynn Resorts has not received any further requests for information by Mr. Okada in relation to this matter as of the date of this report.

SEC inquiry

On 8 February 2012, following Mr. Okada's lawsuit, Wynn Resorts received a letter from the Salt Lake Regional Office of the SEC requesting that, in connection with an informal inquiry by the SEC, Wynn Resorts preserve information relating to the donation to the University of Macau, any donations by Wynn Resorts to any other educational charitable institutions, including the University of Macau Development Foundation, and Wynn Resorts' casino or concession gaming licenses or renewals in Macau. Wynn Resorts is fully cooperating with the Salt Lake Regional Office staff.

Japan Action

On 28 August 2012, Mr. Okada, Universal Entertainment Corporation and Okada Holdings filed a complaint in Tokyo District Court against Wynn Resorts, all members of the board of directors of Wynn Resorts (other than Mr. Okada) and Wynn Resorts' General Counsel, alleging that the press release issued by Wynn Resorts with respect to the redemption has damaged plaintiffs' social evaluation and credibility. The plaintiffs seek damages and legal fees from the defendants. Wynn Resorts and the other counter-defendants are vigorously defending against the claims asserted against them in this matter.

Federal Securities Action

On 3 January 2013, Wynn Resorts filed a definitive proxy statement on Schedule 14A ("Proxy Statement") for a special meeting of the stockholders to consider and vote upon a proposal to remove Mr. Okada as a director of Wynn Resorts ("Removal Proposal"). On 24 January 2013, Mr. Okada filed a complaint in the United States District Court, District of Nevada against Wynn Resorts, alleging that the Proxy Statement was materially false and misleading in contravention of

Section 14(a) of the Securities Exchange Act of 1934, as amended, and Securities and Exchange Commission Rule 14a-9 promulgated thereunder. Mr. Okada also filed a motion for a preliminary injunction on 28 January 2013, in which he sought an order preliminarily enjoining the special meeting of stockholders until such time as Wynn Resorts corrected certain alleged misstatements and omissions in its Proxy Statement. At the conclusion of a hearing held on 15 February 2013, the federal court denied Mr. Okada's motion.

On the afternoon of 21 February 2013, Mr. Okada resigned as a director of Wynn Resorts. On 22 February 2013, the special meeting of stockholders was held and the stockholders approved the Removal Proposal with an affirmative vote of 85.7% of the shares entitled to vote at the special meeting (99.6% of the shares that were voted at the special meeting of stockholders were voted in favor of the Removal Proposal).

Related derivative litigation

Six derivative actions were commenced against Wynn Resorts and all members of its board of directors: four in the United States District Court, District of Nevada, and two in the Eighth Judicial District Court of Clark County, Nevada.

The four federal actions brought by the following plaintiffs have been consolidated: (1) The Louisiana Municipal Police Employees' Retirement System, (2) Maryanne Solak, (3) Excavators Union Local 731 Welfare Fund, and (4) Boilermakers Lodge No. 154 Retirement Fund (collectively, the "**Federal Plaintiffs**").

The Federal Plaintiffs filed a consolidated complaint on 6 August 2012, asserting claims for: (1) breach of fiduciary duty; (2) waste of corporate assets; (3) injunctive relief; and (4) unjust enrichment. The claims are against Wynn Resorts and all Wynn Resorts directors, including Mr. Okada, however, the plaintiffs voluntarily dismissed Mr. Okada as a defendant in this consolidated action on 27 September 2012. The Federal Plaintiffs claim that the individual defendants breached their fiduciary duties and wasted assets by: (a) failing to ensure Wynn Resorts' officers and directors complied with federal and state laws and Wynn Resorts' Code of Conduct; (b) voting to allow Wynn Resorts' subsidiary to make the donation to the University of Macau; and (c) redeeming Aruze USA, Inc.'s stock such that Wynn Resorts incurs the debt associated with the redemption. The Federal Plaintiffs seek unspecified compensatory damages, restitution in the form of disgorgement, reformation of corporate governance procedures, an injunction against all future payments related to the donation/pledge, and all fees (attorneys, accountants, and experts) and costs. The directors responded to the consolidated complaint by filing a motion to dismiss on 14 September 2012. On 1 February 2013, the federal court dismissed the complaint for failure to plead adequately the futility of a pre-suit demand on the board of directors of Wynn Resorts. The dismissal was without prejudice to the Federal Plaintiffs' ability to file a motion within 30 days seeking leave to file an amended complaint.

