### Wynn Resorts
(©YNN-$102.45-Outperform)

#### Macau Expansion Update

- This morning, WYNN announced that it has moved its Macau expansion, which was originally slated to open in phases throughout 2007, to a single phase opening in the 3Q07.

- Recall, construction on Phase II of the Wynn Macau project, on the remaining 5 acres of the 11 acre parcel, was expected to open in phases with the addition of 119 tables and 300 slots in February and 135,000 sq. ft of new casino space with roughly 180 tables and 200 slots, two restaurants, retail space, and a theatre in July.

- When completed in July, Wynn Macau will have 420 table games and 1,280 slots. Additionally, we note that the property will open 40 new table games and 266 new slots prior to the Chinese New Year, which occurs on February 18.

- We are leaving estimates unchanged as we expect to fine tune our 2007 Wynn Macau EBITDA when the company reports 4Q06 results at the end of February. We note that the delayed opening does not change the normalized EBITDA run rate at Wynn Macau and we believe this announcement could in fact accelerate the opening date of the Wynn diamond suite development which we projected to occur in late 2009.

- Our YE07 PT of $108 is based on a sum of the parts approach looking at out year EBITDA streams, discounted back appropriately. We reaffirm our Outperform rating.

### Fundamental Data

- **EV/EBITDA**: 10.1x
- **Enterprise Value**: $12,424.4 MM
- **LT Debt to Total Cap.**: 50.8%
- **Book Value**: $22.60

### Price Performance Chart

- **Wynn Resorts Ltd.**

### Sector View:
We rate Gaming Market Weight.

### Recurring Estimates Post Option Expense †(All values are in USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1 Mar</th>
<th>Q2 Jun</th>
<th>Q3 Sep</th>
<th>Q4 Dec</th>
<th>P/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0.08</td>
<td>0.08</td>
<td>(0.01)</td>
<td>0.05</td>
<td>0.21</td>
</tr>
<tr>
<td>2006</td>
<td>0.01</td>
<td>(0.05)</td>
<td>(0.01)</td>
<td>0.46E</td>
<td>0.41E</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.57E</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.94E</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.60E</td>
</tr>
</tbody>
</table>

† All numbers are after stock based compensation expense. Beginning with 2006 estimates, this expense will be normalized consistent with BSC option expense policy. Prior years are not necessarily normalized. Outside data provider may not conform to this policy.
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Joseph Greff

Companies Analyzed

* Wynn Resorts (WYNN) - $102.45 (as of January 10, 2007 16:00 ET) - Outperform
  Price Target ('07) : $108.00
Risk(s) to Price Target- A slowing economy, both domestically and abroad (China); a shift in investor sentiment that could cause major swings in the Macau centric stocks; delays in property openings or planned infrastructure development in Macau.
Valuation Methodology- EV/EBITDA Multiples; Sum-of-the-Parts

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Joseph Greff, Gaming
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