
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File No. 000-50028

WYNN RESORTS, LIMITED

(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of
incorporation or organization)

46-0484987
(I.R.S. Employer
Identification No.)

3131 Las Vegas Boulevard South—Las Vegas, Nevada 89109
(Address of principal executive offices) (Zip Code)

(702) 770-7555
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class
Common stock, \$0.01 par value

Outstanding at April 30, 2013
101,005,713

WYNN RESORTS, LIMITED AND SUBSIDIARIES
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Part I—FINANCIAL INFORMATION
Item 1. Financial Statements

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except share data)
(unaudited)

	March 31, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,056,705	\$ 1,725,219
Investment securities	96,648	138,887
Receivables, net	243,578	238,573
Inventories	67,909	63,799
Prepaid expenses and other	39,664	35,900
Total current assets	2,504,504	2,202,378
Property and equipment, net	4,723,083	4,727,899
Restricted cash and investment securities	102,621	140,334
Intangibles, net	30,183	31,297
Deferred financing costs, net	68,400	71,189
Deposits and other assets	103,421	99,227
Investment in unconsolidated affiliates	3,714	4,270
Total assets	<u>\$ 7,535,926</u>	<u>\$ 7,276,594</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts and construction payables	\$ 200,670	\$ 164,858
Current portion of long-term debt	1,050	1,050
Current portion of land concession obligation	27,895	27,937
Customer deposits	633,230	544,649
Gaming taxes payable	188,036	163,092
Accrued compensation and benefits	79,805	75,962
Accrued interest	51,158	100,562
Other accrued liabilities	47,212	44,244
Construction retention	1,657	3,826
Deferred income taxes, net	3,178	3,178
Income taxes payable	575	2,019
Total current liabilities	1,234,466	1,131,377
Long-term debt	5,781,181	5,781,770
Land concession obligation	76,072	76,186
Other long-term liabilities	131,294	137,830
Deferred income taxes, net	38,237	45,499
Total liabilities	7,261,250	7,172,662
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, par value \$0.01; 40,000,000 shares authorized; zero shares issued and outstanding	—	—
Common stock, par value \$0.01; 400,000,000 shares authorized; 113,794,842 and 113,730,442 shares issued; 100,910,137 and 100,866,712 shares outstanding	1,138	1,137
Treasury stock, at cost; 12,884,705 and 12,863,730 shares	(1,130,408)	(1,127,947)
Additional paid-in capital	822,249	818,821
Accumulated other comprehensive income	2,382	4,177
Retained earnings	147,612	44,775
Total Wynn Resorts, Limited stockholders' deficit	(157,027)	(259,037)
Noncontrolling interest	431,703	362,969
Total equity	274,676	103,932
Total liabilities and stockholders' equity	<u>\$ 7,535,926</u>	<u>\$ 7,276,594</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(amounts in thousands, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2013	2012
Operating revenues:		
Casino	\$1,106,503	\$ 1,049,279
Rooms	120,480	117,503
Food and beverage	139,701	135,140
Entertainment, retail and other	101,548	105,909
Gross revenues	1,468,232	1,407,831
Less: promotional allowances	(89,578)	(94,333)
Net revenues	1,378,654	1,313,498
Operating costs and expenses:		
Casino	697,188	674,656
Rooms	33,390	29,984
Food and beverage	73,873	70,396
Entertainment, retail and other	40,326	51,658
General and administrative	94,909	105,950
Provision for doubtful accounts	7,004	18,064
Pre-opening costs	452	—
Depreciation and amortization	92,518	92,405
Property charges and other	5,346	10,286
Total operating costs and expenses	1,045,006	1,053,399
Operating income	333,648	260,099
Other income (expense):		
Interest income	4,222	1,565
Interest expense, net of capitalized interest	(75,377)	(62,061)
Increase in swap fair value	3,144	2,284
Loss on retirement of debt	—	(4,828)
Equity in income from unconsolidated affiliates	200	465
Other	1,165	768
Other income (expense), net	(66,646)	(61,807)
Income before income taxes	267,002	198,292
Benefit for income taxes	5,142	117
Net income	272,144	198,409
Less: Net income attributable to noncontrolling interest	(69,181)	(57,845)
Net income attributable to Wynn Resorts, Limited	\$ 202,963	\$ 140,564
Basic and diluted income per common share:		
Net income attributable to Wynn Resorts, Limited:		
Basic	\$ 2.02	\$ 1.25
Diluted	\$ 2.00	\$ 1.23
Weighted average common shares outstanding:		
Basic	100,237	112,704
Diluted	101,373	114,008
Dividends declared per common share:	\$ 1.00	\$ 0.50

The accompanying notes are an integral part of these condensed consolidated financial statements.

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(amounts in thousands)
(unaudited)

	Three Months Ended	
	March 31,	
	2013	2012
Net income	\$272,144	\$198,409
Other comprehensive income:		
Foreign currency translation adjustments, net of tax	(2,681)	634
Unrealized gain on available-for-sale securities, net of tax	161	1,264
Total comprehensive income	269,624	200,307
Less: Comprehensive income attributable to noncontrolling interest	(68,456)	(58,276)
Comprehensive income attributable to Wynn Resorts, Limited	<u>\$201,168</u>	<u>\$142,031</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Three Months Ended March 31,	
	2013	2012
Cash flows from operating activities:		
Net income	\$ 272,144	\$ 198,409
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	92,518	92,405
Deferred income taxes	(6,030)	(2,450)
Stock-based compensation	1,122	2,648
Excess tax benefits from stock-based compensation	(1,232)	(489)
Amortization and write-offs of deferred financing costs and other	4,620	6,887
Loss on retirement of debt	—	4,828
Provision for doubtful accounts	7,004	18,064
Property charges and other	3,057	9,506
Equity in income of unconsolidated affiliates, net of distributions	556	61
Increase in swap fair value	(3,144)	(2,284)
Increase (decrease) in cash from changes in:		
Receivables, net	(12,131)	(2,041)
Inventories and prepaid expenses and other	(7,904)	(1,370)
Accounts payable and accrued expenses	70,290	14,316
Net cash provided by operating activities	<u>420,870</u>	<u>338,490</u>
Cash flows from investing activities:		
Capital expenditures, net of construction payables and retention	(58,797)	(35,493)
Purchase of corporate debt securities	(22,881)	(7,231)
Proceeds from sale or maturity of corporate debt securities	63,075	31,964
Restricted cash	39,573	—
Deposits and purchase of other assets	(6,419)	(1,565)
Proceeds from sale of equipment	278	298
Net cash provided by (used in) investing activities	<u>14,829</u>	<u>(12,027)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	960	586
Excess tax benefits from stock-based compensation	1,232	489
Dividends paid	(101,709)	(50,367)
Proceeds from issuance of long-term debt	—	900,000
Principal payments on long-term debt	(350)	(558,878)
Purchase of treasury stock	(2,461)	(355)
Payments of financing costs	—	(10,665)
Net cash (used in) provided by financing activities	<u>(102,328)</u>	<u>280,810</u>
Effect of exchange rate on cash	<u>(1,885)</u>	<u>1,210</u>
Cash and cash equivalents:		
Increase in cash and cash equivalents	331,486	608,483
Balance, beginning of period	<u>1,725,219</u>	<u>1,262,587</u>
Balance, end of period	<u><u>\$2,056,705</u></u>	<u><u>\$1,871,070</u></u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WYNN RESORTS, LIMITED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(amounts in thousands, except share data)
(unaudited)

	Common stock			Additional paid-in capital	Accumulated other comprehensive income	Retained earnings	Total Wynn Resorts, Ltd. stockholders' equity	Noncontrolling interest	Total stockholders' equity
	Shares outstanding	Par value	Treasury stock						
Balances, January 1, 2013	100,866,712	\$1,137	\$(1,127,947)	\$ 818,821	\$ 4,177	\$ 44,775	\$ (259,037)	\$ 362,969	\$ 103,932
Net income	—	—	—	—	—	202,963	202,963	69,181	272,144
Currency translation adjustment	—	—	—	—	(1,938)	—	(1,938)	(743)	(2,681)
Net unrealized gain on investments	—	—	—	—	143	—	143	18	161
Exercise of stock options	16,000	—	—	960	—	—	960	—	960
Cancellation of restricted stock	(76,600)	—	—	—	—	—	—	—	—
Purchase of treasury stock	(20,975)	—	(2,461)	—	—	—	(2,461)	—	(2,461)
Issuance of restricted stock	125,000	1	—	(1)	—	—	—	—	—
Cash dividends	—	—	—	345	—	(100,126)	(99,781)	—	(99,781)
Excess tax benefits from stock-based compensation	—	—	—	1,232	—	—	1,232	—	1,232
Stock-based compensation	—	—	—	892	—	—	892	278	1,170
Balances, March 31, 2013	100,910,137	\$1,138	\$(1,130,408)	\$ 822,249	\$ 2,382	\$ 147,612	\$ (157,027)	\$ 431,703	\$ 274,676

The accompanying notes are an integral part of these condensed consolidated financial statements.

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

1. Organization and Basis of Presentation

Organization

Wynn Resorts, Limited, a Nevada corporation (together with its subsidiaries, “Wynn Resorts” or the “Company”) currently owns and operates casino hotel resort properties in Las Vegas, Nevada and Macau.

Our Macau operations consist of a resort destination casino located in the Macau Special Administrative Region of the People’s Republic of China featuring two luxury hotel towers with a total of 1,008 spacious rooms and suites, approximately 275,000 square feet of casino space, casual and fine dining in eight restaurants, approximately 57,000 square feet of retail space, recreation and leisure facilities, including two health clubs and spas and a pool.

In October 2009, Wynn Macau, Limited, an indirect wholly owned subsidiary of the Company, listed its ordinary shares of common stock on The Stock Exchange of Hong Kong Limited. Through an initial public offering, including the over allotment, Wynn Macau, Limited sold 1,437,500,000 shares (27.7%) of this subsidiary’s common stock.

Our Las Vegas operations feature two luxury hotel towers with a total of 4,748 spacious hotel rooms, suites and villas, approximately 186,000 square feet of casino space, 35 food and beverage outlets featuring signature chefs, an on-site 18-hole golf course, approximately 284,000 square feet of meeting and convention space, a Ferrari and Maserati dealership, approximately 95,000 square feet of retail space as well as two showrooms; three nightclubs and a beach club.

Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Investments in the 50%-owned joint ventures operating the Ferrari and Maserati automobile dealership and the Brioni mens’ retail clothing store inside Wynn Las Vegas are accounted for under the equity method. All significant intercompany accounts and transactions have been eliminated.

The accompanying condensed consolidated financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures herein are adequate to make the information presented not misleading. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the results for the interim periods have been made. The results for the three months ended March 31, 2013, are not necessarily indicative of results to be expected for the full fiscal year. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents are comprised of highly liquid investments with purchase maturities of three months or less. Cash equivalents are carried at cost, which approximates fair value. Cash equivalents of \$968.7 million and \$969.2 million at March 31, 2013 and December 31, 2012, respectively, were invested in time

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deposits, money market accounts and commercial paper. In addition, the Company held bank deposits and cash on hand of approximately \$1,088 million and \$756 million as of March 31, 2013 and December 31, 2012, respectively.

Restricted Cash and Investment Securities

Restricted cash consists primarily of certain proceeds of the Company's financing activities that are restricted by the agreements governing the Company's debt instruments for the payment of certain Cotai related construction and development costs. Restricted cash balances totaled approximately \$59.6 million and \$99.2 million at March 31, 2013 and December 31, 2012, respectively; substantially all of which were invested in time deposits.

Investment securities consist of short-term and long-term investments in domestic and foreign corporate debt securities and commercial paper. The Company's investment policy limits the amount of exposure to any one issuer with the objective of minimizing the potential risk of principal loss. Management determines the appropriate classification (held-to-maturity/available-for-sale) of its securities at the time of purchase and reevaluates such designation as of each balance sheet date. The Company's current investments are reported at fair value, with unrealized gains and losses, net of tax, reported in other comprehensive income. Adjustments are made for amortization of premiums and accretion of discounts to maturity computed under the effective interest method. Such amortization is included in interest income together with the stated interest on such securities.

Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino accounts receivable. The Company issues credit in the form of "markers" to approved casino customers following investigations of creditworthiness. At March 31, 2013 and December 31, 2012, approximately 85% and 84%, respectively, of the Company's markers were due from customers residing outside the United States, primarily in Asia. Business or economic conditions or other significant events in these countries could affect the collectibility of such receivables.

Accounts receivable, including casino and hotel receivables, are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems them to be uncollectible or after two years, whichever period is shorter. Recoveries of accounts previously written off are recorded when received. An allowance for doubtful accounts is maintained to reduce the Company's receivables to their estimated carrying amount, which approximates fair value. The allowance is estimated based on specific review of customer accounts as well as management's experience with collection trends in the casino industry and current economic and business conditions.

Inventories

Inventories consist of retail, food and beverage items, which are stated at the lower of cost or market value, and certain operating supplies. Cost is determined by the first-in, first-out, average and specific identification methods.

Redemption Price Promissory Note

Based on the Board of Directors' finding of "unsuitability," on February 18, 2012, the Company redeemed and cancelled Aruze USA, Inc.'s 24,549,222 shares of Wynn Resorts' common stock. On February 18, 2012, the Company issued a subordinated Redemption Price Promissory Note (the "Redemption Note") with a principal amount of approximately \$1.94 billion in redemption of all of the shares of Wynn Resorts common stock held by Aruze USA, Inc.

The Company recorded the fair value of the Redemption Note at its estimated present value of approximately \$1.94 billion in accordance with applicable accounting guidance. In determining this fair value,

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the Company considered the stated maturity of the Redemption Note, its stated interest rate, and the uncertainty of the related cash flows of the Redemption Note as well as the potential effects of the following: uncertainties surrounding the potential outcome and timing of pending litigation with Aruze USA, Inc. and its affiliates (see Note 15—“Commitments and Contingencies”); the outcome of on-going investigations by the Nevada Gaming Control Board; and other potential legal and regulatory actions. In addition, in the furtherance of various future business objectives, the Company considered its ability, at its sole option, to prepay the Redemption Note at any time in accordance with its terms without penalty. Accordingly, the Company reasonably determined that the estimated life of the Redemption Note could be less than the contractual life of the Redemption Note. When considering the appropriate rate of interest to be used to determine fair value for accounting purposes and in light of the uncertainty in the timing of the cash flows, the Company used observable inputs from a range of trading values of financial instruments with terms and lives similar to the estimated life and terms of the Redemption Note. As a result of this analysis, the Company concluded the Redemption Note’s stated rate of 2% approximated a market rate. For more information on the redemption and ongoing litigation, please see Note 15 —“Commitments and Contingencies.”

Revenue Recognition and Promotional Allowances

Casino revenues are measured by the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers’ possession. Cash discounts, other cash incentives related to casino play and commissions rebated through junkets to customers are recorded as a reduction to casino revenue. Hotel, food and beverage, entertainment and other operating revenues are recognized when services are performed. Entertainment, retail and other revenue includes rental income which is recognized on a time proportion basis over the lease term. Contingent rental income is recognized when the right to receive such rental income is established according to the lease agreements. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customer.

Revenues are recognized net of certain sales incentives which are required to be recorded as a reduction of revenue; consequently, the Company’s casino revenues are reduced by discounts and commissions, and points earned in the player’s club loyalty program.

The retail value of accommodations, food and beverage, and other services furnished to guests without charge is included in gross revenues and then deducted as promotional allowances. The estimated cost of providing such promotional allowances is primarily included in casino expenses as follows (amounts in thousands):

	Three Months Ended March 31,	
	2013	2012
Rooms	\$13,056	\$13,394
Food and beverage	27,764	28,394
Entertainment, retail and other	3,558	4,718
	<u>\$44,378</u>	<u>\$46,506</u>

Gaming Taxes

The Company is subject to taxes based on gross gaming revenue in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes are an assessment on the Company’s gaming revenue and are recorded as an expense within the “Casino” line item in the accompanying Condensed Consolidated Statements of Income. These taxes totaled approximately \$481.2 million and \$464.5 million for the three months ended March 31, 2013 and 2012, respectively.

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Advertising Costs

The Company expenses advertising costs the first time the advertising takes place and such costs are primarily included in general and administrative expenses. For the three months ended March 31, 2013 and 2012, advertising costs totaled approximately \$6.3 million and \$4.7 million, respectively.

Fair Value Measurements

The Company measures certain of its financial assets and liabilities, such as cash equivalents, available-for-sale securities and interest rate swaps, at fair value on a recurring basis pursuant to accounting standards for fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These accounting standards establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The following table presents assets and liabilities carried at fair value (amounts in thousands):

		Fair Value Measurements Using:			
		Total Carrying Value	Quoted Market Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
As of March 31, 2013					
Cash equivalents	\$	968,712	\$147,432	\$ 821,280	\$ —
Restricted cash and available-for-sale securities	\$	199,269	\$ —	\$ 199,269	\$ —
Redemption Price Promissory Note		\$1,936,443	\$ —	\$1,936,443	\$ —
Interest rate swaps	\$	790	\$ —	\$ 790	\$ —
As of December 31, 2012					
Cash equivalents	\$	969,166	\$ 80,434	\$ 888,732	\$ —
Restricted cash and available-for-sale securities	\$	279,221	\$ —	\$ 279,221	\$ —
Redemption Price Promissory Note		\$1,936,443	\$ —	\$1,936,443	\$ —
Interest rate swaps	\$	3,938	\$ —	\$ 3,938	\$ —

As of March 31, 2013 and December 31, 2012, approximately 98% and 77% of the Company's cash equivalents categorized as Level 2 were deposits held in foreign currencies, respectively.