The two state court actions brought by the following plaintiffs have also been consolidated: (1) IBEW Local 98 Pension Fund and (2) Danny Hinson (collectively, the "**State Plaintiffs**"). Through a coordination of efforts by all parties, the directors and Wynn Resorts (a nominal defendant) have been served in all of the actions.

The State Plaintiffs filed a consolidated complaint on 20 July 2012 asserting claims for (1) breach of fiduciary duty; (2) abuse of control; (3) gross mismanagement; and (4) unjust enrichment. The claims are against Wynn Resorts and all Wynn Resorts directors, including Mr. Okada, as well as Wynn Resorts' Chief Financial Officer, who signs financial disclosures filed with the SEC. The State Plaintiffs claim that the individual defendants failed to disclose to Wynn Resorts' stockholders the investigation into, and the dispute with director Okada as well as the alleged potential violations of the Foreign Corrupt Practices Act related to, the University of Macau Development Foundation donation. The State Plaintiffs seek unspecified monetary damages (compensatory and punitive), disgorgement, reformation of corporate governance procedures, an order directing Wynn Resorts to internally investigate the donation, as well as attorneys' fees and costs. On 13 October 2012, the court entered the parties' stipulation providing for a stay of the state derivative action for 90 days, subject to the parties' obligation to monitor the progress of the pending litigation, discussed above, between Wynn Resorts (among others) and Mr. Okada (among others). Per the stipulation, Wynn Resorts and the individual defendants were not required to respond to the consolidated complaint while the stay remained in effect. Although the stay has now expired, the State Plaintiffs have agreed to further extend the defendants' time to respond to the consolidated complaint to allow the State Plaintiffs additional time to consider their plans for the action going forward, including a possible extension by agreement of the stay in the state derivative action.

The individual defendants are vigorously defending against the claims pleaded against them in these derivative actions. Wynn Resorts is unable to predict the outcome of these litigations at this time.

RE-ELECTION OF DIRECTORS

In accordance with article 17.18 of the Company's articles of association, one third of our Board will retire from office by rotation at the forthcoming annual general meeting. The three directors who will retire by rotation are Ms. Linda Chen, one of our executive Directors, and Mr. Bruce Rockowitz and Mr. Jeffrey Kin-fung Lam, both independent non-executive Directors. All retiring directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. In accordance with article 17.2 of the Company's articles of association, Mr. Matthew O. Maddox, one of our non-executive Directors, having been appointed by the Board on 28 March 2013 and being eligible, will offer himself for re-election at the forthcoming annual general meeting.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has recommended the payment of a final dividend of HK$1.24 per Share for the year ended 31 December 2012. Subject to Shareholders' approval at the forthcoming annual general meeting, the register of members of the Company will be closed from 24 May 2013 to 28 May 2013 (both dates inclusive) during which period no transfer of Shares will be registered and the final dividend is expected to be paid on 6 June 2013. Shareholders registered under the Hong Kong branch register of members on 28 May 2013 will receive their dividends in Hong Kong dollars.

In order to determine the identity of the Shareholders who are entitled to the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 23 May 2013.

DEFINITIONS USED IN THIS ANNOUNCEMENT

"Amended Wynn Macau Credit Facilities"	together, the HK$5.8 billion (equivalent) fully-funded senior term loan facilities and the HK$12.1 billion (equivalent) senior revolving credit facilities extended to WRM on 31 July 2012
"Board of Directors" or "Board"	the Board of Directors of our Company
"Code"	the Code on Corporate Governance Practices prior to 1 April 2012 and the Corporate Governance Code and Corporate Governance Report on and after 1 April 2012
"Code on Corporate Governance Practices"	the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules which was effective prior to 1 April 2012
"Company" or "our Company"	Wynn Macau, Limited, a company incorporated on 4 September 2009 as an exempted company with limited liability under the laws of the Cayman Islands and an indirect subsidiary of Wynn Resorts, Limited
"Concession Agreement"	the Concession Contract for the Operation of Games of Chance or Other Games in Casinos in the Macau Special Administrative Region entered into between WRM and the Macau government on 24 June 2002
"Corporate Governance Code and Corporate Governance Report"	the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules
"Cotai Land Concession Agreement"	the land concession contract entered into between WRM, Palo and the Macau government for approximately 51 acres of land in the Cotai area of Macau, and for which formal approval from the Macau government was published in the official gazette of Macau on 2 May 2012
"Director(s)"	the director(s) of our Company
"Encore" or "Encore at Wynn Macau"	a casino resort located in Macau, connected to and fully integrated with Wynn Macau, owned and operated directly by WRM, which opened on 21 April 2010.
"Existing Notes"	together, the $7\frac{7}{8}\%$ first mortgage notes due 2017, the $7\frac{7}{8}\%$ first mortgage notes due 2020 and the $7\frac{3}{4}\%$ first mortgage notes due 2020 extended to WRL group other than the Group
"Galaxy"	Galaxy Casino, S.A., one of the six gaming operators in Macau and one of the three concessionaires

