

Wynn Resorts, Limited Reports Third Quarter Results
2007-10-31

Wynn Las Vegas Adjusted Property EBITDA of \$93.2 million - Wynn Macau Adjusted Property EBITDA of \$92.8 million

Wynn Resorts, Limited (Nasdaq: WYNN) today reported financial results for the quarter ended September 30, 2007.

Net revenues for the third quarter of 2007 were \$653.4 million, compared to \$318.1 million in the third quarter of 2006. Results for this quarter include a full quarter of operations of Wynn Macau, which opened on September 6, 2006. The revenue increase was driven by the opening of Wynn Macau and strong Wynn Las Vegas results.

Consolidated adjusted property EBITDA (1) was \$186.0 million for the third quarter of 2007, compared to \$79.6 million in the third quarter of 2006.

Adjusted net income in the third quarter of 2007 was \$73.4 million, or \$0.67 per diluted share (adjusted EPS)(2) compared to an adjusted net loss of \$1.3 million, or (\$0.01) per diluted share in the third quarter of 2006.

On a US GAAP (Generally Accepted Accounting Principles) basis, net income for the quarter was \$44.7 million, or \$0.41 per diluted share, compared to net income of \$715.7 million, or \$6.43 per diluted share in 2006. Net income for the quarter in 2006 was positively influenced by \$779.0 million due to the completion of the sale of a subconcession in Macau, a non-recurring item.

Wynn Las Vegas Third Quarter Results

For the quarter ended September 30, 2007, Wynn Las Vegas generated adjusted property EBITDA of \$93.2 million, a 20.6% increase from the third quarter of 2006, with a 30.5% EBITDA margin on net revenue.

Net casino revenues in the third quarter of 2007 were \$149.9 million, compared to \$131.9 million for the third quarter of 2006. Table games drop was \$475.6 million, with win per table per day (before discounts) of \$9,516, compared to drop of \$458.2 million and win per table per day of \$7,779 in the third quarter of 2006. Table games win percentage of 26.4% was above the property's expected range of 21% to 24% and exceeded the 22.3% for the third quarter of 2006. Slot machine win per unit per day was \$234 on handle (volume) of \$969.1 million in the quarter, compared to a win per unit per day of \$248 on handle of \$1,017.2 million during the comparable period of 2006. Slot handle at Wynn Las Vegas decreased 4.7% during the three months ended September 30, 2007 as compared to the same period in 2006, and the slot win percentage was within the expected range of 4.5% to 5.5%.

Gross non-casino revenues for the quarter were \$193.1 million, an 8.2% increase from the third quarter of 2006. Hotel revenues were up 5.7% to \$68.0 million during the quarter, versus \$64.3 million in the third quarter of 2006. Wynn Las Vegas achieved an Average Daily Rate (ADR) of \$282 for the quarter, compared to \$271 in the third quarter of 2006. The property's occupancy was 96.6%, compared to 94.9% during the prior year period, generating revenue per available room (REVPAR) of \$272 in the 2007 period (5.8% higher than in 2006).

Food and beverage revenues increased 5.1% to \$72.8 million in the quarter, compared to \$69.3 million in the third quarter of 2006. Retail revenues were \$23.8 million in the quarter, compared to \$19.2 million in the third quarter of 2006, an increase of 24.0%. Entertainment revenues were approximately \$17.0 million compared to \$14.1 million in the third quarter of 2006.

Encore at Wynn Las Vegas

We are constructing Encore on approximately 20 acres on the Las Vegas Strip, immediately adjacent to Wynn Las Vegas. Encore's current plans include a 2,034 all-suite hotel tower fully integrated with Wynn Las Vegas, an approximately 72,000 square foot casino, additional convention and meeting space, as well as restaurants, a nightclub, swimming pools, a spa and salon and retail outlets. We continue to refine the final design of Encore. Encore is expected to open in early 2009. Our project budget is approximately \$2.2 billion, consisting of approximately \$2.1 billion for Encore and approximately \$100 million for an employee parking garage on our Koval property, an associated pedestrian bridge and costs incurred in connection with the theatre remodeling and production of 'Monty Python's Spamalot' at Wynn Las Vegas, which opened in March 2007.