Recently Issued Accounting Standards

In February 2013, the Financial Accounting Standards Board ("FASB") issued an accounting standards update that amends the presentation requirements for reclassifications out of accumulated other comprehensive income. The amendment would require an entity to present amounts reclassified out of accumulated other comprehensive income by component either on the face of the statement where net income is presented or in the notes. This update is effective prospectively for reporting periods beginning after December 15, 2012. The Company has adopted this update; see Note 4—"Accumulated Other Comprehensive Income."

In July 2012, the FASB issued an accounting standards update that is intended to simplify the guidance for testing the decline in the realizable value (impairment) of indefinite-lived intangible assets other than goodwill. The update allows for the consideration of qualitative factors in determining whether it is necessary to perform quantitative impairment tests. The effective date for this update is for the years and interim impairment tests performed for years beginning after September 15, 2012. The adoption of this update did not have a material impact on the Company's financial statements.

3. Earnings Per Share

Basic earnings per share (“EPS”) is computed by dividing net income attributable to Wynn Resorts by the weighted average number of shares outstanding during the period. Diluted EPS reflects the addition of potentially dilutive securities, which for the Company includes stock options and nonvested stock. For the three months ended March 31, 2013, basic and diluted EPS was based on 100.2 million shares and 101.4 million shares, respectively, compared to 112.7 million shares and 114 million shares for basic and diluted EPS, respectively, for the three months ended March 31, 2012, largely due to the redemption of Aruze USA, Inc.’s 24.5 million shares on February 18, 2012, as described in Note 15.

The weighted average number of common and common equivalent shares used in the calculation of basic and diluted EPS consisted of the following (amounts in thousands, except per share data):

	Three Months Ended March 31,	
	2013	2012
Weighted average common shares outstanding (used in calculation of basic earnings per share)	100,237	112,704
Potential dilution from the assumed exercise of stock options and nonvested stock	1,136	1,304
Weighted average common and common equivalent shares outstanding (used in calculation of diluted earnings per share)	101,373	114,008
Anti-dilutive stock options excluded from the calculation of diluted earnings per share	659	535
Net income attributable to Wynn Resorts, Ltd.	\$ 202,963	\$ 140,564
Net income attributable to Wynn Resorts, Ltd. per common share, basic	\$ 2.02	\$ 1.25
Net income attributable to Wynn Resorts, Ltd. per common share, diluted	\$ 2.00	\$ 1.23

4. Accumulated Other Comprehensive Income

The following table presents the changes by component, net of tax and noncontrolling interest, in Accumulated Other Comprehensive Income of the Company (amounts in thousands):

	Foreign currency translation	Unrealized gain/loss on securities	Accumulated other comprehensive income
December 31, 2012	\$ 4,396	\$ (219)	\$ 4,177
Current period other comprehensive income	(1,414)	158	(1,256)
Amounts reclassified from accumulated other comprehensive income	(524)	(15)	(539)
Net current-period other comprehensive income	(1,938)	143	(1,795)
March 31, 2013	\$ 2,458	\$ (76)	\$ 2,382

5. Supplemental Disclosure of Cash Flow Information

Interest paid for the three months ended March 31, 2013 and 2012 totaled approximately \$121.4 million and \$60.6 million, respectively. The increase in interest paid during the three months ended March 31, 2013 is due to the issuance of the Redemption Note and other indebtedness incurred during 2012. Capitalized interest was \$1.3 million and \$0.2 million for the three months ended March 31, 2013 and 2012, respectively.

For the three months ended March 31, 2013 and 2012, capital expenditures included an increase of \$27.6 million and a decrease of \$4.1 million, respectively, in construction payables and retention.

In February 2012, the Company redeemed and cancelled 24,549,222 shares of common stock from a former stockholder and related party with the issuance of the \$1.94 billion Redemption Note due in 2022. For details of this transaction see Notes 9 and 15.

6. Investment Securities

Investment securities consisted of the following (amounts in thousands):

		Available-for-sale securities		Fair value (net carrying amount)
	Amortized cost	Gross unrealized gains	Gross unrealized losses	
March 31, 2013				
Domestic and foreign corporate bonds	\$ 117,609	\$ 111	\$ (249)	\$ 117,471
Commercial paper	22,200	9	—	22,209
	<u>\$ 139,809</u>	<u>\$ 120</u>	<u>\$ (249)</u>	<u>\$ 139,680</u>
December 31, 2012				
Domestic and foreign corporate bonds	\$ 161,631	\$ 94	\$ (369)	\$ 161,356
Commercial paper	18,704	4	(5)	18,703
	<u>\$ 180,335</u>	<u>\$ 98</u>	<u>\$ (374)</u>	<u>\$ 180,059</u>

For investments with unrealized losses as of March 31, 2013 and December 31, 2012, the Company has determined that (i) it does not have the intent to sell any of these investments, and (ii) it is not likely that the Company will be required to sell these investments prior to the recovery of the amortized cost. Accordingly, the Company has determined that no other-than-temporary impairments exist at the reporting date.

The Company obtains pricing information in determining the fair value of its available-for-sale securities from independent pricing vendors. Based on management's inquiries, the pricing vendors use various pricing models consistent with what other market participants would use. The assumptions and inputs used by the pricing vendors are derived from market observable sources including: reported trades, broker/dealer quotes, issuer spreads, benchmark curves, bids, offers and other market-related data. Each quarter, the Company validates the fair value pricing methodology to determine its consistency with applicable accounting guidance and to confirm that the securities are classified properly in the fair value hierarchy. The Company compares the pricing received from its vendors to independent sources for the same or similar securities and no adjustment to such prices have resulted.

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The amortized cost and estimated fair value of these investment securities at March 31, 2013, by contractual maturity, are as follows (amounts in thousands):

	<u>Amortized cost</u>	<u>Fair value</u>
Available-for-sale securities:		
Due in one year or less	\$ 96,650	\$ 96,648
Due after one year through two years	43,159	43,032
	<u>\$ 139,809</u>	<u>\$ 139,680</u>

7. Receivables, net

Receivables, net consisted of the following (amounts in thousands):

	<u>March 31, 2013</u>	<u>December 31, 2012</u>
Casino	\$ 282,888	\$ 275,302
Hotel	16,124	18,227
Retail leases and other	49,389	47,257
	<u>348,401</u>	<u>340,786</u>
Less: allowance for doubtful accounts	(104,823)	(102,213)
	<u>\$ 243,578</u>	<u>\$ 238,573</u>

8. Property and Equipment, net

Property and equipment, net consisted of the following (amounts in thousands):

	<u>March 31, 2013</u>	<u>December 31, 2012</u>
Land and improvements	\$ 732,209	\$ 732,209
Buildings and improvements	3,842,232	3,837,215
Airplanes	135,040	135,392
Furniture, fixtures and equipment	1,649,795	1,646,506
Leasehold interests in land	316,196	316,658
Construction in progress	182,440	110,490
	<u>6,857,912</u>	<u>6,778,470</u>
Less: accumulated depreciation	(2,134,829)	(2,050,571)
	<u>\$ 4,723,083</u>	<u>\$ 4,727,899</u>

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9. Long-Term Debt

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

	March 31, 2013	December 31, 2012
7 7/8% Wynn Las Vegas First Mortgage Notes, due November 1, 2017, net of original issue discount of \$7,069 at March 31, 2013 and \$7,384 at December 31, 2012	\$ 492,931	\$ 492,616
7 7/8% Wynn Las Vegas First Mortgage Notes, due May 1, 2020, net of original issue discount of \$1,592 at March 31, 2013 and \$1,632 at December 31, 2012	350,418	350,378
7 3/4% Wynn Las Vegas First Mortgage Notes, due August 15, 2020	1,320,000	1,320,000
5 3/8% Wynn Las Vegas First Mortgage Notes, due March 15, 2022	900,000	900,000
Wynn Macau Senior Term Loan Facilities (as amended July 2012), due July 31, 2017 and July 31, 2018: interest at LIBOR or HIBOR plus 1.75%-2.50%, net of original issue discount of \$3,566 at March 31, 2013 and \$3,737 at December 31, 2012	748,839	749,433
Wynn Macau Senior Revolving Credit Facilities, (as amended July 2012) due July 31, 2017; interest at LIBOR or HIBOR plus 1.75%-2.50%	—	—
Redemption Price Promissory Note with former stockholder and related party, due February 18, 2022; interest at 2%	1,936,443	1,936,443
\$42 million Note Payable, due April 1, 2017; interest at LIBOR plus 1.25%	33,600	33,950
	5,782,231	5,782,820
Current portion of long-term debt	(1,050)	(1,050)
	<u>\$5,781,181</u>	<u>\$5,781,770</u>

Redemption Price Promissory Note

Based on the Board of Directors' finding of "unsuitability," on February 18, 2012, the Company redeemed and cancelled Aruze USA, Inc.'s 24,549,222 shares of Wynn Resorts' common stock. Following a finding of "unsuitability," Wynn Resorts' articles of incorporation authorize redemption of the shares held by unsuitable persons at a "fair value" redemption price. The Company 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 which were subject to the terms of an existing stockholder agreement. Pursuant to the articles of incorporation, the Company issued the Redemption Note to Aruze USA, Inc., a former stockholder and related party, in redemption of the shares. The Redemption Note has a principal amount of \$1.94 billion, matures on February 18, 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. The Company 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 the Company 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 and any of its affiliates in respect of indebtedness for borrowed money of any kind or nature.

The Company has recorded the fair value of the Redemption Note at its estimated present value of approximately \$1.94 billion in accordance with applicable accounting guidance. In determining this fair value, the Company considered the stated maturity of the Redemption Note, its stated interest rate, and the uncertainty of the related cash flows of the Redemption Note as well as the potential effects of the following: uncertainties surrounding the potential outcome and timing of pending litigation with Aruze USA, Inc. and its affiliates (see Note 15—"Commitments and Contingencies"); the outcome of ongoing investigations by the Nevada Gaming Control Board; and other potential legal and regulatory actions. In addition, in the furtherance of various future

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business objectives, the Company considered its ability, at its sole option, to prepay the Redemption Note at any time in accordance with its terms without penalty. Accordingly, the Company reasonably determined that the estimated life of the Redemption Note could be less than the contractual life of the Redemption Note. When considering the appropriate rate of interest to be used to determine fair value for accounting purposes and in light of the uncertainty in the timing of the cash flows, the Company used observable inputs from a range of trading values of financial instruments with terms and lives similar to the estimated life and terms of the Redemption Note. As a result of this analysis, the Company concluded the Redemption Note's stated rate of 2% approximated a market rate.

Aruze USA, Inc., Universal Entertainment Corporation and Kazuo Okada have challenged the redemption of Aruze USA, Inc.'s shares and we are currently involved in litigation with those parties as well as related shareholder derivative litigation. On February 13, 2013, the Okada Parties filed a motion in the Nevada state court asking the court to establish an escrow account (specifically, they asked the court to establish a "disputed ownership fund," as defined in a federal tax regulation ("DOF")) to hold the Redemption Note as well as the redeemed shares themselves (although those shares were previously cancelled in February 2012), until the resolution of the Redemption Action and Counterclaim. The Okada Parties subsequently filed reply papers in further support of their motion, in which they narrowed the relief they were seeking, specifically by withdrawing their request that the redeemed shares be placed into the escrow account. On April 17, 2013, the court entered an order granting the Okada Parties' motion in part as to the narrowed relief outlined in their reply papers. Among other things, the court's order directed the Okada Parties to establish an escrow account with a third party (without making any ruling as to whether such an account would satisfy the requirements of a DOF) to hold interest payments tendered by the Company on the Redemption Note. The Company is to have no responsibility for fees or costs of the account, and will receive a full release and indemnity related to the account.

The outcome of these various proceedings cannot be predicted. The Company's claims and the Okada Parties' counterclaims are in a preliminary stage and management 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. An adverse judgment or settlement involving payment of a material amount could cause a material adverse effect on our financial condition.

Wynn Macau Credit Facilities

On July 31, 2012, Wynn Macau, S.A. amended and restated its credit facilities, dated September 14, 2004 to expand the availability under the Wynn Macau S.A. senior secured bank facility to US\$2.3 billion equivalent, consisting of a US\$750 million equivalent fully funded senior term loan facility and a US\$1.55 billion equivalent senior secured revolving credit facility. Wynn Macau, S.A. also has the ability to upsize the total senior secured facilities by an additional US\$200 million pursuant to the terms and provisions of the Amended Wynn Macau Credit Facilities.

As of March 31, 2013, there were no amounts outstanding under the Wynn Macau Senior Revolving Credit Facility. Accordingly, the Company has availability of US\$1.55 billion under the Amended Wynn Macau Credit Facilities.

Debt Covenant Compliance

As of March 31, 2013, management believes the Company was in compliance with all debt covenants.

Fair Value of Long-Term Debt

The net book value of the Company's outstanding first mortgage notes was approximately \$3.1 billion at March 31, 2013 and December 31, 2012. The estimated fair value of the Company's outstanding first mortgage notes, based on recent trades (using Level 2 inputs), was approximately \$3.4 billion at March 31, 2013 and

December 31, 2012. The net book value of the Company's other debt instruments, excluding the Redemption Note, was approximately \$782.4 million and \$783.4 million at March 31, 2013 and December 31, 2012, respectively. The estimated fair value of the Company's other debt instruments was approximately \$776.6 million and \$760.8 million at March 31, 2013 and December 31, 2012, respectively. The estimated fair value of the Redemption Note (using Level 2 inputs) was approximately \$1.94 billion at both March 31, 2013 and December 31, 2012.

10. Interest Rate Swaps

The Company has entered into floating-for-fixed interest rate swap arrangements in order to manage interest rate risk relating to certain of its debt facilities. These interest rate swap agreements modify the Company's exposure to interest rate risk by converting a portion of the Company's floating-rate debt to a fixed rate. These interest rate swaps essentially fixed the interest rate at the percentages noted below; however, changes in the fair value of the interest rate swaps for each reporting period have been recorded as an increase/decrease in swap fair value in the accompanying Condensed Consolidated Statements of Income, as the interest rate swaps do not qualify for hedge accounting.

The Company utilized Level 2 inputs as described in Note 2 to determine fair value. The fair value approximates the amount the Company 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 and fluctuation between periods. The fair value is adjusted, to reflect the impact of credit ratings of the counterparties or the Company, as applicable. These adjustments resulted in a reduction in the fair values as compared to their settlement values. As of March 31, 2013 and December 31, 2012, the interest rate swap liabilities of \$0.8 million and \$3.9 million, respectively, are included in other long-term liabilities.

Wynn Macau Swaps

The Company currently has three interest rate swap agreements intended to hedge a portion of the underlying interest rate risk on borrowings under the Amended Wynn Macau Credit Facilities. Under two of the swap agreements, the Company pays a fixed interest rate (excluding the applicable interest margin) of 0.73% on notional amounts corresponding to borrowings of HK\$3.95 billion (approximately US\$509.4 million) 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 fix the all-in interest rate on such amounts at 2.48% to 3.23%. These interest rate swap agreements mature in July 2017.

Under the third swap agreement, the Company pays a fixed interest rate (excluding the applicable interest margin) of 0.6763% on notional amounts corresponding to borrowings of US\$243.75 million incurred under the Amended Wynn Macau Credit Facilities in exchange for receipts on the same amount at a variable rate based on the applicable LIBOR at the time of payment. This interest rate swap fixes the all-in interest rate on such amounts at 2.4263% to 3.1763%. This interest rate swap agreement matures in July 2017.

11. Related Party Transactions

Share Redemption of a Former Related Party

Based on the Board of Directors' finding of "unsuitability," on February 18, 2012, the Company redeemed and cancelled Aruze USA, Inc.'s 24,549,222 shares of Wynn Resorts' common stock. Following a finding of "unsuitability," Wynn Resorts' articles of incorporation authorize redemption of the shares held by unsuitable persons at a "fair value" redemption price. The Company 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 which were subject to the terms of an existing stockholder agreement. Pursuant to the articles of incorporation, the Company issued the Redemption Note to Aruze USA, Inc., a former stockholder and related party, in redemption of the shares. Aruze USA, Inc., Universal

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Entertainment Corporation and Kazuo Okada have challenged the redemption of Aruze USA, Inc.'s shares and we are currently involved in litigation with those parties as well as related shareholder derivative litigation. The outcome of these various proceedings cannot be predicted. The Company's claims and the Okada Parties' counterclaims are in a preliminary stage and management 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. An adverse judgment or settlement involving payment of a material amount could cause a material adverse effect on our financial condition.

Amounts Due to Officers

The Company periodically provides services to Stephen A. Wynn, Chairman of the Board of Directors and Chief Executive Officer ("Mr. Wynn"), and certain other officers and directors of the Company, including household employees, construction work and other personal services. Mr. Wynn and the other officers and directors have deposits with the Company to prepay any such items, which are replenished on an ongoing basis as needed. As of March 31, 2013 and December 31, 2012, Mr. Wynn and the other officers and directors had a net deposit balance with the Company of approximately \$0.7 million and \$1.0 million, respectively.