"Group," "we," "us" or "our"	our Company and its subsidiaries, or any of them, and the businesses carried on by such subsidiaries, except where the context makes it clear that the reference is only to the Company itself and not to the Group
"HIBOR"	Hong Kong Interbank Offered Rate
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards
"Las Vegas Jet, LLC"	Las Vegas Jet, LLC, a company formed under the laws of the State of Nevada, United States and a wholly owned subsidiary of Wynn Resorts, Limited
"LIBOR"	London Interbank Offered Rate
"Listing"	the initial listing of the Shares on the Main Board of the Hong Kong Stock Exchange on 9 October 2009
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
"Macau" or "Macau Special Administrative Region"	the Macau Special Administrative Region of the PRC
"Macau Operations"	the fully integrated Wynn Macau and Encore at Wynn Macau resort
"Melco Crown"	Melco Crown Gaming (Macau) Limited, one of the six gaming operators in Macau and one of the three sub-concessionaires
"MGM Macau"	MGM Grand Paradise Limited, one of the six gaming operators in Macau and one of the three sub-concessionaires
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
"MOP" or "pataca"	Macau pataca, the lawful currency of Macau
"Offshore RMB"	RMB maintained outside mainland China, primarily in Hong Kong where RMB trading is officially sanctioned and regulated, that is largely "convertible and transferable". It is also known as CNH, which refers to offshore RMB primarily traded in Hong Kong (hence the "H")

"Palo Real Estate Company Limited" or "Palo"	Palo Real Estate Company Limited, a limited liability company incorporated under the laws of Macau and an indirect wholly owned subsidiary of the Company, subject to a 10% social and voting interest and MOP1.00 economic interest held by Mr. Wong Chi Seng (a Macau resident) in WRM
"PRC", "China" or "mainland China"	the People's Republic of China and, except where the context requires and only for the purpose of this announcement, references in this announcement to the PRC or China do not include Taiwan, Hong Kong or Macau; the term "Chinese" has a similar meaning
"RMB"	Renminbi, the lawful currency of PRC
"Securities and Exchange Commission" or "SEC"	the U.S. Securities and Exchange Commission
"Share(s)"	ordinary share(s) with a nominal value of HK$0.001 each in the share capital of our Company
"Shareholder(s)"	holder(s) of Share(s) of the Company from time to time
"SJM"	Sociedade de Jogos de Macau S.A., one of the six gaming operators in Macau and one of the three concessionaires
"US$"	United States dollars, the lawful currency of the United States
"Venetian Macau"	Venetian Macau S.A., one of the six gaming operators in Macau and one of the three sub-concessionaires
"WIML"	Wynn International Marketing, Ltd., a company incorporated under the laws of Isle of Man and a wholly owned subsidiary of Wynn Resorts, Limited
"Worldwide Wynn"	Worldwide Wynn, LLC, a company formed under the laws of the State of Nevada, United States and a wholly owned subsidiary of Wynn Resorts, Limited
"WRM"	Wynn Resorts (Macau) S.A., a company incorporated under the laws of Macau and a wholly-owned subsidiary of the Company