As of September 30, 2007, we had incurred approximately \$775.8 million of project costs related to the development and construction of Encore and related capital improvements.

Wynn Macau Third Quarter Results

In the third quarter of 2007, Wynn Macau generated net revenues (after discounts and commissions) of \$347.7 million and adjusted property EBITDA of \$92.8 million. Prior period comparisons are not meaningful as we opened Wynn Macau on September 6, 2006 and the third quarter 2006 results include only a partial quarter of operations. Our adjusted property EBITDA for the quarter includes \$3 million to \$4 million of payroll expenses associated with unopened portions of the expansion.

Table games results in Macau are segregated into two distinct reporting categories, the VIP segment and the mass market segment.

Table games turnover in the VIP segment was \$9.8 billion for the period. VIP table games win as a percentage of turnover (calculated before discounts and commissions) was 2.96%, at the top end of the expected range of 2.7% to 3.0%.

Table games drop in the mass market category was approximately \$475.4 million during the period. Mass market table games win percentage (calculated before discounts and incentives) of 20.3% was above the expected range of 17% to 19%.

Slot machine win per unit per day was \$457 on handle (volume) of \$387.1 million for the quarter.

For the quarter, Wynn Macau generated an average daily room rate (ADR) of \$245, with occupancy averaging 91.9%. Net non-casino revenues, consisting of rooms, food and beverage, retail and other, were \$20.7 million.

Wynn Macau Expansion

We opened Wynn Macau on September 6, 2006. The property currently features 280 table games and 671 slot machines in an approximately 130,000 square foot casino. Construction and development on the expansion of Wynn Macau which includes additional gaming space, a dramatic front feature attraction, a theater showroom and retail amenities is progressing as planned. In September 2007, Wynn Macau opened approximately 20,000 square feet of additional gaming space and one restaurant in this expansion. The remaining portion of the expansion is expected to open within the next 90 to 100 days. After the completion of the expansion, Wynn Macau is expected to have a total of approximately 380 table games and 1,200 slot machines.

In addition, construction has commenced on the Wynn Diamond Suites at Wynn Macau, a fully-integrated resort hotel with approximately 400 luxury suites and six villas along with restaurants, additional retail space and additional VIP gaming space.

Through September 30, 2007, the Company has incurred approximately \$1.1 billion of the total Wynn Macau project budget of approximately \$1.2 billion and approximately \$29.6 million related to Wynn Diamond Suites.

Cotai

The Company has submitted an application to the government of Macau for a concession of land in Cotai for future development. The Company recently reconfigured its site plans for 52 acres and is awaiting final approval. We are actively engaged in the design of our Cotai project.

Other Factors Affecting Earnings

Interest expense, net of \$13.0 million in capitalized interest, was \$34.7 million for the third quarter of 2007. Depreciation and amortization expenses were \$56.0 million and pre-opening expenses were \$1.5 million during the quarter. Corporate expense and other was \$17.2 million in the third quarter, including \$5.2 million in stock based compensation.

Balance Sheet and Capital Expenditures

Our total cash balances at the end of the quarter were \$875.9 million, including unrestricted cash balances of \$829.1 million and cash balances restricted for our construction and development projects of \$46.8 million. Total debt outstanding at the end of the quarter was \$2.4 billion, including approximately \$1.7 billion of Wynn Las Vegas debt, and \$552 million of Wynn Macau-related debt. Capital expenditures during the third quarter of 2007, net of changes in construction payables and retention, totaled approximately \$304.6 million, primarily attributable to Encore.

On October 3, 2007, the Company completed a secondary common stock offering of 4,312,500 shares with net proceeds of \$154 per share or a total of \$664.1 million. The Company intends to use the proceeds for general corporate purposes and to enhance the Company's financial flexibility for future projects and potential new developments.

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