Villa Suite Lease

On March 18, 2010, Mr. Wynn and Wynn Las Vegas entered into an Amended and Restated Agreement of Lease (the "Existing SW Lease") for a villa suite to serve as Mr. Wynn's personal residence. The Existing SW Lease amends and restates a prior lease. The Existing SW Lease was approved by the Audit Committee of the Board of Directors of the Company. The term of the Existing SW Lease commenced as of March 1, 2010 and runs concurrent with Mr. Wynn's employment agreement with the Company; provided that either party may terminate on 90 days notice. Pursuant to the Existing SW Lease, the rental value of the villa suite will be treated as imputed income to Mr. Wynn, and will be equal to the fair market value of the accommodations provided. Effective March 1, 2010, and for the first two years of the term of the Existing SW Lease, the rental value was \$503,831 per year. Effective March 1, 2012, the rental value was \$440,000 per year. On May 7, 2013, Wynn Las Vegas entered into a 2013 Amended and Restated Agreement of Lease (the "New SW Lease"), effective December 29, 2012, to include an expansion of the villa and to adjust the rental value accordingly to \$525,000 per year based on the current fair market value as established by the Audit Committee of the Company with the assistance of an independent third-party appraisal. The rental value for the villa suite will be re-determined every two years during the term of the lease by the Audit Committee. Certain services for, and maintenance of, the villa suite are included in the rental.

Aircraft Purchase Option Agreement

On January 3, 2013, the Company and Mr. Wynn entered into an agreement pursuant to which Mr. Wynn agreed to terminate a previously granted option to purchase an approximately two acre tract of land located on the Wynn Las Vegas golf course and, in return, the Company granted Mr. Wynn the right to purchase any or all of the aircraft owned by the Company or its direct wholly owned subsidiaries. The aircraft purchase option is exercisable upon 30 days written notice and at a price equal to the book value of such aircraft, and will terminate on the date of termination of the employment agreement between the Company and Mr. Wynn, which expires in October 2020.

The "Wynn" Surname Rights Agreement

On August 6, 2004, the Company entered into agreements with Mr. Wynn that confirm and clarify the Company's rights to use the "Wynn" name and Mr. Wynn's persona in connection with its casino resorts. Under the parties' Surname Rights Agreement, Mr. Wynn granted the Company an exclusive, fully paid-up, perpetual, worldwide license to use, and to own and register trademarks and service marks incorporating the "Wynn" name for casino resorts and related businesses, together with the right to sublicense the name and marks to its affiliates. Under the parties' Rights of Publicity License, Mr. Wynn granted the Company the exclusive, royalty-free, worldwide right to use his full name, persona and related rights of publicity for casino resorts and related

businesses, together with the ability to sublicense the persona and publicity rights to its affiliates, until October 24, 2017.

12. Property Charges and Other

Property charges generally include costs related to the retirement of assets for remodels and asset abandonments. Property charges and other for the three months ended March 31, 2013 and 2012 were \$5.3 million and \$10.3 million, respectively, which included miscellaneous renovations and abandonments at our resorts and entertainment development costs.

13. Noncontrolling Interest

In October 2009, Wynn Macau, Limited, an indirect wholly owned subsidiary of the Company and the developer, owner and operator of Wynn Macau, listed its ordinary shares of common stock on The Stock Exchange of Hong Kong Limited. Through an initial public offering, including the over allotment, Wynn Macau, Limited sold 1,437,500,000 shares (27.7%) of its common stock. The shares of Wynn Macau, Limited were not and will not be registered under the Securities Act and may not be offered or sold in the United States absent a registration under the Securities Act as amended, or an applicable exception from such registration requirements. Net income attributable to noncontrolling interest was \$69.2 million and \$57.8 million for the three months ended March 31, 2013 and 2012, respectively.

14. Stock-Based Compensation

The total compensation cost relating both to stock options and nonvested stock is allocated as follows (amounts in thousands):

	Three Months Ended March 31,	
	2013	2012
Casino	\$ 1,813	\$ (770)
Rooms	220	102
Food and beverage	299	27
Entertainment, retail and other	117	14
General and administrative	(1,327)	3,275
Total stock-based compensation expense	1,122	2,648
Total stock-based compensation capitalized	48	50
Total stock-based compensation costs	<u>\$ 1,170</u>	<u>\$2,698</u>

For the three months ended March 31, 2013, the Company reversed stock-based compensation expense allocated to general and administrative related to restricted stock granted in 2008 and 2011 with an average 9 year cliff vest provision that were modified and forfeited during the first quarter of 2013.

For the three months ended March 31, 2012, the Company reversed stock-based compensation expense allocated to casino operations related to stock options and restricted stock granted in 2008 with an approximate 8 year cliff vest provision that were forfeited during the first quarter of 2012.

15. Commitments and Contingencies

Wynn Macau

Cotai Development and Land Concession Contract. In September 2011, Palo Real Estate Company Limited ("Palo") and Wynn Resorts (Macau) S.A., each an indirect subsidiary of Wynn Macau Limited, formally accepted the terms and conditions of a draft land concession contract from the Macau government for

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approximately 51 acres of land in the Cotai area of Macau. On May 2, 2012, the land concession contract was gazetted by the government of Macau evidencing the final step in the granting of the land concession. The Company is constructing a full scale integrated resort containing a casino, luxury hotel, convention, retail, entertainment and food and beverage offerings on this land. The Company estimates the project budget to be in the range of \$3.5 billion to \$4.0 billion. The Company expects to enter into a guaranteed maximum price contract for the project construction costs in the first half of 2013. We expect to open our resort in Cotai during the first half of 2016.

The initial term of the land concession contract is 25 years from May 2, 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 \$193.4 million. An initial payment of \$62.5 million was paid in December 2011, with eight additional semi-annual payments of approximately \$16.4 million each (which includes interest at 5%) due beginning November 2012. As of March 31, 2013 and December 31, 2012, the Company has recorded this obligation and related asset with \$27.9 million included as a current liability in both periods and \$76.1 million and \$76.2 million, respectively, included as a long-term liability. The Company is also required to make annual lease payments of \$0.8 million during the resort construction period and annual payments of approximately \$1.1 million once the development is completed.

Litigation

We are occasionally party to lawsuits. As with all litigation, no assurance can be provided as to the outcome of such matters and we note that litigation inherently involves significant costs.

Atlantic-Pacific Capital

On May 3, 2010, Atlantic-Pacific Capital, Inc. (“APC”) filed an arbitration demand with JAMS, a private alternative dispute resolution provider, regarding an agreement with the Company. The action concerns a claim for compensation of approximately \$32 million pursuant to an agreement entered into between APC and the Company on or about March 30, 2008, whereby APC was engaged to raise equity capital for a specific investment vehicle sponsored by the Company. APC is seeking compensation unrelated to the investment vehicle. The Company has denied APC’s claims for compensation. The Company filed a Complaint for Damages and Declaratory Relief against APC in the Eighth Judicial District Court, Clark County, Nevada, on May 10, 2010, which APC removed to the United States District Court, District of Nevada. In March 2011, the District Court denied APC’s motion to compel arbitration, and dismissed the action. APC appealed, and on November 13, 2012, the United States Court of Appeals for the Ninth Circuit reversed the District Court and compelled arbitration. The matter is proceeding in arbitration. An arbitrator has been selected, and the parties are beginning the discovery process. Management believes that APC’s claims against the Company are without merit, and the Company intends to continue to defend this matter vigorously.

Determination of Unsuitability and Redemption of Aruze USA, Inc. and Affiliates

On February 18, 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 Kazuo Okada, the majority shareholder of Universal Entertainment Corporation, who at the time was a director of Wynn Resorts and two of its subsidiaries (collectively, the “Okada Parties”). The factual record presented in the Freeh Report included evidence that the Okada Parties 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 denied the impropriety of such conduct to members of the Board of Directors of Wynn Resorts, refused to acknowledge or abide by Wynn Resorts’ anti-bribery policies and refused to participate in the training all other directors received concerning these policies.

Based on the Freeh Report, the Board of Directors of Wynn Resorts determined that each of the Okada Parties are “unsuitable persons” under Article VII of the Company’s articles of incorporation. The Board of Directors was unanimous (other than Mr. Okada) in its determination. The Board of Directors 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 Directors of Wynn Macau, Limited. On February 18, 2012, Mr. Okada was removed from the Board of Directors of Wynn Las Vegas Capital Corp., an indirect wholly owned subsidiary of Wynn Resorts, and on February 24, 2012, he was removed from the Board of Directors of Wynn Macau, Limited. On February 22, 2013, Mr. Okada 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 February 21, 2013.

Based on the Board of Directors’ finding of “unsuitability,” on February 18, 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. The Company 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 Note to Aruze USA, Inc. in redemption of the shares. The Redemption Note has a principal amount of \$1.94 billion, matures on February 18, 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. The Company 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.

The Company 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 the Company 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 Company property and/or otherwise involved the Company in criminal or civil violations could result in actions by regulatory authorities against the Company and its subsidiaries.

Redemption Action and Counterclaim

On February 19, 2012, Wynn Resorts filed a complaint in the Eighth Judicial District Court, Clark County, Nevada against the Okada Parties, alleging breaches of fiduciary duty and related claims (the “Redemption Action”) arising from the activities addressed in the Freeh Report. The Company 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 March 12, 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 (as amended, the “Counterclaim”) that purports to assert claims against the Company, each of the members of the Company’s Board of Directors (other than Mr. Okada) and Wynn Resorts’ General Counsel (the “Wynn Parties”). The 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 (the “Articles”) pursuant to

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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 Stephen A. Wynn and did not independently and objectively evaluate the Okada Parties' suitability, and by so doing, breached their fiduciary duties; (3) that the Wynn Resorts directors violated the terms of the Wynn Resorts Articles 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 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 January 6, 2010, by and among Aruze USA, Inc., Stephen A. Wynn, and Elaine Wynn (the "Stockholders Agreement").

On June 19, 2012, Elaine Wynn responded to the Counterclaim and asserted a cross claim against Steve Wynn and Kazuo Okada seeking a declaration that (1) any and all of Elaine Wynn's duties under the Stockholders Agreement 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 Elaine Wynn. Mr. Wynn filed his answer to Elaine Wynn's cross claim on September 24, 2012. The indentures for the Wynn Las Vegas, LLC first mortgage notes (the "Indentures") provide that if Steve Wynn, together with certain related parties, in the aggregate beneficially owns a lesser percentage of the outstanding common stock of the Company than are beneficially owned by any other person, a change of control will have occurred. If Elaine Wynn prevails in her cross claim, Steve Wynn would not beneficially own or control Elaine Wynn's shares and a change in control may result under the Company's debt documents. Under the Indentures, the occurrence of a change of control requires that the Company 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.

The Company's amended complaint and the Okada Parties' second amended counterclaim, were challenged at the pleading stage through motion practice. At a hearing held on November 13, 2012, the Nevada state court granted the Wynn Parties' motion to dismiss the Counterclaim with respect to the Okada Parties' claim under the Nevada Racketeer Influenced and Corrupt Organizations Act with respect to certain Company executives but otherwise denied the motion. At a hearing held on January 15, 2013, the court denied the Okada Parties' motion to dismiss the Company's amended complaint. On April 22, 2013, the Company filed a second amended complaint. The parties have been engaged in discovery.

On February 13, 2013, the Okada Parties filed a motion in the Nevada state court asking the court to establish an escrow account (specifically, they asked the court to establish a "disputed ownership fund," as defined in a federal tax regulation ("DOF")) to hold the Redemption Note as well as the redeemed shares themselves (although those shares were previously cancelled in February 2012), until the resolution of the Redemption Action and Counterclaim. The Okada Parties subsequently filed reply papers in further support of their motion, in which they narrowed the relief they were seeking, specifically by withdrawing their request that the redeemed shares be placed into the escrow account. On April 17, 2013, the court entered an order granting the Okada Parties' motion in part as to the narrowed relief outlined in their reply papers. Among other things, the court's order directed the Okada Parties to establish an escrow account with a third party (without making any ruling as to whether such an account would satisfy the requirements of a DOF) to hold interest payments tendered by the Company on the Redemption Note. The Company is to have no responsibility for fees or costs of the account, and will receive a full release and indemnity related to the account.

On April 8, 2013, the United States Attorney's Office and the U.S. Department of Justice filed a Motion to Intervene and for Temporary and Partial Stay of Discovery in the Redemption Action. The motion stated that the federal government has been conducting a criminal investigation of the Okada Parties involving the "same underlying allegations of misconduct—that is, potential violations of the Foreign Corrupt Practice Act and

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related fraudulent conduct—that form the basis of” the Company’s complaint, as amended, in the Redemption Action. The motion sought to stay all discovery in the Redemption Action related to the Okada Parties’ allegedly unlawful activities in connection with their Philippine Casino Project until the conclusion of the criminal investigation and any resulting criminal prosecution, with an interim status update to the court in six months. At a hearing on May 2, 2013, the court granted the motion and ordered that all discovery in the Redemption Action be stayed for a period of six months (“Stay”).

Subject to the Stay, the Company will continue to vigorously pursue its claims against the Okada Parties, and the Company and the Wynn Parties will continue to vigorously defend against the counterclaims asserted against them. The Company’s claims and the Okada Parties’ counterclaims remain in an early stage and management 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. An adverse judgment or settlement involving payment of a material amount could cause a material adverse effect on our financial condition.

Litigation Commenced by Kazuo Okada

Books and Records Action:

In May 2011, Wynn Macau, a majority owned subsidiary of the Company, 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 \$25 million payment made in May 2011 and a commitment for additional donations of \$10 million each year for the calendar years 2012 through 2022 inclusive. The pledge was consistent with the Company’s 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 the Company and Wynn Macau, Limited 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.

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

At a hearing on February 9, 2012, the Nevada state court held that, as a director of the Company, Mr. Okada had the right to make a reasonable inspection of the Company’s corporate books and records. Following that hearing, the Company released certain documents to Mr. Okada for his inspection. At a subsequent hearing on March 8, 2012, the court considered Mr. Okada’s request that the Company’s Board of Directors make additional documents available to him, and ruled that Mr. Okada was entitled to inspect two additional pages of documents. The Company promptly complied with the court’s ruling. On May 25, 2012, Mr. Okada amended his petition to request inspection of additional records. Following a hearing held on October 2, 2012, the court ruled that Mr. Okada is entitled to review certain additional Company documents from the 2000 to 2002 time period. The Company promptly complied with the court’s ruling. On November 2, 2012, Mr. Okada filed a motion to compel the production of additional documents and to depose a witness designated by the Company. At the conclusion of a hearing held on November 8, 2012, the court denied Mr. Okada’s motion. The Company has not received any further requests for information by Mr. Okada in relation to this matter as of the date of this report.

Japan Action:

On August 28, 2012, Mr. Okada, Universal Entertainment Corporation and Okada Holdings filed a complaint in Tokyo District Court against the Company, all members of the Board of Directors (other than Mr. Okada) and the Company’s General Counsel (the “Wynn Parties”), alleging that the press release issued by the Company with respect to the redemption has damaged plaintiffs’ social evaluation and credibility. The plaintiffs seek damages and legal fees from the defendants. After asking the Okada Parties to clarify the

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allegations in their complaint, the Wynn Parties objected to the jurisdiction of the Japanese court. On April 30, 2013, the Wynn Parties filed a memorandum in support of their jurisdictional position and, in the near future, the court is expected to set a date by which the Okada Parties are to file their responsive memorandum. The Wynn Parties are vigorously defending against the claims asserted against them in this matter.

Motion for Preliminary Injunction:

On August 31, 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 its 2012 Annual Meeting. On October 2, 2012, the Nevada state court denied Aruze USA, Inc.'s motion for preliminary injunction. On October 19, 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, which determined that mediation would not be fruitful. The matter is therefore back before the Nevada Supreme Court and the Okada Parties' opening brief is due on or before June 10, 2013. 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.

Federal Securities Action:

On January 3, 2013, the Company filed a definitive proxy statement on Schedule 14A (the "Proxy Statement") for a special meeting of the stockholders to consider and vote upon a proposal to remove Mr. Okada as a director of the Company (the "Removal Proposal"). On January 24, 2013, Mr. Okada filed a complaint in the United States District Court, District of Nevada against the Company, 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 January 28, 2013, in which he sought an order preliminarily enjoining the special meeting of stockholders until such time as the Company corrected certain alleged misstatements and omissions in its Proxy Statement. At the conclusion of a hearing held on February 15, 2013, the federal court denied Mr. Okada's motion. On February 19, 2013, the Wynn Parties filed a motion to dismiss this action. Thereafter, on March 4, 2013, the Okada Parties voluntarily dismissed this action.

Indemnification Action:

On March 20, 2013, Mr. Okada filed a complaint against the Company in Nevada state court for indemnification under the Company's Articles, bylaws and agreements with its directors. The complaint seeks advancement of Mr. Okada's costs and expenses (including attorney's fees) incurred pursuant to the various legal proceedings and related regulatory investigations described above. The Company believes there is no basis for the relief requested in the complaint and intends to vigorously defend against this matter. The Company's answer and counterclaim was filed on April 15, 2013. The counterclaim names each of the Okada Parties as defendants and seeks indemnification under the Company's Articles for costs and expenses (including attorney's fees) incurred pursuant to the various legal proceedings and related regulatory investigations described above. On April 30, 2013, Mr. Okada filed his reply to the counterclaim.