"WRM Shareholder Dividend Tax Agreement"	the agreement, entered into during June 2009 and July 2011, each for a term of five years between WRM and the Macau Special Administrative Region, effective retroactively to 2006, that provide for an annual payment to the Macau Special Administrative Region of MOP7.2 million in years 2006 through 2010 and MOP15.5 million in years 2011 through 2015 in lieu of Complementary Tax otherwise due by WRM shareholders on dividend distributions to them from gaming profits earned in those years.
"Wynn Cotai"	a-full-scale integrated resort which WRM is constructing on 51 acres of land in the Cotai area of Macau in accordance with the terms of the Cotai Land Concession Agreement
"Wynn Design & Development"	Wynn Design & Development, LLC, a company formed under the laws of the State of Nevada, United States and a wholly owned subsidiary of Wynn Resorts, Limited
"Wynn Macau"	a casino hotel resort located in Macau, owned and operated directly by WRM, which opened on 6 September 2006, and where appropriate, the term also includes Encore at Wynn Macau
"Wynn Macau Credit Facilities"	together, the HK$4.3 billion (equivalent) fully-funded senior term loan facilities and the HK$7.8 billion (equivalent) senior revolving credit facilities extended to WRM and as subsequently amended from time to time and as refinanced on 31 July 2012
"Wynn Resorts Holdings, LLC"	Wynn Resorts Holdings, LLC, a company formed under the laws of the State of Nevada, United States and a wholly owned subsidiary of Wynn Resorts, Limited
"Wynn Resorts, Limited", "Wynn Resorts" or "WRL"	Wynn Resorts, Limited, a company formed under the laws of the State of Nevada, United States, our controlling shareholder (as defined in the Listing Rules)

GLOSSARY OF TERMS USED IN THIS ANNOUNCEMENT

"Adjusted Average Daily Rate"	ADR calculated based on room revenues plus associated promotional allowances
"Adjusted REVPAR"	REVPAR calculated based on room revenues plus associated promotional allowances
"average daily rate" or "ADR"	the amount calculated by dividing total room revenues (less service charges, if any) by total rooms occupied
"casino revenue"	revenue from casino gaming activities (gross table games win and gross slot win), calculated net of a portion of commissions and discounts and in accordance with IFRS
"chip(s)"	a token; usually in the form of plastic disc(s) or plaque(s) issued by a casino to customers in exchange for cash or credit, which must be used (in lieu of cash) to place bets on gaming tables
"daily gross win per gaming table"	gross gaming win for table games divided by number of tables divided by the number of days in the applicable period
"drop"	the amount of cash and promotional coupons deposited in a gaming table's drop box
"drop box"	a box or container that serves as a repository for cash and promotional coupons
"gaming promoters"	individuals or companies licensed by and registered with the Macau government to promote games of fortune and chance or other casino games to patrons, through the arrangement of certain services, including transportation, accommodation, dining and entertainment, whose activity is regulated by Macau Administrative Regulation no. 6/2002
"gross gaming revenue" or "gross gaming win"	the total win generated by all casino gaming activities combined, calculated before deduction of commissions and discounts
"gross slot win"	the amount of handle (representing the total amount wagered) that is retained as winnings. We record this amount and gross table games win as casino revenue after deduction of progressive jackpot liabilities and a portion of commissions and discounts

"gross table games win"	the amount of drop (in our general casino segment) or turnover (in our VIP casino segment) that is retained as winnings. We record this amount and gross slot win as casino revenue after deduction of a portion of commissions and discounts
"In-house VIP Program"	an internal marketing program wherein we directly market our casino resorts to gaming clients, including to high-end or premium players in the greater Asia region. These players are invited to qualify for a variety of gaming rebate programs whereby they earn cash commissions and room, food and beverage and other complimentary allowances based on their turnover level. We often extend credit to these players based upon knowledge of the players, their financial background and payment history
"promotional allowance"	the retail value of rooms, food and beverage and retail and other services furnished to guests (typically VIP clients) without charge
"REVPAR"	the amount calculated by dividing total room revenues (less service charges, if any) by total rooms available
"Rolling Chip"	physically identifiable chip that is used to track VIP wagering volume for purposes of calculating commissions and other allowances payable to gaming promoters and Wynn Macau's individual VIP players
"turnover"	the sum of all losing Rolling Chip wagers within the VIP program
"VIP client" or "VIP player"	client, patron or players who participates in Wynn Macau's In-house VIP Program or in the VIP program of any of our gaming promoters
"VIP table games turnover"	turnover resulting from VIP table games only

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

Hong Kong, 28 March 2013

As at the date of this announcement, the Board comprises Stephen A. Wynn, Ian Michael Coughlan and Linda Chen (as Executive Directors); Allan Zeman, Marc D. Schorr (retired on 28 March 2013) and Matthew O. Maddox (appointed on 28 March 2013) (as Non-Executive Directors); and Nicholas Sallnow-Smith, Bruce Rockowitz and Jeffrey Kin-fung Lam (as Independent Non-Executive Directors).