Related Investigations and Derivative Litigation

Various Investigations:

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

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In February 2013, the Nevada Gaming Control Board informed the Company that it had completed an investigation of allegations made by Mr. Okada against the Company 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.

In the U.S. Department of Justice's Motion to Intervene and for Temporary and Partial Stay of Discovery in the Redemption Action, the Department of Justice states in a footnote that the government also has been conducting a criminal investigation into the Company's donation to the University of Macau discussed above. The Company has not received any target letter or subpoena in connection with such an investigation. The Company intends to cooperate fully with the government in response to any inquiry related to the donation to the University of Macau.

Other regulators may pursue separate investigations into the Company's compliance with applicable laws arising from the allegations in the matters described above and in response to the Counterclaim and other litigation filed by Mr. Okada suggesting improprieties in connection with the Company's donation to the University of Macau. While the Company believes that it is in full compliance with all applicable laws, any such investigations could result in actions by regulators against the Company.

Derivative Claims:

Six derivative actions were commenced against the Company 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 August 6, 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 the Company and all Company directors, including Mr. Okada, however, the plaintiffs voluntarily dismissed Mr. Okada as a defendant in this consolidated action on September 27, 2012. The Federal Plaintiffs claim that the individual defendants breached their fiduciary duties and wasted assets by: (a) failing to ensure the Company's officers and directors complied with federal and state laws and the Company's Code of Conduct; (b) voting to allow the Company's subsidiary to make the donation to the University of Macau; and (c) redeeming Aruze USA, Inc.'s stock such that the Company 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 September 14, 2012. On February 1, 2013, the federal court dismissed the complaint for failure to plead adequately the futility of a pre-suit demand on the Board. The dismissal was without prejudice to the Federal Plaintiffs' ability to file a motion within 30 days seeking leave to file an amended complaint. On April 9, 2013, the Federal Plaintiff's filed their amended complaint. The response of the Company and the directors' is due on May 23, 2013.

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 the Company (a nominal defendant) have been served in all of the actions.

The State Plaintiffs filed a consolidated complaint on July 20, 2012 asserting claims for (1) breach of fiduciary duty; (2) abuse of control; (3) gross mismanagement; and (4) unjust enrichment. The claims are against the Company and all Company directors, including Mr. Okada, as well as the Company's Chief Financial Officer, who signs financial disclosures filed with the SEC. The State Plaintiffs claim that the individual

defendants failed to disclose to the Company's stockholders the investigation into, and the dispute with director Okada as well as the alleged potential violations of the FCPA 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 the Company to internally investigate the donation, as well as attorneys' fees and costs. On October 13, 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. Following the expiration of the stay, the State plaintiffs advised the Company and the individual defendants that they intended to resume the action by filing an amended complaint, which they did, on April 26, 2013. The response of the Company and directors is due on or before June 10, 2013.

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

16. Income Taxes

For the three months ended March 31, 2013 and 2012, the Company recorded a tax benefit of \$5.1 million and \$0.1 million, respectively. The Company's income tax benefit is primarily related to a decrease in deferred tax liabilities offset by foreign taxes assessable on the dividends of Wynn Macau, S.A. and foreign tax provisions related to international marketing offices. Since June 30, 2010, the Company no longer considers its portion of the tax earnings and profits of Wynn Macau, Limited to be permanently invested. No additional U.S. tax provision has been made with respect to amounts not considered permanently invested as the Company anticipates that U.S. foreign tax credits should be sufficient to eliminate any U.S. tax provision relating to such repatriation. The Company has not provided deferred U.S. income taxes or foreign withholding taxes on temporary differences as these amounts are permanently reinvested. For the three months ended March 31, 2013 and 2012, the Company recognized income tax benefits related to excess tax deductions associated with stock compensation costs of \$1.2 million and \$0.5 million, respectively.

Wynn Macau, S.A. has received a 5-year exemption from Macau's 12% Complementary Tax on casino gaming profits through December 31, 2015. Accordingly, the Company was exempted from the payment of \$26.5 million and \$22.4 million in such taxes during the three months ended March 31, 2013 and 2012, respectively. The Company's non-gaming profits remain subject to the Macau Complementary Tax and casino winnings remain subject to the Macau Special Gaming tax and other levies together totaling 39% in accordance with its concession agreement.

In February 2013, the Company received notification that it had been accepted into the Internal Revenue Service ("IRS") Compliance Assurance Program ("CAP"), which accelerates IRS examination of key transactions with the goal of resolving any issues before the taxpayer files its return, for the 2013 tax year. In March 2013, the Company received additional notification that it had been selected for the Compliance Maintenance phase of CAP for the 2013 tax year. In the Compliance Maintenance phase, the IRS, at its discretion, may reduce the level of review of the taxpayer's tax positions based on the complexity and number of issues, and the taxpayer's history of compliance, cooperation and transparency in the CAP.

In January 2013, the Macau Financial Services Bureau examined the 2009 and 2010 Macau income tax returns of Palo, which is a co-holder of the land concession for the resort in Cotai. The exam resulted in no change to the tax returns.

In March 2013, the Macau Financial Services Bureau commenced an examination of the 2009, 2010, and 2011 Macau income tax returns of Wynn Macau, S.A. Since the examination is in its initial stages, the Company is unable to determine if it will conclude within the next 12 months. The Company believes that its liability for uncertain tax positions is adequate with respect to these years.

17. Segment Information

The Company monitors its operations and evaluates earnings by reviewing the assets and operations of its Macau Operations and its Las Vegas Operations. The Company's total assets by segment are as follows (amounts in thousands):

	March 31, 2013	December 31, 2012
Assets		
Macau Operations	\$3,400,757	\$3,004,658
Las Vegas Operations	3,638,594	3,669,881
Corporate and other	496,575	602,055
	<u>\$7,535,926</u>	<u>\$7,276,594</u>

The Company's segment information for its results of operations are as follows (amounts in thousands):

	Three Months Ended March 31,	
	2013	2012
Net revenues		
Macau Operations	\$ 992,065	\$ 950,703
Las Vegas Operations	386,589	362,795
Total	<u>\$1,378,654</u>	<u>\$1,313,498</u>
Adjusted Property EBITDA ⁽¹⁾		
Macau Operations	\$ 330,711	\$ 289,773
Las Vegas Operations	120,357	100,884
Total	<u>451,068</u>	<u>390,657</u>
Other operating costs and expenses		
Pre-opening costs	452	—
Depreciation and amortization	92,518	92,405
Property charges and other	5,346	10,286
Corporate expenses and other	18,904	27,402
Equity in income from unconsolidated affiliates	200	465
Total	<u>117,420</u>	<u>130,558</u>
Operating income	<u>333,648</u>	<u>260,099</u>
Non-operating costs and expenses		
Interest income	4,222	1,565
Interest expense, net of capitalized interest	(75,377)	(62,061)
Increase in swap fair value	3,144	2,284
Loss on retirement of debt	—	(4,828)
Equity in income from unconsolidated affiliates	200	465
Other	1,165	768
Total	<u>(66,646)</u>	<u>(61,807)</u>
Income before income taxes	<u>267,002</u>	<u>198,292</u>
Benefit for income taxes	5,142	117
Net income	<u>\$ 272,144</u>	<u>\$ 198,409</u>

- (1) “Adjusted Property EBITDA” is earnings before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, corporate expenses, intercompany golf course and water rights leases, stock-based compensation, and other non-operating income and expenses and includes equity in income from unconsolidated affiliates. Adjusted Property EBITDA is presented exclusively as a supplemental disclosure because management believes that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. Management uses Adjusted Property EBITDA as a measure of the operating performance of its segments and to compare the operating performance of its properties with those of its competitors. The Company also presents Adjusted Property EBITDA because it is used by some investors as a way to measure a company’s ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to financial measures in accordance with U.S. generally accepted accounting principles (“GAAP”). In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including Wynn Resorts, Limited, have historically excluded from their EBITDA calculations pre-opening expenses, property charges, corporate expenses and stock-based compensation, which do not relate to the management of specific casino properties. However, Adjusted Property EBITDA should not be considered as an alternative to operating income as an indicator of the Company’s performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, Adjusted Property EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. The Company has significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in Adjusted Property EBITDA. Also, Wynn Resorts’ calculation of Adjusted Property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

18. Subsequent Events

On April 25, 2013 the Company announced a cash dividend of \$1.00 per share, payable on May 23, 2013 to stockholders of record as of May 9, 2013.

On April 8, 2013, the United States Attorney’s Office and the U.S. Department of Justice filed a Motion to Intervene and for Temporary and Partial Stay of Discovery in the Redemption Action. The motion stated that the federal government has been conducting a criminal investigation of the Okada Parties involving the “same underlying allegations of misconduct—that is, potential violations of the Foreign Corrupt Practice Act and related fraudulent conduct—that form the basis of” the Company’s complaint, as amended, in the Redemption Action. The motion sought to stay all discovery in the Redemption Action related to the Okada Parties’ allegedly unlawful activities in connection with their Philippine Casino Project until the conclusion of the criminal investigation and any resulting criminal prosecution, with an interim status update to the court in six months. At a hearing on May 2, 2013, the court granted the motion and ordered that all discovery in the Redemption Action be stayed for a period of six months.

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

The following discussion should be read in conjunction with, and is qualified in its entirety by, the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q. Unless the context otherwise requires, all references herein to the “Company,” “we,” “us” or “our,” or similar terms, refer to Wynn Resorts, Limited, a Nevada corporation, and its consolidated subsidiaries.

Forward-Looking Statements

We make forward-looking statements in this Quarterly Report on Form 10-Q based upon the beliefs and assumptions of our management and on information currently available to us. Forward-looking statements include, but are not limited to, information about our business strategy, development activities, competition and possible or assumed future results of operations, throughout this report and are often preceded by, followed by or include the words “may,” “will,” “should,” “would,” “could,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “continue” or the negative of these terms or similar expressions.

Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those we express in these forward-looking statements. These include the risks and uncertainties in Item 1A—Risk Factors and other risk factors we describe from time to time in our periodic filings with the SEC as well as the following:

- our dependence on Stephen A. Wynn and existing management;
- regulatory or enforcement actions and probity investigations;
- pending or future legal proceedings;
- decreases in levels of travel, leisure and consumer spending;
- continued high unemployment;
- fluctuations in occupancy rates and average daily room rates;
- competition in the casino/hotel and resort industries and actions taken by our competitors;
- uncertainties over the development and success of new gaming and resort properties;
- new development and construction activities of competitors;
- our dependence on a limited number of resorts and locations for all of our cash flow;
- adverse tourism and trends reflecting current domestic and international economic conditions;
- general global macroeconomic conditions;
- doing business in foreign locations such as Macau (including the risks associated with developing gaming regulatory frameworks);
- changes in gaming laws or regulations (including the legalization of gaming in certain jurisdictions);
- cyber security risk including misappropriation of customer information or other breaches of information security;
- changes in U.S. laws regarding healthcare;
- changes in federal, foreign, or state tax laws or the administration of such laws;
- approvals under applicable jurisdictional laws and regulations (including gaming laws and regulations);
- volatility and weakness in world-wide credit and financial markets and from governmental intervention in the financial markets;
- conditions precedent to funding under our credit facilities;

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- continued compliance with all provisions in our credit agreements;
- leverage and debt service (including sensitivity to fluctuations in interest rates);
- restrictions or conditions on visitation by citizens of mainland China to Macau;
- the impact that an outbreak of an infectious disease or the impact of a natural disaster may have on the travel and leisure industry; and
- the consequences of military conflicts and any future security alerts and/or terrorist attacks.

Further information on potential factors that could affect our financial condition, results of operations and business are included in this report and our other filings with the SEC. You should not place undue reliance on any forward-looking statements, which are based only on information available to us at the time this statement is made. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

Overview

We are a developer, owner and operator of destination casino resorts. We currently own and operate two casino resort complexes. In the Macau Special Administrative Region of the People's Republic of China ("Macau"), we operate and own a majority of Wynn Macau I Encore, which we refer to as our "Macau Operations." In Las Vegas, Nevada, we own and operate Wynn Las Vegas | Encore, which we refer to as our "Las Vegas Operations."

Our Resorts

The following table sets forth information about our resorts as of April 2013:

	Hotel Rooms & Suites	Approximate Casino Square Footage	Approximate Number of Table Games	Approximate Number of Slots
Macau Operations	1,008	275,000	490	880
Las Vegas Operations	4,748	186,000	235	2,175

Macau Operations

We operate Wynn Macau I Encore under a 20-year casino concession agreement granted by the Macau government in June 2002.

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 57,000 square feet of high-end, brand-name retail shopping, including stores and boutiques by Bvlgari, Cartier, Chanel, Dior, Dunhill, 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, Ermenegildo Zegna and others;
- Recreation and leisure facilities, including two health clubs and spas, a salon, a pool; and
- Lounges and meeting facilities.

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In response to our evaluation of our Macau Operations and the reactions of our guests, we have made and expect to continue to make enhancements and refinements to this resort complex.

Las Vegas Operations

Wynn Las Vegas I Encore is located at the intersection of the Las Vegas Strip and Sands Avenue, and occupies approximately 215 acres of land fronting the Las Vegas Strip. In addition, we own approximately 18 acres across Sands Avenue, a portion of which is utilized for employee parking, and approximately 5 acres adjacent to the golf course on which an office building is located.

Our Las Vegas resort complex features:

- Approximately 186,000 square feet of casino space, offering 24-hour gaming and a full range of games, including private gaming salons, a sky casino, a poker room, and a race and sports book;
- Two luxury hotel towers with a total of 4,748 spacious hotel rooms, suites and villas;
- 35 food and beverage outlets featuring signature chefs;
- A Ferrari and Maserati automobile dealership;
- Approximately 284,000 square feet of meeting and convention space;
- Approximately 95,000 square feet of high-end, brand-name retail shopping, including stores and boutiques by Alexander McQueen, Brioni, Cartier, Chanel, Chloé, Chopard, Dior, Graff, Hermes, IWC Schaffhausen, Jaeger-LeCoultre, Loro Piana, Louis Vuitton, Manolo Blahnik, Oscar de la Renta, Piaget, Rolex, Vertu and others;
- Recreation and leisure facilities, including an 18-hole golf course, swimming pools, private cabanas and two full service spas and salons;
- Two showrooms; and
- Three nightclubs and a beach club.

In response to our evaluation of our Las Vegas Operations and the reactions of our guests, we have made and expect to continue to make enhancements and refinements to this resort complex.

Future Development

We are constructing a full scale integrated resort containing a casino, luxury hotel, convention, retail, entertainment and food and beverage offerings on 51 acres of land in the Cotai area of Macau. We estimate the project budget to be in the range of \$3.5 billion to \$4.0 billion. We expect to enter into a guaranteed maximum price contract for the project in the first half of 2013. We have commenced work on the foundation and pilings and expect to open our resort in Cotai during the first half of 2016.

We continually seek out new opportunities for additional gaming or related businesses, in the United States, and worldwide. We have made applications for gaming licenses in both Massachusetts and Pennsylvania and have announced potential projects in each jurisdiction. In each case, the process is competitive and we do not expect to know the outcome until early 2014. Proceeding with either or both of these projects will require significant expenditure of company funds. In addition, we are exploring various international jurisdictions for expansion opportunities.

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Results of Operations

The table below presents our net revenues (amounts in thousands):

	Three Months Ended March 31,	
	2013	2012
Net revenues		
Macau Operations	\$ 992,065	\$ 950,703
Las Vegas Operations	386,589	362,795
	<u>\$ 1,378,654</u>	<u>\$ 1,313,498</u>

Reliance on only two resort complexes (in two geographic regions) for our operating cash flow exposes us to certain risks that competitors, whose operations are more diversified, may be better able to control. In addition to the concentration of operations in two resort complexes, many of our customers are premium gaming customers who wager on credit, thus exposing us to credit risk. High-end gaming also increases the potential for variability in our results.

Operating Measures

Certain key operating statistics specific to the gaming industry are included in our discussion of our operational performance for the periods for which a Condensed Consolidated Statement of Income is presented. Below is a discussion of the methodologies used to calculate win percentage at our resorts.

Macau

In our VIP casino in Macau, customers primarily purchase non-negotiable chips, commonly referred to as rolling chips, from the casino cage and there is no deposit into a gaming table drop box from chips purchased from the cage. Non-negotiable chips can only be used to make wagers. Winning wagers are paid in cash chips. The loss of the non-negotiable chips in the VIP casino is recorded as turnover and provides a base for calculating VIP casino win percentage. The measurement base used in the general casino is not the same that is used in the VIP casino. It is customary in Macau to measure VIP casino play using this rolling chip method. We expect our win as a percentage of turnover to be within the range of 2.7% to 3.0%.

In our general casino in Macau, customers may purchase cash chips at either the gaming tables or, in recent quarters, increasingly at the casino cage. The cash and net markers used to purchase the cash chips at the gaming tables are deposited in the gaming table's drop box. This is the base of measurement that we use for calculating win percentage in our general casino. We will cease to report an expected range for the win percentage in our general casino as chips purchased at the casino cage are excluded from table games drop and will distort our expected win percentage.

The measurements in our VIP casino and the general casino are not comparable as the general casino tracks the initial purchase of chips at the table while the measurement method in our VIP casino tracks the sum of all losing wagers. Accordingly, the base measurement in the VIP casino is much larger than the base measurement in the general casino. As a result, the expected win percentage with the same amount of gaming win is smaller in the VIP casino when compared to the general casino.

Las Vegas

In Las Vegas, customers purchase chips at the gaming tables. The cash and net markers used to purchase chips are deposited in the gaming table's drop box. This is the base of measurement that we use for calculating win percentage in Las Vegas. Each type of table game has its own theoretical win percentage. Our expected table games win percentage in Las Vegas is 21% to 24%.

Below are definitions of the statistics discussed:

- Table games win is the amount of drop or turnover that is retained and recorded as casino revenue.
- Drop is the amount of cash and net markers issued that are deposited in a gaming table's drop box.
- Turnover is the sum of all losing rolling chip wagers within our Wynn Macau VIP program.
- Rolling chips are identifiable chips that are used to track VIP wagering volume (turnover) for purposes of calculating incentives.
- Slot win is the amount of handle (representing the total amount wagered) that is retained by us and is recorded as casino revenue.
- Average Daily Rate ("ADR") is calculated by dividing total room revenue including the retail value of promotional allowances (less service charges, if any) by total rooms occupied including complimentary rooms.
- Revenue per Available Room ("REVPAR") is calculated by dividing total room revenue including the retail value of promotional allowances (less service charges, if any) by total rooms available.
- Occupancy is calculated by dividing total occupied rooms, including complimentary rooms, by total rooms available.

Financial results for the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

Revenues

Net revenues for the three months ended March 31, 2013, were comprised of \$1,106.5 million in casino revenues (80.3% of total net revenues) and \$272.2 million of net non-casino revenues (19.7% of total net revenues). Net revenues for the three months ended March 31, 2012, are comprised of \$1,049.3 million in casino revenues (79.9% of total net revenues) and \$264.2 million of net non-casino revenues (20.1% of total net revenues).

Casino revenues are primarily comprised of the net win from our table games and slot machine operations. Casino revenues for the three months ended March 31, 2013, of \$1,106.5 million represents a \$57.2 million (5.5%) increase from casino revenues of \$1,049.3 million for the three months ended March 31, 2012.

For the three months ended March 31, 2013, our Macau Operations experienced a \$38.6 million (4.3%) increase in casino revenues to \$930.2 million, compared to the prior year quarter casino revenue of \$891.6 million due primarily to a higher win percentage in our VIP Casino. For the three months ended March 31, 2013, our Las Vegas Operations experienced an \$18.6 million (11.8%) increase in casino revenues to \$176.3 million, compared to the prior year quarter due to an increase in our table games win percentage (before discounts).

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The table below sets forth key gaming statistics related to our Macau and Las Vegas Operations.

	Three Months Ended March 31,			
	2013	2012	Increase/ (Decrease)	Percent Change
(amounts in thousands)				
Macau Operations:				
VIP Casino				
VIP turnover	\$ 28,414,118	\$ 33,540,839	\$(5,126,721)	(15.3)%
VIP win as a % of turnover	3.14%	2.59%	.55 pts	—
General Casino				
Drop	\$ 684,809	\$ 707,376	\$ (22,567)	(3.2)%
Table games win %	35.5%	30.3%	5.2 pts.	—
Slot machine handle	\$ 1,116,103	\$ 1,456,423	\$ (340,320)	(23.4)%
Slot machine win	\$ 61,389	\$ 73,458	\$ (12,069)	(16.4)%
Las Vegas Operations:				
Drop	\$ 668,920	\$ 654,521	\$ 14,399	2.2%
Table games win %	26.7%	22.8%	3.9 pts	—
Slot machine handle	\$ 696,594	\$ 718,909	\$ (22,315)	(3.1)%
Slot machine win	\$ 42,283	\$ 43,002	\$ (719)	(1.7)%

For the three months ended March 31, 2013, room revenues were \$120.5 million, an increase of \$3 million (2.5%) compared to prior year quarter room revenue of \$117.5 million. Room revenue at our Macau Operations decreased \$1.1 million (4%) to \$29 million compared to the prior year quarter room revenue of \$30.1 million due to 4.2% fewer rooms available during the period resulting from hotel maintenance. Room revenue at our Las Vegas Operations increased approximately \$4.1 million (4.8%) to \$91.5 million compared to the prior year quarter room revenue of \$87.4 million primarily due to a higher occupancy rate and ADR.

The table below sets forth key operating measures related to room revenue.

	Three Months Ended March 31,	
	2013	2012
Average Daily Rate		
Macau	\$ 315	\$ 324
Las Vegas	258	255
Occupancy		
Macau	93.8%	91.3%
Las Vegas	82.9%	79.3%
REVPAR		
Macau	\$ 296	\$ 296
Las Vegas	214	202

Other non-casino revenues for the three months ended March 31, 2013, included food and beverage revenues of \$139.7 million, retail revenues of \$68.8 million, entertainment revenues of \$15.2 million, and other revenues from outlets, including the spa and salon, of \$17.5 million. Other non-casino revenues for the three months ended March 31, 2012, included food and beverage revenues of \$135.1 million, retail revenues of \$66.5 million, entertainment revenues of \$21.1 million, and other revenues from outlets such as the spa and salon, of \$18.3 million. Food and beverage revenues at our Macau Operations decreased \$1.9 million, while food and beverage revenues at our Las Vegas Operations increased \$6.5 million as compared to the prior year quarter. The increase in Las Vegas is due primarily to strong business in our restaurants and nightclubs. Retail revenues at our Macau Operations increased \$2.4 million due to strong same store sales growth as well as new stores. Entertainment revenues decreased due to a Las Vegas show that ended its run in November 2012.

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Departmental, Administrative and Other Expenses

For the three months ended March 31, 2013, departmental expenses included casino expenses of \$697.2 million, room expenses of \$33.4 million, food and beverage expenses of \$73.9 million, and entertainment, retail and other expenses of \$40.3 million. Also included are general and administrative expenses of \$94.9 million and a charge of \$7 million for the provision for doubtful accounts receivable. For the three months ended March 31, 2012, departmental expenses included casino expenses of \$674.7 million, room expenses of \$30 million, food and beverage expenses of \$70.4 million, and entertainment, retail and other expenses of \$51.7 million. Also included for the three months ended March 31, 2012, are general and administrative expenses of \$106 million and \$18.1 million charged as a provision for doubtful accounts receivable. Casino expenses increased for the three months ended March 31, 2013, from the prior year quarter due primarily to higher gaming taxes commensurate with the increase in casino revenue at our Macau Operations (where we incur a gaming tax and other levies at a rate totaling 39% in accordance with the concession agreement). Food and beverage expenses increased over the prior year quarter primarily due to additional nightclub promotional costs at our Las Vegas Operations. Entertainment, retail and other expenses decreased primarily due to a Las Vegas show that ended its run in November 2012. General and administrative expenses decreased from the prior year quarter due to higher expenses related to the share redemption and litigation with a former shareholder that were incurred during the three months ended March 31, 2012. Our provision for doubtful accounts decreased as we adjusted our reserve methodology in June 2012 based on the results of historical collection patterns and current collection trends.

Depreciation and amortization

Depreciation and amortization for the three months ended March 31, 2013, was \$92.5 million compared to \$92.4 million for the three months ended March 31, 2012.

During the construction of our properties, costs incurred in the construction of the buildings, improvements to land and the purchases of assets for use in operations were capitalized. Once these properties opened, their assets were placed into service and we began recognizing the associated depreciation expense. Depreciation expenses will continue throughout the estimated useful lives of these assets. In addition, we continually evaluate the useful life of our property and equipment, intangibles and other assets and adjust them when warranted.

The maximum useful life of assets at our Macau Operations is the remaining life of the gaming concession or land concession, which currently expire in June 2022 and August 2029, respectively. Consequently, depreciation related to our Macau Operations is charged on an accelerated basis when compared to our Las Vegas Operations.

Property charges and other

Property charges and other for the three months ended March 31, 2013, were \$5.3 million compared to \$10.3 million for the three months ended March 31, 2012. For the three months ended March 31, 2013 and March 31, 2012, property charges and other related primarily to miscellaneous renovations and abandonments at our resorts and entertainment development costs.

In response to our evaluation of our resorts and the reactions of our guests, we continue to remodel and make enhancements at our resorts.

Other non-operating costs and expenses

Interest income was \$4.2 million for the three months ended March 31, 2013, compared to \$1.6 million for the three months ended March 31, 2012. During 2013 and 2012, our short-term investment strategy has been to preserve capital while retaining sufficient liquidity. The majority of our short-term investments were primarily in money market accounts, time deposits and fixed deposits with a maturity of three months or less.

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Interest expense was \$75.4 million, net of capitalized interest of \$1.3 million, for the three months ended March 31, 2013, compared to \$62.1 million, net of capitalized interest of \$0.2 million, for the three months ended March 31, 2012. Our interest expense increased compared to the prior year quarter primarily due to the issuance of the \$1.94 billion Redemption Price Promissory Note (the “Redemption Note”) by Wynn Resorts, the Wynn Las Vegas \$900 million 5³/₈% first mortgage notes in March 2012, and the increase in the Wynn Macau term loan offset by the reduction of \$370.9 million in Wynn Las Vegas term loan borrowings.

Changes in the fair value of our interest rate swaps are recorded as an increase or (decrease) in swap fair value in each period. We recorded a gain of \$3.1 million for the three months ended March 31, 2013, resulting from the increase in the fair value of our interest rate swaps from December 31, 2012 to March 31, 2013. In June 2012, we terminated the Wynn Las Vegas interest rate swap for a payment of \$2.4 million and the Wynn Macau interest rate swap matured. For the three months ended March 31, 2012, we recorded a gain of \$2.3 million resulting from the increase in the fair value of interest rate swaps between December 31, 2011 and March 31, 2012. For further information on our interest rate swaps, see Item 3 – “Quantitative and Qualitative Disclosures about Market Risk.”

On March 12, 2012, Wynn Las Vegas entered into an eighth amendment to its Amended and Restated Credit Agreement (the “Wynn Las Vegas Credit Agreement”). In connection with this amendment Wynn Las Vegas prepaid all term loans under the Wynn Las Vegas Credit Agreement, terminated all of its revolving credit commitments that were due to expire in 2013, and terminated all but \$100 million of its revolving credit commitments expiring in 2015. In connection with this transaction, we expensed deferred financing fees of \$4.8 million for the three months ended March 31, 2012.

Income Taxes

For the three months ended March 31, 2013 and 2012, we recorded a tax benefit of \$5.1 million and \$0.1 million, respectively. Our income tax benefit is primarily related to a decrease in our deferred tax liabilities offset by foreign taxes assessable on the dividends of Wynn Macau, S.A. and foreign tax provisions related to our international marketing offices. Since June 30, 2010, we have no longer considered our portion of the tax earnings and profits of Wynn Macau, Limited to be permanently invested. No additional U.S. tax provision has been made with respect to amounts not considered permanently invested as we anticipate that U.S. foreign tax credits should be sufficient to eliminate any U.S. tax provision relating to repatriation. We have not provided deferred U.S. income taxes or foreign withholding taxes on temporary differences as these amounts are permanently reinvested. For the three months ended March 31, 2013, we recognized income tax benefits related to excess tax deductions associated with stock compensation costs of \$1.2 million.

Wynn Macau, S.A. has received an exemption from Macau’s 12% Complementary Tax on casino gaming profits through December 31, 2015. Accordingly, we were exempt from the payment of \$26.5 million and \$22.4 million in such taxes during the three months ended March 31, 2013 and 2012, respectively. Our non-gaming profits remain subject to the Macau Complementary Tax and casino winnings remain subject to the Macau Special Gaming tax and other levies together totaling 39% in accordance with our concession agreement.

In February 2013, we received notification that we had been accepted into the IRS Compliance Assurance Program (“CAP”) for the 2013 tax year and in March 2013, we received additional notification that we had been selected for the Compliance Maintenance phase of CAP for the 2013 tax year. In the Compliance Maintenance phase, the IRS, at its discretion, may reduce the level of review of the taxpayer’s tax positions based on the complexity and number of issues, and the taxpayer’s history of compliance, cooperation and transparency in the CAP.

In January 2013, the Macau Financial Services Bureau examined the 2009 and 2010 Macau income tax returns of Palo Real Estate Company Limited. The exam resulted in no change to the tax returns.

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In March 2013, the Macau Financial Services Bureau commenced an examination of the 2009, 2010, and 2011 Macau income tax returns of Wynn Macau, S.A. Since the examination is in its initial stages, we are unable to determine if it will conclude within the next 12 months. We believe that our liability for uncertain tax positions is adequate with respect to these years.

Net income attributable to noncontrolling interests

In October 2009, Wynn Macau, Limited, our indirect wholly owned subsidiary and the developer, owner and operator of Wynn Macau, listed its ordinary shares of common stock on The Stock Exchange of Hong Kong Limited. Wynn Macau, Limited sold 1,437,500,000 shares (27.7%) of its common stock through an initial public offering. We recorded net income attributable to noncontrolling interests of \$69.2 million for the three months ended March 31, 2013, compared to \$57.8 million for the three months ended March 31, 2012. This represents the noncontrolling interests' share of net income from Wynn Macau, Limited during each quarter.

Adjusted Property EBITDA

We use adjusted property EBITDA to manage the operating results of our segments. Adjusted property EBITDA is earnings before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, corporate expenses, intercompany golf course and water rights leases, stock-based compensation, and other non-operating income and expenses, and includes equity in income from unconsolidated affiliates. Adjusted property EBITDA is presented exclusively as a supplemental disclosure because we believe that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. We use adjusted property EBITDA as a measure of the operating performance of our segments and to compare the operating performance of our properties with those of our competitors. We also present adjusted property EBITDA because it is used by some investors as a way to measure a company's ability to incur and service debt, make capital expenditures and meet working capital requirements. Gaming companies have historically reported EBITDA as a supplement to financial measures in accordance with U.S. generally accepted accounting principles ("GAAP"). In order to view the operations of their casinos on a more stand-alone basis, gaming companies, including us, have historically excluded from their EBITDA calculations pre-opening expenses, property charges and corporate expenses that do not relate to the management of specific casino properties. However, adjusted property EBITDA should not be considered as an alternative to operating income as an indicator of our performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure determined in accordance with GAAP. Unlike net income, adjusted property EBITDA does not include depreciation or interest expense and therefore does not reflect current or future capital expenditures or the cost of capital. We have significant uses of cash flows, including capital expenditures, interest payments, debt principal repayments, taxes and other non-recurring charges, which are not reflected in adjusted property EBITDA. Also, our calculation of adjusted property EBITDA may be different from the calculation methods used by other companies and, therefore, comparability may be limited.

The following table summarizes adjusted property EBITDA (amounts in thousands) for our Macau and Las Vegas Operations as reviewed by management and summarized in Notes to Condensed Consolidated Financial Statements, Note 17—"Segment Information." That footnote also presents a reconciliation of adjusted property EBITDA to net income.

Adjusted Property EBITDA	Three Months Ended	
	March 31,	
	2013	2012
Macau Operations	\$ 330,711	\$ 289,773
Las Vegas Operations	120,357	100,884
	<u>\$ 451,068</u>	<u>\$ 390,657</u>

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For the three months ended March 31, 2013, our Macau Operations benefitted from a higher table games win percentage in the VIP Casino. For the same period, our Las Vegas Operations benefitted from stronger operating results primarily in the casino department due to an increase in our table games win percentage. Refer to the discussions above regarding the specific details of our results of operations.

Liquidity and Capital Resources

Cash Flow from Operations

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

Net cash provided by operations for the three months ended March 31, 2013, was \$420.9 million compared to \$338.5 million provided by operations for the three months ended March 31, 2012. Cash flow from operations increased due to increased operating income that was driven by stronger operating results in the casino department. Also benefitting operating cash flow were changes in ordinary working capital such as accounts payable and accrued expenses.

Investing Activities

Capital expenditures were approximately \$58.8 million for the three months ended March 31, 2013. During the first quarter of 2013, our capital expenditures, net of construction payables and retention, included approximately \$46 million of site preparation costs for our Cotai land and various renovations at our resorts. Capital expenditures for the three months ended March 31, 2012 were approximately \$35.5 million and related to various renovations at our resorts.

Financing Activities

Macau Operations

As of March 31, 2013, our Wynn Macau credit facilities, as amended, (collectively the “Amended Wynn Macau Credit Facilities”) consisted of a US\$750 million equivalent fully funded senior secured term loan facility (the “Wynn Macau Senior Term Loan”) and a US\$1.55 billion equivalent senior secured revolving credit facility (the “Wynn Macau Senior Revolver”). Wynn Macau, S.A. also has the ability to upsize the total senior secured facilities by an additional US\$200 million pursuant to the terms and provisions of the Amended Wynn Macau Credit Facilities. Borrowings under the Amended Wynn Macau Credit Facilities, which consist of both Hong Kong Dollars and United States Dollar tranches, were used to refinance Wynn Macau’s existing indebtedness, and will be used to fund the design, development, construction and pre-opening expenses of Wynn Cotai, and for general corporate purposes.

As of March 31, 2013, there were no amounts outstanding under the Wynn Macau Senior Revolving Credit Facility. Accordingly, the Company has availability of US\$1.55 billion under the Amended Wynn Macau Credit Facilities.

Wynn Resorts Redemption Price Promissory Note

Based on the Board of Directors' finding of "unsuitability," on February 18, 2012, we redeemed and cancelled Aruze USA, Inc.'s 24,549,222 shares of Wynn Resorts' common stock. Following a finding of "unsuitability," our articles of incorporation authorize redemption at "fair value" of the shares held by unsuitable persons. We 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 which were subject to the terms of an existing stockholder agreement. Pursuant to the articles of incorporation, we issued the Redemption Note to Aruze USA, Inc., a former stockholder and related party, in redemption of the shares. The Redemption Note has a principal amount of approximately \$1.94 billion, matures on February 18, 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. We may, in our 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 and any of its affiliates in respect of indebtedness for borrowed money of any kind or nature.

We recorded the fair value of the Redemption Note at its estimated present value of approximately \$1.94 billion in accordance with applicable accounting guidance. In determining this fair value, we considered the stated maturity of the Redemption Note, its stated interest rate, and the uncertainty of the related cash flows of the Redemption Note as well as the potential effects of the following: uncertainties surrounding the potential outcome and timing of pending litigation with Aruze USA, Inc. and its affiliates (see Note 15—"Commitments and Contingencies"); the outcome of ongoing investigations by the Nevada Gaming Control Board; and other potential legal and regulatory actions. In addition, in the furtherance of various future business objectives, we considered our ability, at our sole option, to prepay the Redemption Note at any time in accordance with its terms without penalty. Accordingly, we reasonably determined that the estimated life of the Redemption Note could be less than the contractual life of the Redemption Note. When considering the appropriate rate of interest to be used to determine fair value for accounting purposes and in light of the uncertainty in the timing of the cash flows, we used observable inputs from a range of trading values of financial instruments with terms and lives similar to the estimated life and terms of the Redemption Note. As a result of this analysis, we concluded the Redemption Note's stated rate of 2% approximated a market rate.

Capital Resources

At March 31, 2013 we had approximately \$2.1 billion of cash and cash equivalents and \$139.7 million of available for sale investments in foreign and domestic debt securities with maturities of up to two years. Our cash is available for operations, debt service and retirement, development activities, general corporate purposes and enhancements to our resorts. In addition, we have \$59.6 million of restricted cash for Cotai related construction and development costs. Of these amounts, Wynn Macau, Limited and its subsidiaries held \$1,749.7 million and \$28 million in cash and available for sale investments, respectively, of which we own 72.3%. If our portion of this cash was repatriated to the U.S. on March 31, 2013, approximately one-third of this amount would be subject to U.S. tax in the year of repatriation. Wynn Resorts, Limited, which is not a guarantor of the debt of its subsidiaries, held \$136.5 million and \$111.7 million of cash and available for sale investments, respectively. Wynn Las Vegas, LLC held cash balances of \$170.5 million.

On July 31, 2012, Wynn Macau, S.A. amended and restated its credit facilities, dated September 14, 2004 to expand the availability under the Wynn Macau, S.A. senior secured bank facility to US\$2.3 billion equivalent, consisting of a US\$750 million equivalent fully funded senior term loan facility and a US\$1.55 billion equivalent senior secured revolving credit facility. Wynn Macau, S.A. also has the ability to upsize the total senior secured facilities by an additional US\$200 million pursuant to the terms and provisions of the Amended Wynn Macau Credit Facilities.

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As of March 31, 2013, there were no amounts outstanding under the Wynn Macau Senior Revolving Credit Facility. Accordingly, the Company has availability of US\$1.55 billion under the Amended Wynn Macau Credit Facilities.

We believe that cash flow from operations, availability under our bank credit facility and our existing cash balances will be adequate to satisfy our anticipated uses of capital for the remainder of 2013. If any additional financing became necessary, we cannot provide assurance that future borrowings will be available.

Cash and cash equivalents include cash in bank and fixed deposits, investments in money market funds, domestic and foreign bank time deposits and commercial paper, all with maturities of less than 90 days.

We have made applications for gaming licenses in both Massachusetts and Pennsylvania and have announced potential projects in each jurisdiction. In each case, the process is competitive and we do not expect to know the outcome until early 2014. Proceeding with either or both of these projects will require significant expenditure of company funds.

Off Balance Sheet Arrangements

We have not entered into any transactions with special purpose entities nor do we engage in any derivatives except for previously discussed interest rate swaps. We do not have any retained or contingent interest in assets transferred to an unconsolidated entity. At March 31, 2013, we had unsecured outstanding letters of credit totaling \$15.8 million.

Contractual Obligations and Commitments

There have been no material changes outside the ordinary course of our business during the three months ended March 31, 2013 to our contractual obligations or off balance sheet arrangements as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012.

Other Liquidity Matters

Wynn Resorts is a holding company and, as a result, our ability to pay dividends is highly dependent on our ability to obtain funds and our subsidiaries' ability to provide funds to us. Restrictions imposed by our Wynn Las Vegas and Wynn Macau debt instruments significantly restrict our ability to pay dividends. Specifically, Wynn Las Vegas, LLC and certain of its subsidiaries are restricted under the indentures governing its first mortgage notes from making certain "restricted payments" as defined in the indentures. These restricted payments include the payment of dividends or distributions to any direct or indirect holders of equity interests of Wynn Las Vegas, LLC. These restricted payments may not be made unless certain financial and non-financial criteria have been satisfied. While the Amended Wynn Macau Credit Facilities contains similar restrictions, Wynn Macau is currently in compliance with all requirements, namely satisfaction of its leverage ratio, which must be met in order to pay dividends and is presently able to pay dividends in accordance with the Amended Wynn Macau Credit Facilities.

Wynn Las Vegas, LLC intends to fund its operations and capital requirements from cash on hand and operating cash flow. We cannot assure you however, that our Las Vegas Operations will generate sufficient cash flow from operations or the availability of additional indebtedness will be sufficient to enable us to service and repay Wynn Las Vegas, LLC's indebtedness and to fund its other liquidity needs. Similarly, we expect that our Macau Operations will fund Wynn Macau, S.A.'s debt service obligations with existing cash, operating cash flow and availability under the Amended Wynn Macau Credit Facilities. However, we cannot assure you that operating cash flows will be sufficient to do so. We may refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of the indebtedness on acceptable terms or at all. Certain legal matters may also impact our liquidity. As described in our Notes to Condensed

Consolidated Financial Statements, Note 15 – “Commitments and Contingencies”, Elaine Wynn has submitted a cross claim against Steve Wynn and Kazuo Okada. The indentures for the Wynn Las Vegas, LLC First Mortgage Notes (the “Indentures”) provide that if Steve 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 Elaine Wynn prevails in her cross claim, Steve Wynn would not beneficially own or control Elaine Wynn’s shares and a change in control may result under our debt documents.

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

The Company’s articles of incorporation provide that, to the extent required by the gaming authority making the determination of unsuitability or to the extent the Board of Directors determines, in its sole discretion, that a person is likely to jeopardize the Company’s or any affiliate’s application for, receipt of, approval for, right to the use of, or entitlement to, any gaming license, shares of Wynn Resorts’ capital stock that are owned or controlled by an unsuitable person or its affiliates are subject to redemption by the Company. The redemption price may be paid in cash, by promissory note or both, as required by the applicable gaming authority and, if not, as we elect. Any promissory note that we issue to an unsuitable person or its affiliate in exchange for its shares could increase our debt to equity ratio and would increase our leverage ratio.

On February 18, 2012, the Board of Directors of Wynn Resorts determined that Aruze USA, Inc., Universal Entertainment Corporation and Mr. Kazuo Okada are “unsuitable” under the provision of our articles of incorporation and redeemed and cancelled all of Aruze USA, Inc.’s, 24,549,222 shares of Wynn Resorts’ common stock. Pursuant to our articles of incorporation, we issued the Redemption Note to Aruze USA, Inc. in redemption of the shares. For additional information on the redemption and the Redemption Note, see Notes to Condensed Consolidated Financial Statements, Note 15—“Commitments and Contingencies.”

Critical Accounting Policies

A description of our critical accounting policies is included in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2012. There has been no material change to these policies for the three months ended March 31, 2013.

Recently Issued Accounting Standards

In February 2013, the Financial Accounting Standards Board (“FASB”) issued an accounting standards update that amends the presentation requirements for reclassifications out of accumulated other comprehensive income. The amendment would require an entity to present amounts reclassified out of accumulated other comprehensive income by component either on the face of the statement where net income is presented or in the notes. This update is effective prospectively for reporting periods beginning after December 15, 2012. We have adopted this update; see Notes to Condensed Consolidated Financial Statements, Note 4—“Accumulated Other Comprehensive Income.”

In July 2012, the FASB issued an accounting standards update that is intended to simplify the guidance for testing the decline in the realizable value (impairment) of indefinite-lived intangible assets other than goodwill. The update allows for the consideration of qualitative factors in determining whether it is necessary to perform quantitative impairment tests. The effective date for this update is for the years and interim impairment tests performed for years beginning after September 15, 2012. The adoption of this update did not have a material impact on our financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risks

One of our primary exposures to market risk is interest rate risk associated with our debt facilities that 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, and using hedging activities. 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. We do not use derivative financial instruments, other financial instruments or derivative commodity instruments for trading or speculative purposes.

Interest Rate Swap Information

We have entered into floating-for-fixed interest rate swap arrangements relating to certain of our floating-rate debt facilities. We measure the fair value of our interest rate swaps on a recurring basis. Changes in the fair values of these interest rate swaps for each reporting period recorded are, and will continue to be, recognized as an increase/(decrease) in swap fair value in our Condensed Consolidated Statements of Income as the swaps do not qualify for hedge accounting.

Wynn Macau

We currently have three interest rate swap agreements intended to hedge a portion of the underlying interest rate risk on borrowings under the Amended Wynn Macau Credit Facilities. Under two of the swap agreements, we pay a fixed interest rate (excluding the applicable interest margin) of 0.73% on notional amounts corresponding to borrowings of HK\$3.95 billion (approximately US\$509.4 million) 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 fix the all-in interest rate on such amounts at 2.48% to 3.23%. These interest rate swap agreements mature in July 2017.

Under the third swap agreement, we pay a fixed interest rate (excluding the applicable interest margin) of 0.6763% on notional amounts corresponding to borrowings of US\$243.75 million incurred under the Amended Wynn Macau Credit Facilities in exchange for receipts on the same amount at a variable rate based on the applicable LIBOR at the time of payment. This interest rate swap fixes the all-in interest rate on such amounts at 2.4263% to 3.1763%. This interest rate swap agreement matures in July 2017.

Interest Rate Sensitivity

As of March 31, 2013, essentially all of our debt was based on fixed rates including the notional amounts related to interest rate swaps.

Foreign Currency Risks

The currency delineated in Wynn Macau's concession agreement with the government of Macau is the Macau pataca. The Macau pataca, which is not a freely convertible currency, is linked to the Hong Kong dollar, and in many cases the two are used interchangeably in Macau. The Hong Kong dollar is linked to the U.S. dollar and the exchange rate between these two currencies has remained relatively stable over the past several years. However, the exchange linkages of the Hong Kong dollar and the Macau pataca, and the Hong Kong dollar and the U.S. dollar, are subject to potential changes due to, among other things, changes in Chinese governmental policies and international economic and political developments.

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If the Hong Kong dollar and the Macau pataca are not linked to the U.S. dollar in the future, severe fluctuations in the exchange rate for these currencies may result. We cannot assure you that the current rate of exchange fixed by the applicable monetary authorities for these currencies will remain at the same level.

Because many of Wynn Macau's payment and expenditure obligations are in Macau patacas, in the event of unfavorable Macau pataca or Hong Kong dollar rate changes, Wynn Macau's obligations, as denominated in U.S. dollars, would increase. In addition, because we expect that most of the revenues for any casino that Wynn Macau operates in Macau will be in Hong Kong dollars, we are subject to foreign exchange risk with respect to the exchange rate between the Hong Kong dollar and the U.S. dollar. Also, because our Macau-related entities incur U.S. dollar-denominated debt, fluctuations in the exchange rates of the Macau pataca or the Hong Kong dollar, in relation to the U.S. dollar, could have adverse effects on Wynn Macau's results of operations, financial condition and ability to service its debt. To date, we have not engaged in hedging activities intended to protect against foreign currency risk. Approximately 80% of our cash balances are denominated in foreign currencies, primarily the Hong Kong Dollar. Based on our balances at March 31, 2013, an assumed 1% change in the US dollar/Hong Kong dollar exchange rate would cause a foreign currency transaction gain/loss of approximately \$12.7 million.

As of March 31, 2013, in addition to Hong Kong dollars, Wynn Macau also holds other foreign currencies, primarily CNH (offshore renminbi).

Item 4. Controls and Procedures

(a) *Disclosure Controls and Procedures.* The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective, at the reasonable assurance level, in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and were effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) *Internal Control Over Financial Reporting.* There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter to which this report relates that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings

We are occasionally party to lawsuits. As with all litigation, no assurance can be provided as to the outcome of such matters and we note that litigation inherently involves significant costs. For information regarding the Company's legal proceedings see Note 15 to our Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

A description of our risk factors can be found in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012. There were no material changes to those risk factors during the three months ended March 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Dividend Restrictions

In November 2009, our Board of Directors approved the commencement of a regular quarterly cash dividend program. On January 31, 2013 the Company announced a cash dividend of \$1.00 per share, payable on February 28, 2013 to stockholders of record as of February 14, 2013. Wynn Resorts is a holding company and, as a result, our ability to pay dividends is dependent on our ability to obtain funds and our subsidiaries' ability to provide funds to us. Restrictions imposed by our subsidiaries' debt instruments significantly restrict certain key subsidiaries holding a majority of our assets, including Wynn Las Vegas, LLC and Wynn Macau, S.A. from making dividends or distributions to Wynn Resorts. Specifically, Wynn Las Vegas, LLC and certain of its subsidiaries are restricted under the indentures governing the first mortgage notes from making certain "restricted payments" as defined in the indentures. These restricted payments include the payment of dividends or distributions to any direct or indirect holders of equity interests of Wynn Las Vegas, LLC. Restricted payments cannot be made unless certain financial and non-financial criteria have been satisfied. While the Amended Wynn Macau Credit Facilities contain similar restrictions, Wynn Macau is currently in compliance with all requirements, namely satisfaction of its leverage ratio, which must be met in order to pay dividends and is presently able to pay dividends in accordance with the Amended Wynn Macau Credit Facilities. On March 28, 2013, the Wynn Macau, Limited Board of Directors recommended the payment of a HK\$1.24 per share dividend subject to approval by the shareholders of Wynn Macau, Limited at their annual meeting on May 16, 2013.

Issuer Purchases of Equity Securities

In February 2013, the Company repurchased a total of 20,975 shares at an average price of \$117.34 per share in satisfaction of tax withholding obligations on vested restricted stock.

Item 5. Other Information

As disclosed in prior filings of Wynn Resorts, Limited ("WRL") and Wynn Las Vegas, LLC ("WLV") with the SEC, pursuant to that certain Amended and Restated Agreement of Lease, dated as of March 18, 2010 and amended as of April 9, 2012 (the "Existing SW Lease"), by and between Stephen A. Wynn ("Mr. Wynn"), Chairman of the Board of Directors and Chief Executive Officer of WRL, and WLV, Mr. Wynn leases two fairway villas as Mr. Wynn's personal residence. On May 7, 2013, Mr. Wynn and WLV entered into a 2013 Amended and Restated Agreement of Lease (the "New SW Lease") amending and restating the Existing SW Lease, effective as of December 29, 2012, for the lease of three fairway villas (the "Villas") as Mr. Wynn's personal residence. The New SW Lease was approved by the Audit Committee of the Board of Directors of WRL. The term of the lease runs concurrent with the term of Mr. Wynn's employment agreement with WRL; provided that either party may terminate on 90 days notice. The rental value of the Villas is treated as imputed

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income to Mr. Wynn, equal to the fair market value of the accommodations provided. Pursuant to the New SW Lease, effective as of December 29, 2012 and ending on February 28, 2015, the rental value of the Villas was established as \$525,000 per year, which amount was determined based on a third-party appraisal. The rental value of the Villas will be re-determined every two years based upon an independent third-party appraisal. Certain services for, and maintenance of, the Villas are included in the rental. The New SW Lease also includes Mr. Wynn's use of warehouse space owned by WLV. This description of the New SW Lease is qualified in its entirety by reference to the New SW Lease, a copy of which is filed herewith as Exhibit 10.2.

Item 6. Exhibits**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
3.1	Second Amended and Restated Articles of Incorporation of the Registrant. (1)
3.2	Fifth Amended and Restated Bylaws of the Registrant, as amended. (2)
*10.1	Resignation and Release Agreement, dated March 27, 2013 between Wynn Resorts, Limited, as the Company and Marc D. Schorr, as Employee.
*10.2	2013 Amended and Restated Agreement of Lease, dated as of May 7, 2013, by and between Wynn Las Vegas, LLC and Stephen A. Wynn.
*31.1	Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a – 14(a) and Rule 15d – 14(a).
*31.2	Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a – 14(a) and Rule 15d – 14(a).
*32	Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350.
*101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, filed with the SEC on May 10, 2013 formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets at March 31, 2013 and December 31 2012, (ii) the Condensed Consolidated Statements of Income for the three months ended March 31, 2013 and 2012, (iii) the Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2013 and 2012, (iv) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2013 and 2012, (v) the Condensed Consolidated Statement of Stockholders' Equity at March 31, 2013 and (vi) Notes to Condensed Consolidated Financial Statements.
* Filed herewith.	
(1)	Previously filed with Amendment No. 4 to the Form S-1 filed by the Registrant on October 7, 2002 (File No. 333-90600) and incorporated herein by reference.
(2)	Previously filed with the Current Report on Form 8-K filed by the Registrant on December 14, 2012 and incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WYNN RESORTS, LIMITED

Dated: May 10, 2013

By: /s/ Matt Maddox
Matt Maddox
Chief Financial Officer and Treasurer
(Principal Financial Officer)

RESIGNATION AND RELEASE

THIS RESIGNATION AND RELEASE (“Agreement”) is made and entered into as of the 27th day of March, 2013 (the “**Execution Date**”), by and between **WYNN RESORTS, LIMITED (“Company”)** and **MARC D. SCHORR (“Employee”)**.

WITNESSETH:

WHEREAS, Company is a corporation duly organized and existing under the laws of the State of Nevada, maintains its principal place of business at 3131 Las Vegas Blvd. South, Las Vegas, Nevada 89109, and is engaged in the business of developing, constructing and operating a casino resorts; and,

WHEREAS, Employee is an adult individual residing at *****; and,

WHEREAS, Employee has been in the employ of Company in the position of Chief Operating Officer pursuant to that certain Employment Agreement dated as of March 4, 2008 (the “**2008 Agreement**”), as amended by that certain First Amendment to Employment Agreement dated as of December 31, 2008 (the “**First Amendment**”), and as further amended by that certain Second Amendment to Employment Agreement effective as of October 31, 2012 (the “**Second Amendment**”), the 2008 Agreement, the First Amendment and the Second Amendment are collectively referred to herein as the “**Employment Agreement**”); and,

WHEREAS, Employee also serves as an officer, employee, director, member and/or agent for the Company and the Company subsidiaries and affiliates; and

WHEREAS, Employee has advised the Company that he desires to reach a mutual agreement regarding his retirement from the Company and from his position as Chief Operating Officer of the Company as well as all other positions he holds as an officer, employee, director, member and/or agent of the Company and the Company’s subsidiaries and affiliates; and

WHEREAS, Employee has agreed to tender and Company has agreed to accept Employee’s retirement request and the relinquishment of all his positions at the Company and the Company’s subsidiaries and affiliates; and

WHEREAS, Employee and Company have agreed that Employee’s effective date of retirement shall be June 1, 2013 in order for Company and Employee to plan for an orderly transition of responsibilities; and

WHEREAS, Company and Employee desire to address and resolve any and all dealings, rights and claims between them, including by way of example and not limitation, any such matters arising out of the Employment Agreement, Employee’s employment with Company, and his retirement therefrom.

NOW, THEREFORE, for and in consideration of the foregoing recitals and the mutual promises, representations, and warranties herein contained and intending to be legally bound thereby, Employee and Company do hereby promise and agree as follows:

1. RESIGNATION OF EMPLOYMENT.

(a) **Resignation as COO.** Employee hereby resigns his position of Chief Operating Officer of the Company and Company hereby accepts Employee’s resignation from such employment effective 5 p.m. Pacific Standard Time on June 1, 2013 (the “**Effective Date**”).

(b) **Resignation of Other Positions.** Employee hereby agrees that between the Execution Date and the Effective Date, Employee shall resign all other officer, employee, member, director and/or agent positions that the Employee holds with the Company in the manner and time determined by the Company; provided however, that as of the Effective Date, Employee does hereby resign all positions that Employee holds with the Company and or its subsidiaries and affiliates.

(c) **Employment Status.** Employee agrees that his employment status with the Company shall be “Retired” from the Effective Date through June 1, 2018. On June 1, 2018. Employee status will be change to “Terminated.”

(d) **Availability.** Employee agrees, that for a period of five (5) years from the Effective Date, to cooperate and make himself reasonably available to Company, Company’s affiliates and their respective attorneys to discuss, consult and assist on matters in which the Employee was involved prior to the Execution Date. Employee agrees to cooperate with the Company and to execute all such necessary and appropriate documents to orderly transfer Employee’s responsibilities.

2. **SEVERANCE COMPENSATION.** For and in consideration of this Agreement, Company agrees to provide to Employee, and Employee hereby agrees to accept from Company, the following severance compensation:

(a) **Base Salary.** Employee shall be entitled to receive all unpaid Base Salary through the Effective Date, less all applicable taxes and withholdings.

(b) **Vacation.** Employee shall also be paid for all accrued vacation through the Effective Date in accordance with the policies of the Company.

(c) **Medical Benefits.** From and after the Effective Date through June 1, 2018, Employee will continue to receive health benefits coverage for Employee and Employee’s dependents under the same plans under which they were covered immediately before the Effective Date, subject to the changes and modification that the Company may make to such plans. All cost of such health coverage shall be paid by the Company until the earlier of Employee’s death or June 1, 2018. Nothing herein shall be interpreted as to prohibit the Company from making any changes or modification to the Company’s health insurance programs.

(d) **Restricted Stock.** Employee and Company have entered into that certain Restricted Stock Agreement dated as of October 16, 2008, as amended by that First Amendment to Restricted Stock Agreement dated as of February 22, 2013 (collectively the “**Restricted Stock Agreement**”) concerning the grant of 250,000 shares of Wynn Resorts Limited common stock (the “**WRL Common Stock**”). As of the Execution Date, Employee acknowledges that 50,000 shares of the WRL Common Stock subject to that Restricted Stock Agreement have vested. Company agrees to accelerate the vesting of the remaining 200,000 shares of WRL Common Stock subject to the Restricted Stock Agreement and that such 200,000 remaining shares of WRL Common Stock shall vest in the entirety as of May 31, 2013.

(e) **2009 Stock Option.** Company acknowledges that Employee was granted an option on May 6, 2009 (the “**2009 Stock Option**”) to purchase 500,000 shares of WRL Commons Stock and that as of the Effective Date, Employee’s right to exercise the 2009 Stock Option for 200,000 shares of WRL Common Stock will have vested. Employee shall be eligible to exercise the 2009 Stock Option for such 200,000 vested shares (less any vested shares that Employee may have previously exercised) in accordance with the terms of the Wynn Resorts, Limited 2002 Stock Incentive Plan and the 2009 Stock Option. Employee acknowledges and agrees that after the Effective Date, none of the remaining 300,000 shares of WRL Common Stock subject to the 2009 Stock Option shall vest and Employee’s right to exercise the 2009 Stock Option for such remaining 300,000 shares shall terminate as of the Effective Date.

3. **WAIVER AND RELEASE.** Except for the specific covenants elsewhere in this Agreement, and to the extent consistent with law, Employee, for Employee, Employee’s spouse, children, heirs, executors, administrators, successors and assigns (hereinafter “**Releasors**”), to the extent consistent with law, hereby fully and forever releases, acquits, discharges and promises not to sue Wynn Resorts, Limited and its past, present and future parent and/or subsidiary entities, divisions, affiliates and any past, present or future partners, owners, joint venturers, stockholders, predecessors, successors, officers, directors, administrators, employees, agents,

representatives, attorneys, heirs, executors, assigns, retirement plans and/or their trustees and any other person, firm or corporation with whom any of them is now or may hereafter be affiliated (hereinafter “**Releasees**”), over any and all claims, demands, obligations, losses, causes of action, costs, expenses, attorney’s fees, liabilities and indemnities of any nature whatsoever, whether negligent or intentional, whether now known or unknown, discovered now or in the future, whether based on race, age, disability, national origin, gender, sexual orientation, marital status, veteran status, protected activity, compensation and benefits from employment, including stock, stock options, stock option agreements and retirement plans, whether based on contract (including but not limited to the Employment Agreement), tort, defamation, statute or other legal or equitable theory of recovery, whether mature or to mature in the future, which from the beginning of time of the world to the Effective Date Employee had, now has or claims to have against Wynn Resorts, Limited or any other person or entity described above.

Without limiting the foregoing, this Agreement applies to any and all matters that have been or which could have been asserted in a lawsuit or in any state or federal court, up to the date of this Agreement, specifically including, but not by way of limitation, claims under the Equal Pay Act, the National Labor Relations Act, as amended, Title VII of the Civil Rights Act of 1964, as amended, the Post-Civil War Reconstruction Acts, as amended (42 U.S.C. §§ 1981-1988), the Age Discrimination in Employment Act of 1967, as amended, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, as amended, the Employee Retirement Income Security Act of 1974, as amended, the Civil Rights Act of 1991, the Pregnancy Discrimination Act, any other federal statute, any state civil rights act, any state statutory wage claim such as those contained in Chapter 608 of the Nevada Revised Statutes, any other statutory claim, any claim of wrongful discharge, any claim in tort or contract, any claim seeking declaratory, injunctive, or equitable relief, or any other claim of any type whatsoever arising out of the common law of any state. Notwithstanding the above, this release does not apply to any rights, obligations or claims governed by Chapter 612 of the Nevada Revised Statutes.

This release also does not limit either party’s right, where applicable, to file an administrative charge or participate in an investigative proceeding of any federal, state or local governmental agency, but does operate as a waiver of any personal recovery if related to the claims released herein

4. **RESTRICTIVE COVENANT/NO SOLICITATION.** Employee and Company agree that during the Employee’s tenure with the Company, Employee had the opportunity to receive highly confidential and proprietary information of the Company and its affiliates. Further, Company’s decision to enter into this Agreement and to grant Employee the compensation described in Section 2 is directly related to Employee agreement to not participate into any business that is competitive with the Company without the expressed written permission of the Company. Accordingly, Employee agrees to the following:

(a) Employee hereby covenants and agrees that until June 1, 2018, Employee shall not, directly or indirectly, either as a principal, agent, employee, employer, consultant, partner, member of a limited liability company, shareholder of a closely held corporation, or shareholder in excess of two percent (2%) of a publicly traded corporation, corporate officer or director, manager, or in any other individual or representative capacity, engage or otherwise participate in any manner or fashion in any business that is in competition in any manner whatsoever with the principal business activity of Company or its affiliates (including but not limited to internet gaming except as may be conducted by Seth Schorr under Longshot/Aspect Interactive or Fifth Street Interactive), in the United States of America, Macau, SAR, Monaco or any other market in which Company or its affiliates currently operate or have announced, publicly or otherwise, a plan to have hotel or gaming operations.

(b) Employee hereby further covenants and agrees that, for a period of two (2) years following the Effective Date, Employee shall not, directly or indirectly, solicit or attempt to solicit for employment any management level employee of Company or its affiliates on behalf of any business that is in competition in any manner whatsoever with the principal business activity of Company or its affiliates, in or about any market in which Company or its affiliates currently operate or have announced, publicly or otherwise, a plan to have hotel or gaming operations.

(d) Employee hereby further covenants and agrees that the restrictive covenants contained in this Section 4 are reasonable as to duration, terms and geographical area and that they protect the legitimate interests of Company, impose no undue hardship on Employee, and are not injurious to the public. In the event that any of the restrictions and limitations contained in this Section 4 are deemed to exceed the time, geographic or other limitations permitted by Nevada law, the parties agree that a court of competent jurisdiction shall revise any offending provisions so as to bring this Section 4 within the maximum time, geographical or other limitations permitted by Nevada law.

(e) Company gives Employee specific permission to provide consulting services to hotel and casino operations that are under the continued management of Employee's son, Seth Schorr, which currently include Fifth Street Gaming (including Fifth Street Interactive and Longshot/Aspect Interactive), Downtown Third, Downtown Grand, Lucky Club, Silver Nugget, Opera house, Little Macau Bar and Grill and the Gold Spike, at any time following the Effective Date.

5. **CONFIDENTIALITY.** Company and Employee promises and agrees as follows:

(a) Employee shall immediately return to Company all original and copies of files, memoranda, records, customer lists and all other documents or physical items which are the property of Company (collectively "**Company Property**") and Employee shall not retain any copies of the Company Property. Electronically stored information ("ESI") on the Employees personal computers that could be described as Company Property shall be deleted by Company personnel at the Company's expense. Otherwise, such ESI shall not be considered Company Property.

(b) Employee shall keep confidential and not disclose to anyone any information concerning Company business (including but not limited to any non-public information relating to the Company's officers, directors or employees), customers, suppliers, marketing methods, trade secrets and other "know how", and any other information not of a public nature, regardless of how such information came to Employee's knowledge, custody or control. Notwithstanding the foregoing Employee shall not be required to keep confidential (a) information known to Employee prior to the commencement of his employment with the Company (or its affiliates) or (b) information that is or becomes generally publicly known through authorized disclosure.

(c) Employee acknowledges that Company and its affiliates have a reputation for offering high-quality destination resort accommodations and services to the public, and are subject to regulation and licensing, and therefore desire to maintain their reputation and receive positive publicity. Employee therefore agrees to act in a manner that is not adverse, detrimental or contrary to the best interests of Company and its affiliates, and specifically Employee will not knowingly directly or indirectly make or publish any oral, written or recorded statement or comment that is negative, disparaging, defamatory or critical of Company, its affiliates, or their respective officers, directors or employees.

(d) Consistent with the amicable termination of Employee's employment with Company as set forth in this Agreement, neither Company nor any of its affiliates shall, nor shall they suffer anyone else to, make or publish, directly or indirectly, any oral, written or recorded statement or comment that is negative, disparaging, defamatory or critical of Employee or Employee's professional performance during Employee's employ with the Company. The Employee's personnel file shall reflect that Employee voluntarily resigned his employment with the Company.

6. **EFFECTIVENESS.** Subject to Section 20, this Agreement is effective as of the Execution Date, provided however, in the event Employee notifies the Company that Employee is revoking Employee's waiver of any potential age discrimination claim, Company shall have the right within seven days of such notice of revocation to terminate this Agreement and cease making all payments and providing all benefits described herein.

7. **NOTICES.** Any and all notices required by this Agreement shall be either hand-delivered or mailed, via certified mail, return receipt requested, addressed to:

TO COMPANY:

Attn: Legal Department
Wynn Resorts, Limited
3131 Las Vegas Blvd. So.
Las Vegas, Nevada 89109

TO EMPLOYEE:

Marc D. Schorr

All notices hand-delivered shall be deemed delivered as of the date actually delivered to the addressee. All notices mailed shall be deemed delivered as of three (3) business days after the date postmarked. Any changes in any of the addresses listed herein shall be made by notice as provided in this Section 7.

8. **ASSIGNMENT.** Neither Company nor Employee shall have the right to assign this Agreement or in any manner or fashion sell, assign or transfer its respective rights and/or interests hereunder without the prior written consent of the non-assigning party. Any purported assignment or transfer in violation of this Section 8 shall be null and void.

9. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without regard to conflict of laws principles.

10. **BEST EVIDENCE.** This Agreement shall be executed in original or "Xerox" photo-static copies and each copy bearing original signatures of the parties hereto in ink shall be deemed an original.

11. **AMENDMENT OR MODIFICATION.** This Agreement may not be amended or modified except by a writing signed by all parties hereto.

12. **INTERPRETATION.** The preamble recitals of the Agreement are incorporated into and made a part of this Agreement; titles of Sections are for convenience only and are not to be considered a part of this Agreement. All references to the singular shall include the plural and all references to gender shall, as appropriate, include other genders.

13. **SEVERABILITY.** In the event any one or more provisions of this Agreement is declared null and void or otherwise unenforceable as provided in this Agreement, the remainder of this Agreement shall survive, unless such survival vitiates the intent of the parties hereto.

14. **WAIVER.** None of the terms in this Agreement, including this Section 14, or any term, right or remedy hereunder, shall be deemed waived unless such waiver is in writing and signed by the party to be charged therewith, and in no event by reason of any failure to assert or delay in asserting any such term, right or remedy or similar term, right or remedy hereunder.

15. **GENERAL WARRANTIES.** Each party hereto warrants and represents to the other that each party has the full right, power, title and authority to enter into this Agreement.

16. **NO ADMISSION OF LIABILITY/LATER REPRESENTATIONS.** Neither this Agreement nor anything contained in this Agreement shall be construed as an admission by Company that it has acted wrongfully with respect to Employee or other person, or that Employee has any rights whatsoever against Company.

17. **DISPUTE RESOLUTION.** Except for a claim by either Employee or Company for injunctive relief where such would be otherwise authorized by law to enforce Sections 4 or 5 of this Agreement, any controversy or claim arising out of or relating to this Agreement, the breach hereof, by Company, including without limitation any claim involving the interpretation or application of this Agreement, or claims for wrongful termination, discrimination, or other claims based upon statutory or common law, shall be submitted to binding arbitration in accordance with the commercial arbitration rules then in effect of the Judicial Arbitration and Mediation Services (“**JAMS**”), to the extent not inconsistent with this Section as set forth below. The claim for arbitration will be made to the office of the JAMS with authority to administer claims in Nevada. This Section 17 applies to any claim Employee might have against any officer, director, employee, or agent of Company or its Affiliate, and all successors and assigns of any of them. These arbitration provisions shall survive the termination of Employee’s employment with Company and the expiration of the Agreement.

(a) **Coverage of Arbitration Agreement:** The promises by Company and Employee to arbitrate differences, rather than litigate them before courts or other bodies, provide consideration for each other, in addition to the other consideration provided under the Agreement. The parties contemplate by this Section 17 arbitration of all claims against each of them to the fullest extent permitted by law except as specifically excluded by this Agreement. Only claims that are justiciable or arguably justiciable under applicable federal, state or local law are covered by this Section, and include, without limitation, any and all alleged violations of any federal, state or local law whether common law, statutory, arising under regulation or ordinance, or any other law, brought by any current or former employee. Such claims may include, but are not limited to, claims for: wages or other compensation; breach of contract; torts; work-related injury claims not covered under workers’ compensation laws; wrongful discharge; and any and all unlawful employment discrimination and/or harassment claims. This Section 17 excludes claims under state workers’ compensation or unemployment compensation statutes; claims pertaining to any of Company’s employee welfare, insurance, benefit, and pension plans, with respect to which are applicable the filing and appeal procedures of such plans shall apply to any denial of benefits; and claims for injunctive or equitable relief for violations of non-competition and/or confidentiality agreements in Sections 4 and 5.

(b) **Waiver of Rights to Pursue Claims in Court and to Jury Trial:** This Section 17 does not in any manner waive any rights or remedies available under applicable statutes or common law, but does waive Company’s and Employee’s rights to pursue those rights and remedies in a judicial forum and waive any right to trial by jury of any claims covered by this Section 17(a). By signing this Agreement, the parties voluntarily agree to arbitrate any covered claims against each other. In the event of any administrative or judicial action by any agency or third party to adjudicate, on behalf of Employee, a claim subject to arbitration, Employee hereby waives the right to participate in any monetary or other recovery obtained by such agency or third party in any such action, and Employee’s sole remedy with respect to any such claim will be any award decreed by an arbitrator pursuant to the provisions of this Agreement.

(c) **Initiation of Arbitration:** To commence arbitration of a claim subject to this Section 17, the aggrieved party must, within the time frame provided in Section 17(d) below, make written demand for arbitration and provide written notice of that demand to the other party. If a claim is brought by Employee against Company, such notice shall be given to Company’s Legal Department. Such written notice must identify and describe the nature of the claim, the supporting facts, and the relief or remedy sought. In the event that either party files an action in any court to pursue any of the claims covered by this Section 17, the complaint, petition or other initial pleading commencing such court action shall be considered the demand for arbitration. In such event, the other party may move that court to compel arbitration. In the event a claim is filed in a court of law, which claim should have been filed in arbitration and the court so rules, the non -court filing prevailing party shall be awarded all costs and attorney fees expended to have the matter properly heard in arbitration.

(d) **Time Limit to Initiate Arbitration:** To ensure timely resolution of disputes, Employee and Company must initiate arbitration within the statute of limitations (deadline for filing) provided by applicable law pertaining to the claim, or one year, whichever is shorter, except that the statute of limitations imposed by

relevant law will solely apply in circumstances where such statute of limitations cannot legally be shortened by private agreement. The failure to initiate arbitration within this time limit will bar any such claim. The parties understand that Company and Employee are waiving any longer statutes of limitations that would otherwise apply, and any aggrieved party is encouraged to give written notice of any claim as soon as possible after the event(s) in dispute so that arbitration of any differences may take place promptly.

(e) **Arbitrator Selection:** The parties contemplate that, except as specifically set forth in this Section 17, selection of one (1) arbitrator shall take place in the following manner. The arbitrator must have been admitted to and been a member in good standing of such State Bar, for a minimum of 15 years or the arbitrator may have been a general jurisdiction trial judge with commercial dispute experience who retired as a judge in good standing after a minimum of 10 years of service as a judge. If the arbitrator is not a retired judge, the arbitrator must have at least 15 years' experience on the JAMS arbitration panel and must have demonstrated experience in employment law. The arbitrators must reside in California or Nevada. The parties will select one arbitrator from among a list of 15 qualified neutral arbitrators provided by JAMS. If the parties are unable to agree on the arbitrator from the panel provided, the parties will select an arbitrator by alternatively striking names from the list of qualified arbitrators provided by JAMS. JAMS will flip a coin to determine which party has the final strike (that is, when the list has been narrowed by striking to two arbitrators). The remaining named arbitrator will be selected. In the event that the selected arbitrator cannot serve, then the arbitrator who remained on the panel immediately before the final selection will be designated as the Arbitrator to hear the dispute. This procedure will repeat itself in the event of subsequent recusals to serve by the arbitrators.

(f) **Arbitration Rights and Procedures:** Employee may be represented by an attorney of his/her choice at his/her own expense. Any arbitration hearing or proceeding will take place in private, not open to the public, in Clark County, Nevada. The arbitrator shall apply the substantive law (and the law of remedies, if applicable) of Nevada (without regard to its choice of law provisions) and/or federal law when applicable. The arbitrator is without power or jurisdiction to apply any different substantive law or law of remedies or to modify any term or condition of this Agreement. The arbitrator will have no power or authority to award non-economic damages or punitive damages except where such relief is specifically authorized by an applicable federal, state or local statute or ordinance, or common law. In such a situation, the arbitrator shall specify in the award the specific statute or other basis under which such relief is granted. The applicable law with respect to privilege, including attorney-client privilege, work product, and offers to compromise must be followed. The parties will have the right to conduct reasonable discovery, including written and oral (deposition) discovery and to subpoena and/or request copies of records, documents and other relevant discoverable information consistent with the procedural rules of JAMS. The arbitrator will decide disputes regarding the scope of discovery and will have authority to regulate the conduct of any hearing. The arbitrator will have the right to entertain a motion or request to dismiss, for summary judgment, or for other summary disposition. The parties will exchange witness lists at least 30 days prior to the hearing. The arbitrator will have subpoena power so that either Employee or Company may summon witnesses. The arbitrator will use the Federal Rules of Evidence in connection with the admission of all evidence at the hearing. Both parties shall have the right to file post-hearing briefs. Any party, at its own expense, may arrange for and pay the cost of a court reporter to provide a stenographic record of the proceedings.

(g) **Arbitrator's Award:** The arbitrator will issue a written decision containing the specific issues raised by the parties, the specific findings of fact, and the specific conclusions of law. The award will be rendered promptly, typically within 30 days after conclusion of the arbitration hearing, or after the submission of post-hearing briefs if requested. The arbitrator shall have no power or authority to award any relief or remedy in excess of what a court could grant under applicable law. The arbitrator's decision shall be final and binding on both parties. Judgment upon an award rendered by the arbitrator may be entered in any court having competent jurisdiction.

(h) **Fees and Expenses:** Unless the law requires otherwise for a particular claim or claims, the party demanding arbitration bears the responsibility for payment of the fee to file with JAMS and the fees and expenses of the arbitrator shall be allocated by the JAMS under its rules and procedures. Employee and Company

shall each pay his/her/its own expenses for presentation of their cases, including but not limited to attorney's fees, costs, and fees for witnesses, photocopying and other preparation expenses. If any party prevails on a statutory claim that affords the prevailing party attorney's fees and costs, the arbitrator may award reasonable attorney's fees and/or costs to the prevailing party, applying the same standards a court would apply under the law applicable to the claim.

18. **FINAL INTEGRATED AGREEMENT.** This Agreement and other written agreements or sections thereof which are expressly referred to in this Agreement constitute the entire agreement and understanding of the parties hereto and supersedes any prior oral or written understandings, agreements and undertakings with respect to its subject matter including but not limited to all provisions contained in the Employment Agreement that do not expressly survive under this Agreement.

19. **TERMINATION OF AGREEMENTS.** Employee and Company agree that, as of the Effective Date, the Employment Agreement shall terminate and be of no further force or effect, except with respect to such provisions in the Employment Agreement which specifically provide that the such provisions shall survive the termination of the Employment Agreement. Employee and Company agree that, as of the Effective Date, that certain Aircraft Time Sharing Agreement, dated as of November 26, 2002, as amended, between Company and Employee shall terminate and be of no further force or effect.

20. **AGE DISCRIMINATION CLAIMS.**

a. EMPLOYEE HEREBY ACKNOWLEDGES THAT BY EXECUTING THIS AGREEMENT EMPLOYEE IS AGREEING TO WAIVE ANY AND ALL RIGHTS OR CLAIMS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967 (29 U.S.C. § 626 et. seq.). EMPLOYEE IS ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTING THE AGREEMENT. IN ADDITION, EMPLOYEE ACKNOWLEDGES THAT UPON RECEIPT OF THIS AGREEMENT, EMPLOYEE HAS A PERIOD OF TWENTY-ONE (21) DAYS WITHIN WHICH TO CONSIDER THE AGREEMENT BEFORE SIGNING IT.

b. EMPLOYEE FURTHER UNDERSTANDS THAT FOR A PERIOD OF SEVEN (7) DAYS FOLLOWING EMPLOYEE'S EXECUTION OF THIS AGREEMENT, EMPLOYEE MAY REVOKE EMPLOYEE'S WAIVER OF ANY POTENTIAL AGE DISCRIMINATION CLAIM AND THIS AGREEMENT SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE AS TO ANY SUCH WAIVER OF AN AGE DISCRIMINATION CLAIM UNTIL THE REVOCATION PERIOD HAS EXPIRED. HOWEVER, ALL OTHER ASPECTS OF THIS AGREEMENT, EXCEPT FOR EMPLOYEE WAIVER OF ANY POTENTIAL AGE DISCRIMINATION CLAIM, BECOMES EFFECTIVE AT THE TIME EMPLOYEE EXECUTES THIS AGREEMENT.

c. The parties agree that the twenty-one (21) day consideration period shall start on the date upon which this Agreement is presented to Employee or Employee's counsel, and shall expire at midnight twenty-one (21) calendar days later. The parties further agree that the seven (7) day revocation period shall start on the date upon which the Employee executes this Agreement, and shall expire at midnight seven (7) calendar days later. If Employee elects to sign this Agreement prior to the end of the twenty-one (21) day consideration period, the mandatory seven (7) day revocation period will commence immediately the day after the date of execution.

d. The parties hereby agree that any modifications to the proposed Agreement originally forwarded to Employee or Employee's counsel, whether considered or deemed to be material or nonmaterial, shall not restart the twenty-one (21) day consideration period.

e. Employee may sign this Agreement prior to the end of the twenty-one (21) day consideration period, thereby commencing the mandatory seven (7) day revocation period. If the Employee does sign this Agreement before the end of the twenty-one (21) day consideration period, Employee affirms that the waiver of

the twenty-one (21) day consideration period is knowing, voluntary, and not induced by Company through fraud, misrepresentation, a threat to withdraw or alter the offer prior to the expiration of the time period, or by providing different terms to those persons who sign the release prior to the expiration of the time period.

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND THEREBY, the parties hereto have duly executed and delivered this Agreement as of the day and year first above written.

EMPLOYEE

WYNN RESORTS, LIMITED

/s/ Marc D. Schorr

Marc D. Schorr

/s/ Matt Maddox

By: Matt Maddox

Its: CFO

2013 AMENDED AND RESTATED AGREEMENT OF LEASE

THIS 2013 AMENDED AND RESTATED AGREEMENT OF LEASE (this "Lease") is made as of the 7th day of May, 2013, by and between Wynn Las Vegas, LLC, a Nevada limited liability company, having its principal place of business at 3131 Las Vegas Boulevard South, Las Vegas, Nevada 89109, Attention: Legal Department, as lessor ("Lessor"), and Stephen A. Wynn, an individual, having his current residence at 3131 Las Vegas Boulevard South, Las Vegas, Nevada 89109, as lessee ("Lessee").

RECITALS:

- A. Lessor is a wholly-owned subsidiary of Wynn Resorts, Limited, and the developer, owner and operator of the world-class luxury casino and resort hotel located at 3131 Las Vegas Boulevard South, Las Vegas, Nevada, commonly known as Wynn Las Vegas (the "Resort").
- B. Lessee is a principal shareholder, Chairman of the Board of Directors and Chief Executive Officer of Wynn Resorts, Limited.
- C. Lessor and Lessee believe it is in Lessor's best interests for Lessee to live in the Resort and that Lessee pay fair market value for his accommodations as set forth herein.
- D. The Parties have entered into an Amended and Restated Agreement of Lease, dated as of March 1, 2010, amended by that certain First Amendment to Amended and Restated Agreement to Lease, dated April 9, 2012, (collectively referred to herein as the "Existing Lease"), under which Lessee leases luxury villas in the Resort.
- E. The Parties desire to amend and restate the Existing Lease in its entirety to set forth their agreements with respect to Lessee's lease of luxury villas in the Resort.

NOW, THEREFORE, it is agreed as follows:

- 1. Demise. Subject to the terms and conditions that follow, Lessor leases to Lessee, and Lessee leases from Lessor, three (3) luxury villas located in the Resort known as Fairway Villa Unit No. ***, Fairway Villa Unit No. *** and Fairway Villa Unit No. ***, with a combined total square footage of approximately 9,745 square feet, as currently improved, including all furniture and furnishings contained therein (collectively, the "Villas").
- 2. Term. The term of this Lease shall run concurrent with the term of Lessee's Employment Agreement with Wynn Resorts, Limited (the "Term"); provided that, either party may terminate the Lease upon ninety (90) days prior written notice to the other.
- 3. Rental Value.
 - (a) The rental value for the Villas (the "Rental Value") shall be treated as imputed income to Lessee. The Rental Value shall be equal to the fair market value of the accommodations provided. The Rental Value shall be included on Lessee's IRS form W-2 as part of his base income.
 - (b) Effective as of December 29, 2012, and ending on February 28, 2015, the Rental Value for the Villas shall be Five Hundred and Twenty-Five Thousand Dollars (\$525,000.00) per year as established by the independent appraisal of Newmark Grubb Knight Frank, dated March 25, 2013.
 - (c) The Rental Value of the Villas shall be re-determined every two (2) years during the Term, commencing March 1, 2015, based upon an appraisal completed by an independent real estate appraiser practicing in the greater Las Vegas area or other qualified independent expert approved by the Audit Committee.

(d) It is the intention of the parties that Lessee be deemed a "permanent resident" of the Resort for the purpose of exempting the rental of the Villas hereunder from the transient lodging tax imposed by state and local law in Clark County, Nevada. Lessor agrees to dispute the imposition or attempted imposition of any transient lodging tax on Lessee's rental of the Villas. Lessee agrees, however, to pay any transient lodging tax that ultimately may be imposed on his rental of the Villas, notwithstanding the parties' intention or any unsuccessful dispute initiated by Lessor.

(e) The parties further agree that the provisions of Chapter 651 of the Nevada Revised Statutes, regarding the posting of daily room rates, the maintenance of a registration card, and the furnishing of rental receipts, shall not apply to this Lease.

4. Maintenance and Services. Lessor shall maintain the Villas and provide all services and utilities with respect thereto in a manner consistent with the Resort's standards; provided however, that Lessor shall only be obligated to provide maid service in the Villas on Saturdays and Sundays of each week during the Term. Lessee shall be responsible to arrange and pay for maid service in the Villas from Monday through Friday of each week during the Term. Lessee shall also be permitted to use certain warehouse space owned by Lessor as part of Lessee's rental of the Villas. All taxes and utilities with respect to the Villas, other than personal long distance telephone charges and taxes associated with the maid service arranged by the Lessee, shall be paid by Lessor and deemed included in the Rental Value of the Villas described in Section 3 above. Lessee shall be responsible for payment of all personal long distance telephone charges, which shall be billed to him separately by the Resort in accordance with its customary practices.

5. Alterations. Lessee shall not make any alterations to the Villas without the approval of the Audit Committee. All alterations to the Villas shall remain upon the premises and become the property of Lessor. Upon termination of this Lease, Lessee shall remove all of his personal property and vacate the Villas.

6. No Assignment or Subletting. Lessee shall have no right to assign his interest in this Lease or to sublet all or any portion of the Villas for any period.

7. Termination of Existing Lease. Effective as the date of this Lease, the Existing Lease is terminated in its entirety and of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first written above. This Lease is subject to and shall become effective only upon approval by the Audit Committee.

WYNN LAS VEGAS, LLC,
a Nevada limited liability company,

/s/ Maurice Wooden

Maurice Wooden
President

/s/ Stephen A. Wynn

Stephen A. Wynn

**Certification of the Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Stephen A. Wynn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wynn Resorts, Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2013

/s/ Stephen A. Wynn

Stephen A. Wynn

Chairman of the Board and Chief Executive Officer (Principal Executive Officer)

**Certification of the Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Matt Maddox, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wynn Resorts, Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2013

/s/ Matt Maddox

Matt Maddox

Chief Financial Officer and Treasurer
(Principal Financial Officer)

**Certification of CEO and CFO Pursuant to
18 U.S.C. Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Wynn Resorts, Limited (the “Company”) for the quarter ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Stephen A. Wynn, as Chief Executive Officer of the Company and Matt Maddox, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen A. Wynn

Name: Stephen A. Wynn
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)
Date: May 10, 2013

/s/ Matt Maddox

Name: Matt Maddox
Title: Chief Financial Officer and Treasurer
(Principal Financial Officer)
Date: May 10, 2013

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Wynn Resorts, Limited and will be retained by Wynn Resorts, Limited and furnished to the Securities and Exchange Commission or its staff upon request.